PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 119

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTIETH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1987-88

COMPRISING PERIOD
6 JULY—17 JULY 1987

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6 July 1987

THE PARLIAMENTARY DEBATES

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IN THE FIRST SESSION OF THE FIFTIETH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 17 JUNE 1987]

THIRTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 119**

SECOND VOLUME OF SESSION 1987-88

House of Commons

Monday 6 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Member Sworn

The following Member took and subscribed the oath:
Austin Vernon Mitchell, esquire, Great Grimsby.

PRIVATE BUSINESS

YORK CITY COUNCIL BILL *[Lords]*
To be read a Second time upon Thursday.

Oral Answers to Questions

WALES

Mr. Speaker: Question No. 1, Mr. Davies.

Mr. D. E. Thomas: On a point of order. Mr. Speaker.

Mr. Speaker: Order. We do not take points of order at this stage. I shall take them after Question Time.

Mr. D. E. Thomas *rose*——

Mr. Wigley *rose*——

Mr. Speaker: Order. I have said to both hon. Gentlemen that I do not take points of order until the right place for them. They take time out of questions. Question No. 1, Mr. Ron Davies.

Mr. Wigley: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I say again that I am not prepared to take points of order at this stage. It takes time out of questions, and the hon. Gentleman has a question on the Order Paper.

Mr. Wigley: On a point or order, Mr. Speaker.

Mr. Speaker: Order. The hon. Gentleman must resume his seat. I am on my feet, Mr. Ron Davies.

Mr. Wigley: I beg to move, That Strangers do withdraw.

Notice being taken that Strangers were present, MR. SPEAKER, *pursuant to Standing Order No. 143 (Withdrawal of Strangers from the House), put forthwith the Question,* That strangers do withdraw:—

The House divided: Ayes 2, Noes 94.

Division No. 9] **[2.39 pm**

AYES

Jones, Ieuan *(Ynys Môn)*
Thomas, Dafydd Elis

Tellers for the Ayes:
Mr. Dafydd Wigley and
Mr. Andrew Welsh.

NOES

Adley, Robert
Alison, Rt Hon Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Beaumont-Dark, Anthony
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Brandon-Bravo, Martin
Brazier, Julian
Burt, Alistair
Butler, Chris
Carlisle, Kenneth *(Lincoln)*
Cash, William
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Fenner, Dame Peggy
Forth, Eric
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Glyn, Dr Alan
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Rydale)*
Grist, Ian
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Harris, David
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Jones, Gwilym *(Cardiff N)*
Kellett-Bowman, Mrs Elaine
Key, Robert
Knowles, Michael

Knox, David
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lloyd, Peter *(Fareham)*
Lord, Michael
McCrindle, Robert
Maclean, David
Maples, John
Martin, David *(Portsmouth S)*
Mates, Michael
Meyer, Sir Anthony
Mitchell, Andrew *(Gedling)*
Neubert, Michael
Page, Richard
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Raffan, Keith
Rhys Williams, Sir Brandon
Riddick, Graham
Roberts, Wyn *(Conwy)*
Sayeed, Jonathan
Shaw, Sir Giles *(Pudsey)*
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Squire, Robin
Steen, Anthony
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Thompson, D. *(Calder Valley)*
Thorne, Neil
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tredinnick, David
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Watts, John
Wheeler, John
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. David Lightbown and
Mr. Richard Ryder.

Question accordingly negatived.

Water Supplies

1. **Mr. Ron Davies** asked the Secretary of State for Wales what research his Department is sponsoring into the quality of Welsh domestic water supplies.

The Parliamentary Under-Secretary of State for Wales (Mr. Ian Grist): Research into the quality of United Kingdom domestic water supplies is sponsored by the Department of the Environment. This Department does participate in the formulation of the water research programme. In the current year, £1·1 million of the research programme relates to domestic water supplies.

Mr. Davies: May I first congratulate the hon. Member for Cardiff, Central (Mr. Grist) on his new appointment? Does he accept the latest medical evidence that there can be no safe level of lead in domestic water supplies? Will he accept that in Wales, where the water is becoming increasingly acidic and where one in four households have lead pipes, the problem is particularly severe? Will he press the EEC to lower its acceptable levels, and will he undertake to sponsor in his Department an immediate programme of public education so that people who are receiving contaminated water will be aware of the fact, of its causes and of its possible remedies?

Mr. Grist: First, I thank the hon. Gentleman for his kind words at the outset of his remarks. Secondly, I hope that he is not trying to promote public panic and concern over this matter. It is a serious issue, but the Welsh water authority has a programme in hand whereby originally it identified some 600,000 persons who were affected. Some 350,000 persons have already been cleared. Currently, 125,000 are being cleared, and it hopes that it will finish the programme in the next 18 months. That should put people's minds at rest.

Mr. Dickens: Does my hon. Friend accept that something stronger than Welsh water must have been drunk by two Welsh Members to have wasted so much parliamentary time earlier?

Mr. Livsey: I congratulate the Minister on his appointment. What will he do to guarantee the quality of water in Wales, should the Welsh water authority be privatised? Does he not think that with the leanings of his right hon. Friend the Secretary of State to wetness this is a totally inappropriate matter for privatisation?

Mr. Grist: No, I do not. What is more, the standard of safety will be maintained under the privatised system. The national rivers authority will be taking over the responsibility for research in the area from the water authorities.

Labour Statistics

2. **Mr. Roy Hughes** asked the Secretary of State for Wales what are the latest unadjusted figures for unemployment in *(a)* Newport, *(b)* Gwent and *(c)* Wales; and if he will give the equivalent figures for 1979 on the most nearly comparable basis.

The Secretary of State for Wales (Mr. Peter Walker): On 14 May 1987, 9,118, 26,084 and 157,779 persons were unemployed in Newport district, Gwent and Wales respectively. Unadjusted figures for 1979 are not available on a basis that enables a valid comparison to be made.

Mr. Hughes: Does the Secretary of State appreciate that he has inherited an appalling legacy from his predecessor, which cannot be camouflaged by restart schemes or by fiddling the unemployment statistics? Will he investigate the situation at Alpha Steel in Newport, which has sacked just about all its employees? Will he also seek an early meeting with the chairman of British Rail about the proposed closure of the Severn tunnel junction, which I believe will be a monumental blunder?

Mr. Walker: I hope to see the chairman of British Rail in the future and will discuss the matter with him. On this first occasion, I should like to pay tribute to my predecessor for the marvellous work that he did for the Principality. To have inherited a situation where regional selective assistance applications so far this year are 38 per cent. up on last year, where regional development grant applications so far this year are up 52 per cent. on the same period last year, and where the CBI industrial survey shows the most bullish and optimistic results in years for the Principality, is a great tribute to all the work that my predecessor carried out.

Mr. Raffan: I congratulate my right hon. Friend on his appointment. I assure him that the vast majority of the people of Wales are far more impressed by the wide experience that he brings to the job, than concerned about where he comes from. Will he reassure the House that he will continue the highly successful economic and industrial policies of his predecessor — policies that have led to unemployment falling faster in Wales than in any other part of the country, which have attracted 25 per cent. of overseas investment in the United Kingdom to Wales and 70 per cent. of Japanese investment, and which have encouraged so many people to set up in business on their own?

Mr. Walker: I very much agree that the trends in new businesses in inward investment and the speed at which unemployment is falling are very encouraging. I know that both my predecessor and my hon. Friend agree that there is still a great deal to be done and that with the policies that we are pursuing we can achieve great things.

Mr. Geraint Howells: Perhaps the Secretary of State is not aware that unemployment in Fishguard is the highest

in Wales, at 24·1 per cent. I urge the right hon. Gentleman to look at the situation and to report to me in due course on what can be done to try to resolve this problem.

Mr. Walker: Obviously, I would like to look at all the areas in the Principality that have particular problems. I realise that Fishguard does, and I will certainly look at it.

Mr. Nicholas Bennett: I congratulate my right hon. Friend on his appointment as Secretary of State. I am sure that he will bring to Wales the same determination and energy as he has displayed in previous appointments. Is he aware that in my constituency we have the highest numerical unemployment in Wales and that it is not being helped by Dyfed county council's new traffic scheme in Tenby, which came in on 1 July this week? A survey this morning shows a 40 per cent. drop in takings in those businesses already, which will do nothing for jobs in my constituency.

Mr. Walker: I understand my hon. Friend's concern and I know that businesses in his constituency are being hit at what should be the peak season for the tourist trade. However, it is a matter for the local highway authority. It said that it was carrying out the scheme on an experimental basis, and I hope that it will rapidly learn the lessons of the experiment.

Mr. John Morris: As unemployment in Wales in May 1979 was under 6 per cent. and in June 1983 it was over 13 per cent. and has now gone down by 0·4 per cent. — I congratulate Her Majesty's Government — would it be unreasonable for me to believe that if the existing trend of improvement is continued it will take 70 years to bring Welsh unemployment down to the level when Labour left office?

Mr. Walker: That would not be the case. In fact, the drop in unemployment over the past 12 months has been encouraging. I am glad to say that there has been a bigger drop than in any other region of the country.

Roads

3. **Mr. Knox** asked the Secretary of State for Wales what has been the total spending by central Government on roads in Wales since 1979; and how many miles of motorway and trunk road have been laid since that year.

The Minister of State, Welsh Office (Mr. Wyn Roberts): Expenditure on the improvement and maintenance of trunk roads and motorways in the period 1979-80 to 1986-87 was over £860 million. Twenty two miles of motorway and 95 miles of trunk road have been provided.

Mr. Knox I congratulate my hon. Friend and his colleagues on their considerable achievements since 1979 in building roads in Wales. Will my hon. Friend say what his plans are to build more roads there?

Mr. Roberts: Our record on road building is almost as good as the record attendance here this afternoon. We have 27 miles of trunk road currently under construction, at an estimated cost of around £300 million. A further five projects are planned to start this financial year, at a total estimated cost of £55 million, and between January of next year and December 1990 a further programme of 28 schemes is planned, providing over 60 miles of trunk road and motorway improvements.

Rechem International

4. **Mr. Murphy** asked the Secretary of State for Wales whether he will meet the management of Rechem International to discuss the implications for the local environment of the operation of its plant at Pontypool.

Mr. Grist: The plant is closely monitored by Her Majesty's Inspectorate of Pollution and no useful purpose would be served by such a meeting.

Mr. Murphy: I thank the Minister for his useful reply. However, will he investigate reports that large shipments of hazardous waste are being transported secretly from Australia and New Zealand to that plant, causing much anxiety to my constituents? Does he agree that Torfaen is fast becoming the dumping ground for the world's poisons?

Mr. Grist: Clearly, the hon. Gentleman has taken up where his predecessor left off, which, in some respects, I regret to say, is to continue to alarm some of his constituents unduly. The practice and rules under which waste products from abroad are treated are exactly the same as those for treating home-produced waste.

Labour Statistics

5. **Sir Anthony Meyer** asked the Secretary of State for Wales what is the total number of registered unemployed in Wales at the latest available date; what was the number 12 months previously; and what are the corresponding figures for notified vacancies.

Mr. Peter Walker: Unemployed claimants in Wales totalled 157,779 in May 1987 and 179,200 in May 1986. The corresponding figures for vacancies notified to jobcentres and careers offices were 13,353 and 12,054.

Sir Anthony Meyer: Is my right hon. Friend aware that, despite the routine demonstration that we have just had to endure from Plaid Cymru, there is a general welcome in Wales for his appointment and a feeling of great optimism that the successful policies of the Government, tempered by his individual approach in these matters, promise a great future for Wales, with jobs coming into Wales as a result of inward investment and jobs generated in Wales as a result of development and individual initiative?

Mr. Walker: The support that has been given by the Government and local government in Wales for inward investment has been encouraging. In 1986 there was a new inward investment project every six working days, and so far this year there has been a new project every three and a half working days. Total inward investment last year amounted to £150,000 per working day, and so far this year it has amounted to some £850,000 per working day.

Mr. Anderson: What estimate has the Welsh Office made of the likely job losses when certain local government functions, such as school dinners, refuse collection and street cleaning are put out to tender? Will the right hon. Gentleman comment on the remarks made yesterday by his right hon. Friend the Member for Shropshire, North (Mr. Biffen), who said that had he been offered the Welsh Office it would have been an insult to Wales?

Mr. Walker: I am sure that my right hon. Friend the Member for Shropshire, North (Mr. Biffen) is quite

capable of speaking for himself on these matters. I can only say that it is a great privilege to be given this task and I hope that I can make some positive contribution.

As regards job losses due to work being put out to competitive tendering, I believe that any of us who are interested in seeing improved services, be they in health, education or anything else, want those tasks to be tackled as efficiently and as well as possible.

Mr. Gwilym Jones: In contrast to the question put by my hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) does my right hon. Friend agree that the regularly negative approach to jobs and opportunities displayed by the Opposition is the prime reason why, last month, the people of Wales gave the Labour party its second worst election result since the war?

Mr. Walker: I can only say that on those matters, although there are many differences between the political parties, the task of attracting inward investment and getting new businesses under way is, I hope, supported by both sides of the House. I look forward to the collaboration of Socialist-controlled local authorities as well as Conservative local authorities in achieving those objectives.

Mr. Barry Jones: It falls to me to welcome the right hon. Gentleman to his office. It is one of the most important offices of state. It is an office of great and immense patronage and has major powers over our communities. The right hon. Gentleman is the seventh Secretary of State, albeit an Englishman.

We will always encourage the right hon. Gentleman to make efforts to find real jobs and to invest in our communities. The question is whether the right hon. Gentleman will make major changes in the Government's policy as it affects the Principality, because, at the general election, our people signalled their passionate desire to reverse the Prime Minister's policies. Indeed, there are now only eight Conservative Members representing Welsh constituencies. Does the right hon. Gentleman understand that we want real jobs for the army of Welsh unemployed? We want a much improved regional policy. We want a boost for the Welsh Development Agency and an urgent review of and fight against the great housing crisis that we now face. I warn the right hon. Gentleman that nothing less will do and that public opinion demands those changes in policy.

Mr. Walker: May I first express my gratitude to the hon. Gentleman for welcoming me to my new position and for his good wishes. Obviously, we shall have major differences. As regards the areas that he has just mentioned, I have studied with keen interest the relative expenditure on house improvements during the period of this Conservative Government and their predecessor. I have discovered that substantial progress has been made in this area, and I am glad that further progress will be made in the future.

As to the analysis of the election results, I obviously deeply regret losing a number of colleagues from the Welsh seats—they were very fine colleagues at that. Our share of the vote was not all that dissimilar from the 1983 election, whereas I might say that the vote for those who demonstrated earlier where there was no reason for the demonstration—the vote for Plaid Cymru, as a proportion of the Welsh electorate, has gone down at every election since 1970.

Sir John Stradling Thomas: Will my right hon. Friend be kind enough to convey the main thrust of his answers regarding inward investment to Mr. Arthur Scargill of Rothesay?

Mr. Walker: Yes, Sir. I certainly hope that some of the major investment that will take place will not be handicapped by the actions of that gentleman.

House Building

6. **Mr. Thomas** asked the Secretary of State for Wales how many housing starts were made in the public sector in Wales in the last year for which figures are available; and if he will make a statement.

Mr. Grist: In the year up to March 1987, 1,227 dwellings were started in the public sector.

Mr. Thomas: First, may I welcome the hon. Gentleman to his ministerial office. It is a great privilege to see a Member representing a Welsh constituency promoted to the Welsh Office. May I also commiserate with the hon. Member for Conwy (Mr. Roberts). At a later date I would be extremely interested to ascertain whether the hon. Gentleman is still of the view that he held before the appointment of his right hon. Friend the Secretary of State, that the Secretary of State for Wales should represent a Welsh constituency. Will the Minister tell us what the proposals will be to bring back housing starts in the public sector in Wales to the levels that they were pre-1979?

Mr. Grist: I think that the hon. Gentleman has slightly misunderstood the situation. One of the first things that the Government decided to do, largely with the agreement of the local authorities, was to safeguard the housing stock that we already had. To that end, we have enormously increased expenditure on house renovations and repairs. Indeed, the increase under the Government has been about 430 per cent., which has been mainly in the private sector, but also in the public sector, an area that was largely neglected by the Labour party.

Mr. Raffan: I, too, welcome my hon. Friend to his new appointment. Does he agree, as is widely accepted in my constituency, as in many others in Wales, that there is a surplus of housing? The Government are absolutely right to concentrate their emphasis on the improvement of the quality of existing housing rather than on building new housing. Does my hon. Friend accept that that is the core of our housing policy and that it is correctly directed within the Principality?

Mr. Grist: Indeed, I do, because of the age of our housing stock, which has made that a requisite.

Mr. Rowlands: Is the Miniser aware that in many of our communities people now wait for repair and improvement grants—the very improvements that the Government boast about—for three to four years? Irrespective of what happened previously, when will the hon. Gentleman be able to assist the large numbers of people who are now waiting, not for one or two years, but for three or four years for those vital repairs and improvements?

Mr. Grist: To put it into perspective, the repair grants on private housing under the Government have come to over £400 million as opposed to some £57 million under

the Labour party, and £328 million in the public sector compared with just £86 million under the Labour party. That is bringing help to the people in a true fashion.

Mr. John: Does the Minister accept that the measure of need is the waiting list for public housing in each local authority? If he does, does he further accept that in my local authority 3,000 are waiting and, at the rate of 1,200 per year being housed in the whole of Wales, it will take a very long time for that need to be satisfied?

Mr. Grist: The hon. Gentleman always shows up what his party seems to think about the citizenry of the country. He always thinks in terms of council housing. I remind the Labour party that the Welsh Office was largely responsible for introducing private money into housing association schemes, and that on the basis of such schemes submitted so far to the Housing Corporation, another 800 homes for rent may be achieved next year, through partnership schemes such as at St. Mellons in Cardiff.

Mr. Gwilym Jones: Will my hon. Friend reject the notion that the only way forward in housing is with local councils when a substantial volume of accommodation is grossly under-used because of excessive rent and tenancy legislation?

Mr. Grist: I do, indeed. That is precisely why we put forward the various proposals in the Gracious Speech.

Mr. Roy Hughes: I also welcome the hon. Gentleman to his position. To me, he is the living embodiment of life after death. When will he recognise the severe housing crisis from which Wales suffers? Does he appreciate that the Government's record, particularly in the public sector, is appalling? When will we get the housing drive that would make so much social and economic sense for Wales?

Mr. Grist: Housing association completions do not satisfy the hon. Gentleman. Enveloping schemes do not satisfy him. Is that not a drive? We are involving private money in housing associations. Does that not not satisfy him? For the fifth year running there has been an increase in private house building in Wales. Does that not satisfy him? There is a record spend on renovating and saving our housing stock. Does that not satisfy him? If it does not, nothing will.

Labour Statistics

Mr. Ray Powell asked the Secretary of State for Wales what numbers of persons were registered as employed and unemployed in 1979 and in 1987 in Wales.

Mr. Peter Walker: In June 1979 the number of employees in employment in Wales was estimated to be 1,033,000, and the number of self-employed 124,000. Corresponding figures for June 1986 — the latest available — were up 861,000 and 154,000 respectively. Figures for adult unemployed claimants for the same dates were 70,000 and 175,000 on a seasonally adjusted basis.

Mr. Ray Powell: Some of us viewed with trepidation the appointment of the Secretary of State for Wales, but we accepted the fact that, like my parents, who came from Worcester, he would, perhaps, bring something good into Wales.

However, he started by praising his predecessor. It is appalling to think, given the legacy left to the Secretary of State by his predecessor, that he can stand at the Dispatch Box and praise him. Is he aware that in Ogmore, when his predecessor was appointed in 1979, the unemployment rate was 3·7 per cent. in the Port Talbot travel-to-work area? It is now 18·7 per cent. What will the right hon. Gentleman do, and what aid will he give us to try to resolve that appalling unemployment in Wales?

Mr. Walker: May I first say how delighted I am to hear of the hon. Gentleman's association with Worcester. I welcome that.

Yes, unemployment in the hon. Gentleman's constituency is very high. I wish to see it reduced. In fairness to my predecessor, I can only say again that he had to act in my present capacity during what was the worst world recession in manufacturing this century. I am delighted that, as a result of many of the actions that he took, Wales has had a fast-improving trend over the past year, and a great deal of inward investment and new commercial and economic activity are taking place there.

CHURCH COMMISSIONERS

Revenue

25. **Mr. Chapman** asked the hon. Member for Selby, as representing the Church Commissioners, what proportion of the Church Commissioners' revenue comes from income on their assets; and what proportion of their expenditure goes to meet the clergy's salaries and pensions.

The Second Church Estates Commissioner, representing Church Commissioners (Mr. Michael Alison): Sixty-six per cent., the rest coming mainly from parish giving. Eighty-one per cent. of total expenditure was spent on clergy pay and pensions.

Mr. Chapman: I congratulate my right hon. Friend on his spiritual elevation after the more turbulent, temporal post that he held in the last Parliament. Does he agree that those figures underline a simple point: that if we are to improve the clergy's stipends and pensions it is absolutely vital that the Church maximises the interest on its assets; and that it is important for the Church to have assets in land and property as well as in industry and elsewhere?

Mr. Alison: I agree with what my hon. Friend suggested in his supplementary question. In fact, the Church Commissioners' assets are judiciously and diversely spread. My hon. Friend will be glad to know that the main equity investment of the Church Commissioners yielded an income that rose, in 1986, by no less than 12½ per cent. Anyone who managed his personal portfolio of shares so effectively would have reason to be pleased with himself.

Mr. Frank Field: I welcome the right hon. Gentleman to his position and say that his appointment was probably the only acceptable consequence of the general election that Opposition Members welcomed.

Does he accept that the level of clergy pay is acceptable? If not, what sort of levels should we be aiming at, and what part should the laity play in meeting that target?

Mr. Alison: I am obliged to the hon. Member for his kind and rather sweeping commendation of my own preferment.

One should always aim for the highest possible figure. I feel that the minimum of £8,000 a year could be improved. It would be a pity if clergy and their families had to have regular recourse to family income supplement.

We have to take into account, too, that there are benefits in kind – housing benefit particularly – that make the level of income perhaps not quite as low as it might appear from the bare figures.

Ordained Clergy

26. **Mr. Harry Greenway** asked the hon. Member for Selby, as representing the Church Commissioners, how many ordained clergy were in possession of a parson's freehold on 1 January 1987; how many were priests in charge of churches; how many were in charge of churches in another capacity; and if he will make a statement.

Mr. Alison: Six thousand, nine hundred and eight. In addition, 731 clergy were priests or curates in charge of churches and 568 were team vicars.

Mr. Greenway: I, too, congratulate my right hon. Friend on his elevation to higher things. Do not the figures that he has given show a discernible movement away from vicars and rectors being granted parsons' freeholds? Does that not mean a weakening of tenure for vicars and rectors?

Mr. Alison: In statistical terms there is a marginal change. The figure last year was 6,968, so there has been a change of only 60. My hon. Friend can rest assured that the granting of benefices and incumbencies continues apace and sustains the traditional pattern of the Church of England without any grave threat of a fundamental change.

WALES

Bridgend

8. **Mr. Win Griffiths** asked the Secretary of State for Wales when next he intends to visit the Bridgend constituency.

The Secretary of State for Wales (Mr. Peter Walker): I have no immediate plans to visit the Bridgend constituency, but I hope to find a suitable opportunity to visit Bridgend before very long.

Mr. Griffiths: Does the right hon. Gentleman realise that there are many good reasons to visit Bridgend? May I ask him about only one of our pressing problems? Is he aware that in January this year the Welsh Office reduced the capital allocation of the Mid Glamorgan health authority by over £9 million, as a result of which the authority will have to put back by about a decade the start of phase II of the Princess Diana hospital in Bridgend? Will the right hon. Gentleman make an urgent visit to Bridgend to meet senior hospital staff, Mid Glamorgan health authority administrators and the community health council, with a view of putting that money back into the budget?

Mr. Walker: I am examining the distribution of expenditure on health services throughout Wales. I note what the hon. Gentleman has said and I shall contact him about it.

Mr. Butler: When my right hon. Friend travels along the M4 towards Bridgend ,will he note the expansion of high technology industry along that corridor, particularly in the Bridgend constituency——

Mr. Speaker: Order. I think that it would be appropriate if I drew to the attention of the House the fact that questions 8, 9 and 14 are basically open questions. The Chair usually declines to call supplementary questions to an open question. I shall not follow that practice today, but I give notice that I shall have to do so in future. That supplementary question was not really appropriate.

North Wales

9. **Dr. Marek** asked the Secretary of State for Wales if he will pay a visit to north Wales.

Mr. Peter Walker: Yes. I shall make many visits.

Dr. Marek: I hope that the new Secretary of State will not follow the practice of his predecessor in giving selective, or statistically insignificant, simplistic figures, showing that black is white or white is black. When the right hon. Gentleman comes to north Wales, will he give me two hours of his time so that I can show him what is wrong with the Wrexham area and what local people expect him to pay attention to?

Mr. Walker: Yes.

Sir Anthony Meyer: When my right hon. Friend comes to north Wales, as he has done on a number of occasions —notably during the general election campaign—he will also perceive a number of things that are going right with the area and the new atmosphere of confidence and optimism that is beginning to burgeon.

Mr. Walker: Some recent developments in the area are encouraging. There has been a great deal of inward investment and new activity and a great deal of optimism. I shall listen carefully to what the hon. Member for Wrexham (Dr. Marek) tells me, but I think he will agree that some exciting things have also happened in Wrexham in the past few years.

Mr. Barry Jones: When the right hon. Gentleman visits north Wales, will he bear in mind the 25 per cent. male unemployment rate in Holyhead and the 11,000 unemployed in the Shotton travel-to-work area? Will he also bear in mind the slashing of regional policy assistance from £137 million in 1979 to a proposed paltry £33 million next year? Will he remember the real-terms cut of 54 per cent. in our housing expenditure since 1979 and the loss of £672 million in rate support grant? I am asking the Minister on behalf of the people of Wales for a major change in policies. We expect him to fight in Cabinet for more resources to tackle our urgent problems.

Mr. Walker: We could swap figures for most of the afternoon. I hope that the hon. Gentleman will bear in mind the very encouraging figures that I gave earlier about regional selective assistance applications. The jobs forecast in connection with those figures is up 70 per cent., while regional development grants in terms of jobs are up 61 per cent. so far this year. Those are remarkable figures.

Mr. Ieuan Wyn Jones: When the Secretary of State visits north Wales, will he make sure that he visits the Ynys Môn constituency, the loss of which is at least one reason why his Government have no mandate in Wales? Will he commit the Government to investment in the A5 and particularly in bypasses for the villages, bearing in mind the very high unemployment rate in Holyhead? Will he make his visit to Ynys Môn at an early date?

Mr. Walker: I congratulate the hon. Gentleman on being elected for that constituency in spite of my efforts

to see that he was not. The hon. Gentleman talks about mandates. He is a member of a party that obtained 7·3 per cent. of the votes in Wales and should not lecture a party that obtained 30 per cent. The hon. Gentleman should reconsider his view.

HOUSE OF COMMONS

South Africa

27. **Mr. Bernie Grant** asked the Lord Privy Seal whether any items of South African origin are purchased for the House; and if he will make a statement.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): I am advised that none of the items in regular supply to the House of Commons is of South African origin.

Mr. Grant: I am pleased with the Lord Privy Seal's statement. May I seek an assurance from him that he will investigate the source of all items, because it is now becoming clear that South Africa is using other countries to process its produce? May I have an assurance that he will investigate this and that if I am able to find any country processing South African produce he will strike out that country as well?

Mr. Wakeham: The hon. Gentleman's question was a factual one and I gave him a factual answer. If he wishes to press the matter further, he should take it up with the Services Committee.

Mr. Cormack: Will my right hon. Friend further reassure the hon. Member for Tottenham (Mr. Grant) by telling him that when the North Atlantic Assembly was held in Westminster Hall in 1982 the elegant chairs on which we all sat and which had been hired specially for the occasion were all made east of the iron curtain?

Mr. Wakeham: My hon. Friend makes his own point.

Mr. Simon Hughes: Will the Leader of the House confirm that, although the general position is as he says and that no regular supplies come from South Africa, there are no supplies from South Africa? If he cannot tell us that today, will he inquire, and if he finds that there are, or may be, supplies purchased from South Africa, will he let the House decide whether that is an appropriate way for the House to deal with its contracts

Mr. Wakeham: I can only repeat what I said to the hon. Member for Tottenham (Mr. Grant). If the hon. Member wishes to pursue the matter further, he should take it up with the Services Committee.

Mr. Forth: Is my right hon. Friend aware that many of us are very disappointed that there are no South African goods available? If he intends to go down the road suggested by some Opposition Members, will he give us the chance to draw up a list of countries of which we disapprove and from none of which we will accept products for this place? Will he assure us that he will not single out any one country for such ridiculous treatment?

Mr. Wakeham: I should perhaps make it clear that my answer covers not only the Refreshment Department but the purchasing agencies such as Her Majesty's Stationery Office and the Crown Suppliers, which supply the House of Commons and for which I have no direct ministerial responsibility. Naturally, these agencies seek their supplies from United Kingdom sources where possible. I am sure that the House supports that approach.

Mr. Alan Williams: Is it not the truth that the Minister cannot give the assurance that is asked for by the Opposition and will not be able to in future, nor will the Committees be able to make the judgments that he has stated? That is because of changes made to consumer legislation immediately prior to the election affecting the Trade Descriptions Act 1972. As a result of that there will no way in which any hon. Member will know whether he is using South African goods.

Mr. Wakeham: I gave the hon. Member for Tottenham (Mr. Grant) a factual answer. If the right hon. Gentleman wishes to pursue the matter further, he should take it up with the Services Committee.

Self-seal Envelopes

28. **Mr. Harry Greenway** asked the Lord Privy Seal what steps he is taking to issue self-seal House envelopes to hon. Members; and if he will make a statement.

Mr. Wakeham: I am aware of my hon. Friend's interest in this matter and he will know that three types of white self-seal post-paid envelopes approved by the Accommodation and Administration Sub-Committee have been issued to right hon. and hon. Members through the Serjeant at Arms stores since July last year. In addition, a stronger self-seal brown envelope is being tried and the results of the experiment will be reported to the Sub-Committee as soon as practicable.

Mr. Greenway: Will my right hon. Friend see whether we can move over completely to self-seal envelopes? While we may need a mix, as some colleagues obviously want this, could we consider the opinions of secretaries, who find the present gum on envelopes so obnoxious? Could we not change the taste to peppermint or something more pleasant?

Mr. Wakeham: The Services Committee takes a keen interest in these matters, and I am sure that the Accommodation and Administration Sub-Committee will look into any points that my hon. Friend has in mind.

Mr. Faulds: As the right hon. Gentleman probably knows, the Services Committee has dealt with this matter. Most of us have enough spit to seal our own envelopes, and the self-seal envelopes that were somehow or other got together by the Services Committee do not stick.

Mr. Wakeham: I am aware that there has been a fault, with which Her Majesty's Stationery Office is dealing. I refer the hon. Gentleman to the reply given on 6 April.

Mr. Gow: Why is it that we do not have second-class self-seal envelopes? Why do we have only first-class envelopes?

Mr. Wakeham: If my hon. Friend feels strongly about this matter, I am sure that he will take it up with the Committee direct.

Mr. John Mark Taylor: Does my right hon. Friend know whether any of these envelopes come from South Africa? If they do not, why is he discriminating against black workers in South Africa in this way?

Mr. Wakeham: Further to my previous answer, they do not come from South Africa.

Mr. Madden: Will the Lord Privy Seal write to the Services Committee, using any envelope of his choice, to protest about any South African goods being made available in the House, as the vast majority of Members find such economic support for the evil regime of apartheid totally repugnant? Will he——

Mr. Speaker: Order. The hon. Gentleman's supplementary does not relate to this question.

Mr. Wakeham: The answer to the hon. Gentleman is no, Sir.

WALES

Agriculture Industry

10. **Mr. Geraint Howells** asked the Secretary of State for Wales if he is satisfied with the state of the agriculture industry in Wales; and if he will make a statement.

The Secretary of State for Wales (Mr. Peter Walker): The Government continue to give substantial financial support to the industry: grants and subsidies paid directly to Welsh farmers amounted to an estimated £108 million in 1986-87. I welcome the recovery in farming incomes in Wales in 1986. The changes made in the monetary compensatory amounts agreed last week will also benefit Welsh agriculture.

Mr. Howells: Will the Secretary of State give an assurance to Welsh farmers that he will go to Brussels on their behalf to negotiate for an extra allocation of milk quotas for those young farmers in Wales who would like to start dairy farming on their own?

Mr. Walker: As the hon. Gentleman knows, I have many years' experience of negotiating in Brussels. I will certainly collaborate with my right hon. Friend the Minister of Agriculture, Fisheries and Food in any way possible to assist our negotiations.

Hospital Waiting Lists

11. **Mr. Gwilym Jones** asked the Secretary of State for Wales if he is satisfied with the progress in reducing hospital waiting lists in Wales.

The Parliamentary Under-Secretary of State for Wales (Mr. Ian Grist): The National Health Service in Wales is treating an increasing number of patients, so that in-patient lists fell in 1986 by 2·6 per cent. and out-patient lists by 5·6 per cent. This is welcome progress. To maintain the momentum I have recently allocated a further £1 million to health authorities to help them tackle their worst waiting lists in 1987-88, and the Welsh Office is continuing its collaboration in health authorities' efforts to manage lists more effectively.

Mr. Jones: I am pleased to hear my hon. Friend's answer. However, is there not still considerable room for increased efficiency? In the interests of putting patients first, could not much be achieved by computer-based schemes offering patients the opportunity to join the shortest waiting lists, rather than using the nearest hospital, which is the more usual practice?

Mr. Grist: My hon. Friend makes an interesting point. At present, general practitioners in Wales are made aware, through a bulletin published every six months by my Department, of waiting lists in Welsh health local authorities. From the list, the GP could advise the patient as to the relevant time that he or she might have to wait for treatment. However, like my hon. Friend, I would wish to see the system made more rapid and more easily and widely accessible. I shall draw the attention of the Welsh Office waiting list team to what my hon. Friend has said.

Mr. Morgan: Does the Minister agree that waiting lists for the regional specialty of cardiology in Wales have now reached a disastrous level? The waiting list for cardiac arterial surgery in the south Glamorgan area — which serves a wide area of Wales — has now reached 18 months, compared to three months in Southampton. Effectively, all the non-acute cases are never on a waiting list because the 18-month waiting list means that new emergency cases continually take the place of non-emergency cases, so people never reach the operating table.

Mr. Grist: That is precisely why there are plans to enhance the facilities for cardiac surgery in Cardiff. I fully agree with the hon. Gentleman in that respect. It would be useful if I were to mention to hon. Members that the health authorities in Wales have been set a target to ensure that by March next year no patient should have to wait more than one month for urgent in-patient treatment; one year for non-urgent in-patient treatment and three months for a first-time out-patient appointment.

STATUTORY INSTRUMENTS &c.

Ordered,

That the draft European Communities (Definition of Treaties) (International Convention on the Harmonised Commodity Description and Coding System) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Durant.]*

"Today" Newspaper

3.31 pm

Mr. Speaker: We now come to the motion on the future of the *Today* newspaper, and I should announce to the House that I have selected the amendment in the name of the Leader of the Opposition.

Mr. D. E. Thomas (Meirionnydd Nant Conwy): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I am on my feet at the moment. However, I shall take the point of order before I call the Minister to move the motion.

Mr. Thomas: My point of order arises out of today's Question Time. In the past, at Welsh Question Time there have been present hon. Members who do not represent Welsh constituencies, and they have often been called to contribute to our proceedings. It will not have escaped your notice, Mr. Speaker, and that of others observing the proceedings of the House, that a large number of hon. Members representing constituencies outside Wales were present for Welsh Questions today, including, of course, the Secretary of State for Wales.

A question of constitutional propriety is raised upon which I should like you to rule, Mr. Speaker. Is it to be the practice of the House that the will of the Welsh people, as expressed at the general election, will not be reflected in the balance of hon. Members called during Welsh Question Time? This is an important democratic principle, to which I ask you to address yourself.

Mr. Eric Forth (Mid-Worcestershire): Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. I do not think that I really need a great deal of help on this, but I call the hon. Member.

Mr. Forth: When considering the representations made by the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas), will you bear in mind, Mr. Speaker, what English hon. Members might feel about Welsh or Scottish Members intervening in strictly English matters, and weigh up the propriety of English Members taking a healthy and, I hope, welcome, interest in matters Welsh, Scottish or, indeed, Northern Irish?

Mr. Allan Rogers (Rhondda): Further to that point of order, Mr. Speaker. Will you also bear in mind, when considering whom you call at Question Time, the fact that I had 11 times as many votes as the Plaid Cymru candidate in the Rhondda? I received about 35,000 votes, whereas the Nationalist received about 3,000. Does that mean that I will be called 10 or 11 times more often than the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas)?

Mr. Andrew Rowe (Mid-Kent): Further to that point of order, Mr. Speaker. I have been watching with interest the various manoeuvres of parties trying to receive privileges and the masterful way in which you have handled them. I would very much appreciate your guidance, Mr. Speaker. If the 49 Conservative hon. Members for Kent, Surrey and Hampshire, who enjoy majorities of a totality and depth that makes the Scottish representation of the Labour party look as fragile as blown glass, were to join together and call themselves by some suitable title, such as "the well managed alliance", or something of that nature, would we be able to claim the sort of privileges claimed by these other splinter groups?

Several Hon. Members *rose*

Mr. Speaker: Order. I think that I can deal with this matter now.

Mr. John Morris (Aberavon): On a serious point of order, Mr. Speaker.

Mr. Speaker: I shall hear the right hon. and learned Member for Aberavon (Mr. Morris) first.

Mr. Morris: As this is the only opportunity for questioning Welsh Office Ministers until late October, and as 30 per cent. of our valuable time today was wasted by the activities of Nationalist Members — and the Nationalists make up the only party that has succeeded in cutting down Welsh parliamentary time, especially when hon. Members wanted to ask questions about hospital waiting lists — is there any procedure for extending Welsh Question Time, or, if those hon. Members repeat their antics, for the matter to be referred to the Select Committee on Procedure?

Mr. Speaker: I shall deal with the matter now. I think the House accepts that this is the United Kingdom Parliament and that every hon. Member should have a right to put questions to departmental Ministers, even though they may be Scottish Ministers or Welsh Ministers. However, I think the House accepts also that the Chair should give substantial precedence to Welsh Ministers at Welsh Question Time, and I have done exactly that today. The interesting suggestion of the hon. Member for Rhondda (Mr. Rogers) is unlikely to be achieved!

3.35 pm

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): I beg to move,

That this House welcomes the decision of the Secretary of State for Trade and Industry to give his consent to the transfer of the ownership of the Today newspaper from Lonrho plc to News International plc; notes that Today was seriously loss making and manifestly uneconomic as a going concern; further notes that unless the transfer had taken place Today would probably have ceased publication immediately with the attendant loss of over 500 jobs; and congratulates the Secretary of State on ensuring the continuation of Today as a separate newspaper.

Mr. Speaker: I have already announced to the House that I have selected the amendment in the name of the Leader of the Opposition.

Mr. Clarke: I am sure that there is quite a wide measure of agreement among right hon. and hon. Members on both sides of the House about the ownership of newspapers and the sort of newspaper industry that we would like to have. I am sure, also, that the majority of right hon. and hon. Members, and of the public, would like to see a wide diversity of titles and choice of reading matter. We want to see newspapers and the media open to a variety of arguments and we would like to see many owners of newspapers. We do not wish newspapers to fall into too few hands.

In recent years there have been more hopes and encouraging signs about the future of Fleet street and of the British newspaper industry than the reverse. I look back to the start of the *Today* newspaper, which was one of the most encouraging events to occur in Fleet street. Eddie Shah introduced new technology into Fleet street and he was a new proprietor, opening the first new national title since the establishment of the *Daily Star* some time before. Following the opening of *Today*, there

[Mr. Clarke]

were disputes at Wapping and elsewhere that gave hopes of bringing to an end the restrictive practices, overmanning and excessively high costs that had been the worst problems for Fleet street and the greatest inhibitions to a wide range of ownership over former years.

The *Daily Star* began to be printed in 1978, and *Today* opened in March 1986. Since then, *Sunday Sport*, *The Independent* and *News on Sunday* have been attempting to enter the newspaper market. The current state of Fleet street suggests that there is more prospect of more titles coming along and more prospect of diversity of ownership than most would have thought possible a few years ago.

Mr. Tony Lloyd (Stretford): There is a tendency to assume that consideration of the newspaper industry involves London, and London only. A concentration of ownership has been taking place, and one example of that is Mr. Murdoch's takeover of *Today*. In addition, the origination of the *Daily Express* and the *Sunday Express* was lost to Manchester this very weekend. The flight from Manchester is something that the Minister should be acutely conscious of and worried about.

Mr. Clarke: I agree that my remarks about the need for as many titles as possible, as wide a diversity of opinion as possible and as wide a diversity of ownership as possible apply as much to the provincial press as to the Fleet street daily press. I believe that the principles that I have been underlining reflect the underlying purpose of the Fair Trading Act 1973. The purpose of that Act, which followed on previous pieces of legislation, was to try to guard against an over-concentration of ownership in Fleet street. I remind the House that the basic requirement of the Act is that the consent of the Secretary of State for Trade and Industry is required for all newspaper mergers which either cause a newspaper proprietor's total circulation to rise to 500,000 or more average paid-for copies per issue or add further to a circulation of this size.

The Act envisages that, generally speaking, this consent will not be given until the Secretary of State has received a report on the matter from the Monopolies and Mergers Commission. It follows that Parliament in 1973 accepted, and the Government now accept, that the provisions of the 1973 Act recognise the significance of newspaper mergers. The Act requires any report of the Monopolies and Mergers Commission on such a merger to say

"whether the transfer in question may be expected to operate against the public interest, taking into account all matters which appear in the circumstances to be relevant, and, in particular, the need for accurate presentation of news and free expression of opinion."

Again, I am sure that those objectives would be endorsed by all of us. However, we all know that, over the years, particular problems have always arisen when a stage of crisis is reached for a loss-making newspaper—and Fleet street has had more than its fair share of those.

There is usually no doubt about the need to refer to the Monopolies and Mergers Commission a question that arises over the future of a title when the newspaper is reasonably viable and plainly has a long-term future, and when there is time for a considered view to be taken in the public interest — over weeks if not months — about whether over-concentration of ownership will result. However, the legislation of 1973, and the policy that has followed it, have not been able to suspend or disregard basic economic common sense in the newspaper industry. Troubles occur, although sometimes with more force than others, when a newspaper gets itself into serious economic difficulty.

I spoke earlier about titles coming on to the market, but there is still a somewhat worrying decline in the total extent of newspaper readership in the country, and it is a difficult market to get into to achieve economic viability. Profitability is really the best guarantee that a newspaper has of its independence, and the best basis that a Secretary of State has for referring to the MMC any possible mergers or changes of ownership. There is no doubt that, in dealing with a newspaper that is making serious losses, the Secretary of State needs wider powers. He cannot rely on a stark policy of saying that everything must be referred in all circumstances.

The legislation upon which all this is based recognised that at the time. It was anticipated in 1973, and also in the preceding legislation. The legislation had to recognise that circumstances might arise in which an MMC inquiry, lasting up to three months—that is the period that the Act allows, and it can be extended for a further three months—would be undesirable because of the pressures of the case. The 1973 Act therefore contains specific exceptions to the usual requirement that the Secretary of State should have a report from the MMC before he makes his decision.

The exception that is relevant to the transfer of *Today* is set out in section 58(3) of the Act, which provides that consent may be given without a report from the Commission being required if the Secretary of State is satisfied on two matters. First, he must be satisfied that the newspaper being transferred

"is not economic as a going concern and as a separate newspaper".

Secondly, he must be satisfied that

"if the newpaper is to continue as a separate newspaper, the case is one of urgency."

If the Secretary of State is satisfied on both those points, he may give consent without a report from the commission. Parliament had to allow that, and in some circumstances it is plainly necessary.

Mr. Tam Dalyell (Linlithgow): Was the Secretary of State provided on this occasion with convincing evidence that the urgency of the matter was such that he had to act within a matter of hours, and did Ministers find that evidence convincing?

Mr. Clarke: The hon. Gentleman has moved to the next logical step in the case. I have set out the two grounds that the Secretary of State must have before he is able to consent to a transfer without reference to the commission. The House must then quite properly consider the basis on which the Secretary of State was satisfied that both those conditions existed. If the hon. Member for Linlithgow (Mr. Dalyell) will allow me, I shall begin by dealing with what I consider to be the simplest and least contentious aspect on which the Secretary of State was satisfied when he had to consider whether the newspaper was a going concern.

Unfortunately, because *Today* was launched with considerable good will behind it — the paper has been heavily loss-making since its inception. I do not believe that it achieved anything like the circulation figures for which it hoped and which were necessary for its viability. That led to its rapid transfer from its original owners, to

News UK, a subsidiary of Lonrho, in 1986. Since then the losses have continued. My right hon. and noble Friend was provided with evidence that satisfied him that *Today* was not economic as a going concern and as a separate newspaper. When I was questioned in the House last week, on the day of the decision, it seemed to be common knowledge among a large number of hon. Members that *Today* was incurring losses of over £30 million a year or over £500,000 a week. It was losing money hand over fist.

The second point, which has just been raised by the hon. Member for Linlithgow was whether there was urgency if the newspaper was to continue as a separate title, and on what basis would my right hon. and noble Friend be able to come to that conclusion. The losses that I have just described are at the heart of the matter. Lonrho had concluded that these losses could no longer be allowed to continue. When he took his decision, my right hon. and noble Friend had before him a resolution of the Lonrho board to the effect that, in the absence of his consent by midnight on 1 July, no further financial support would be given to the subsidiary company, that redundancy notices would be issued forthwith and that *Today* would forthwith be closed. A resolution by a public company is the only way in which one can communicate. It is its only authoritative statement of policy.

Several Hon. Members *rose*——

Mr. Clarke: I shall give way in a moment. First, I want to conclude my arguments on this point.

The resolution and the application that were before my right hon. and noble Friend do not mean that we accepted that it was midnight or nothing. No deadline was imposed on Ministers. The Secretary of State had to decide whether this was an urgent case. The resolution of the Lonrho board was only one piece of evidence, though a rather crucial piece of evidence, in deciding that question. We had to ask whether there was a serious risk of that paper folding if a reference was made. That involved asking questions about the resolution, although we had no reason to doubt it. Also, we had to ask whether Lonrho would just accept the losses while waiting the necessary weeks or even months while the reference was made. Furthermore, was there a risk of News International going away and of the deal folding while it waited for a decision? In merger and takeover decisions that is not unknown.

The evidence was the history of the newspaper, which had been loss-making from the start, the scale of the losses being incurred and the fact that the proprietors had closed *Today on Sunday* a short time before. To have said on that evidence that there was no urgency in the case would have been a mere gamble. Hon. Members who lightly say that the company's resolution ought to have been ignored and that its bluff should have been called ought to remember that the independence of the title and a large number of jobs were at risk.

Mr. Joseph Ashton (Bassetlaw): There were two potential buyers, Maxwell and Murdoch. If the paper had folded, it would have been worth nothing. While it was in being it was worth £40 million. It is nonsense to say that Lonrho would have shut down *Today* unless the deal was done that day.

Mr. Clarke: Mr. Maxwell had already publicly declared that he had withdrawn from the attempt to purchase *Today*, but more arises from the hon. Gentleman's question than that. I ask the hon. Gentleman and the House to look at the position of the Secretary of State when faced with this application. The paper was undoubtedly losing money hand over fist and the proprietors had decided to close it. They had already closed the sister title. It is not the Government's duty to look for other buyers. The Government cannot act as a marriage broker in such cases. The hon. Gentleman should think through the implications of his question. If he is saying that the duty of the Government is actively to look for buyers, to weigh up one buyer against another and to encourage buyers, it would lead to the danger of far greater political patronage and politicisation than would otherwise occur.

On the other hand, had there been other applications —and we have received none, other than the one that came in last week — there was nothing to stop the Secretary of State from granting each application. Therefore, had a series of alternative buyers wanted to acquire the newspaper, several applications might have come to the Secretary of State, he might have decided that the terms of the Act were satisfied in all cases and he might have given his consent to them all. But so far as we are aware today, and so far as anyone was aware at the time the Secretary of State made his decision, only one application satisfied the terms of the Act, and there was a clear indication of urgency that the title was about to close.

Mr. John Smith (Monklands, East): Will the right hon. and learned Gentleman confirm that solicitors acting for one of the other potential purchasers contacted the Secretary of State before he made his decision to inform him that they were still interested in purchasing the newspaper?

Mr. Clarke: A variety of representations reached the Secretary of State, but there was certainly no other application. I do not recall that the solicitors said in terms that their clients were still interested in buying the newspapers. The right hon. and learned Gentleman should bear in mind that in circumstances of this kind a variety of other people, including competitors of one or other of the proprietors concerned, are inclined to come rushing in with representations of one kind or another. There were some newspaper stories of one alternative purchaser who wished to buy the title at an earlier stage — although he, too, pulled out — in order to close the paper down and to use the presses for his own title. As of now, my belief is that Mr. Maxwell has publicly withdrawn. There was one application before the Secretary of State, and urgency arose.

Mr. Brian Wilson (Cunninghame, North): Surely the crux of the matter is that, to test the credibility of Lonrho's position, the Minister was obliged to make a relative calculation of what Lonrho stood to lose by selling and by closing down that night. If the Minister is not prepared to make that relative calculation, what he has said today amounts to a charter totally to ignore the terms of the legislation, and any two multinational companies, irrespective of how rich and powerful they are, can come forward with an ultimatum and everything on the statute book, can be swept aside.

Mr. Clarke: The Secretary of State must decide these matters on the evidence before him and on the best

[Mr. Clarke]

evidence that he can get. There is no one method of testing the credibility of evidence. The Secretary of State must ask whether this is a case of urgency. I have no reason to doubt the credibility of Lonrho, but Lonrho's resolution, although extremely compelling, did not settle the matter. It did, however, make sense in all the circumstances. It had been known for months that Lonrho had been losing interest in the ownership of the title and was losing a great deal of money. The risk of a reference would have given rise to further weeks and months of uncertainty, during which a prospective purchaser might go away or the losses incurred might become unsupportable. It was looking at the circumstances as a whole that led the Secretary of State to say, "There is urgency here. A reference to the Monopolies and Mergers Commission would probably do more harm than good and would run the serious risk of closing down the title altogether." That is the basis upon which he decided that he had discretion under the Act not to refer.

Mr. Michael Fallon (Darlington): Had Mr. Maxwell been successful in his bid, and had it been accepted by Lonrho, would not Opposition Members now be begging my right hon. and learned Friend not to refer this matter to the Monopolies and Mergers Commission?

Mr. Clarke: I entirely agree. After the exchanges last week, I have tried to keep the temperature down, and I hope that I shall succeed in doing so. Last week we saw quite nakedly that the Opposition's objections arose because they disapproved of the politics of the person who had acquired the title. The history of other references and non-references under the Act shows that that is the principal concern.

Considerations of that kind played no part in this. I have shown how, looking at the two considerations that he was obliged to look at under the Act, there was absolutely no doubt that the Secretary of State was justified in deciding that Parliament had given him a discretion not to refer in this case. It is only a discretion. He could still have decided to refer or not to refer—and I am in no doubt that he was legally entitled to refer.

When one looks at the wider considerations and whether the risk of the title closing was worth carrying in this case, one sees that there are other relevant considerations. *Today* is a comparatively new title. There was no such newspaper 15 months ago, so it is a desirable newcomer on the scene that is threatened with extinction, and not a long-standing one about to go. It had already nearly folded once. It got into immediate financial crisis and had to be transferred to Lonrho very shortly after it opened. So far as I can recall, nobody demanded that any reference be made at all—and I have looked through the *Official Report*. Under the terms of the Act, with *The Observer* already owned by Tiny Rowlands, it could well have been referred, but to the best of my recollection nobody asked me to refer it.

I agree with my hon. Friend the Member for Darlington (Mr. Fallon) that, for some reason best known to themselves, Opposition Members were less worried about Tiny Rowlands than they were about Rupert Murdoch. This was a new title, it had already nearly folded and it had only achieved a comparatively small circulation. The trouble is that at the moment it commands about only 2·5 per cent. of newspaper circulation. That is a relevant consideration when one looks at the impact that this has on the possible monopolistic concentration of ownership. It is also relevant that one looks at whereabouts this newspaper is in the market, because it is not correct to look at all newspapers as though they are all the same, as though they are all read by the same people and as though they are are all aiming at the same market. Mr. Murdoch owns *The Times* and *The Sun*, which are not exactly in the same part of the market. This newspaper is in the middle of the market, where News International does not at the moment have a newspaper.

Mr. Michael Foot (Blaenau Gwent): The right hon. and learned Member mentioned this last week. If the question of the part of the market to which the paper applies, in which it deals, or in which it is placed was a relevant factor in whether the Secretary of State was to make the decision that he did, may we be told whether question was put to Mr. Murdoch about whether he intended to keep the paper in that sphere of the market or, if it was put to him, whether anyone on the face of the planet would believe what Mr. Murdoch said in reply?

Mr. Clarke: At the moment, there is no doubt that it is in that part of the market where it is in competition with the *Daily Mail* and the *Daily Express*, which are owned by different companies and different proprietors. We did not question Mr. Murdoch about that or about News International. If News International, in its commercial judgment, decided to move into a different part of the market and to go into competition with one of its own titles, I suppose that is a matter for it to decide. I would have thought it unlikely that it would do that, but that is not a matter for me.

What was being acquired was a newspaper with a comparatively small circulation that is plainly seen by all those who look at journalistic affairs to be in competition with other peoples' newspapers other than with News International's. That was relevant when deciding whether the discretion should be taken advantage of by the Secretary of State, coupled with the very real risk that if he stepped in and made a reference, the paper, in the course of the next few weeks, if not at midnight as stated by the owners—and I have no reason to doubt what they said in their resolution—was likely to close and 500 jobs lost. That result would have done nothing for the freedom of the press, diversity of ownership or anything else. The *Today* newspaper would merely have closed, there would have been one title less and the readers' choice and the position of Fleet Street would have been further weakened.

Mr. Neil Hamilton (Tatton) *rose*——

Mr. Clarke: I shall give way one last time, as I intend to speak only very briefly.

Mr. Hamilton: Is it not difficult to understand the argument coming from Opposition Members that competition in newspapers would have been enhanced if Mr. Maxwell had been able to acquire the title? I understand that his group already controls more than a quarter of the British press, by circulation, whereas News International, although it has a larger share, controls about one third. I cannot see how competition would be enhanced by allowing Mr. Maxwell to have 28·5 per cent. rather than 26 per cent., even if that is what he wanted, and there is no evidence that he did.

Mr. Clarke: I agree entirely with my hon. Friend. There is more than a streak of hypocrisy in those who claim that somehow it is desirable that *Today* is owned by Mr. Maxwell rather than by Mr. Murdoch if they are pretending that it will be in the public interest rather than their own narrow political interests. *[Interruption.]* If the Opposition are not saying that, I would be interested to know who the other purchaser might be. I think that Mr. Maxwell is the preferred choice of the Opposition.

Mr. Eric S. Heffer (Liverpool, Walton): The right hon. and learned Gentleman made the same point the other day about the 500 jobs that were at stake. I pointed out then that on that very day 750 jobs were to be lost at News International on Merseyside. If he was keen on saving jobs on *Today*, why was his Department not equally keen to save the 750 jobs in my constituency when representations had been made to the Government about the matter? We are talking about the same employer. Why were the Government not concerned about those jobs and our people in Liverpool, when they are now arguing that they were concerned about the 500 jobs on *Today*?

Mr. Clarke: I do not criticise the hon. Gentleman for persistently making representations about his constituency. However, he knows full well that the Government cannot intervene in commercial decisions such as that on Merseyside. It would do his constituents no good and would be of no consolation to them to find that 500 jobs had been lost somewhere else as a result of a totally separate decision. If the hon. Gentleman will listen carefully, he will realise that I am pointing out that had the Secretary of State taken the decision that the Labour party is pressing on him, his act would have brought about the loss of those 500 jobs because the newspaper would probably have folded during the course of the reference. Therefore, in all the circumstances, I believe that the outrage felt by the Opposition last week, and the apparently mild discontent felt by them this week, is not shared by the employees of *Today*, who do not seem to oppose what has happened in any way. I note also that Mr. Bill Jordan of the Amalgamated Union of Engineering Workers is quoted as being pleased that *Today* has been saved as an independent voice. Indeed, I am sure that all fair-minded people will have recognised that my right hon. and noble Friend took the right decision and has made possible the continuation of *Today* as a separate, independent newspaper.

As I have said, it is certainly the desire of all of us that we have a competitive newspaper industry, open to a variety of owners with a variety of opinions, with freedom of expression and accuracy of reporting. The prospects for that are steadily getting better than they have been for many years. Access to the media is opening up to many more people, not least when one looks at television and radio, which are outside my sphere. The coming of new technology, such as satellite television, and so on, means that it is getting steadily more difficult for anybody to have a monopoly of reporting, news potential and opinion. Thanks to the end of restrictive practices, it is getting easier to open newspapers with the use of new technology. However, it is still difficult to open newspapers and win a place in the market. Difficulties can arise when one gets into trouble.

As far as I can see, the Opposition's interest in the press appeared to be to back up vigorously the opposition to new technology and support those trade unions that were doing damage to Fleet street and inhibiting the readers' choice a short time ago. Outrage is expressed by them when they feel that the political opinions of a newspaper are not to their liking or they have taken a particular dislike to a proprietor. The Government cannot be influenced by considerations of that sort, and we are not. My right hon. and noble Friend has been guided by the public interest and I invite the House to agree that he has protected the public interest by his decision.

4.4 pm

Mr. John Smith (Monklands, East): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"deplores the decision of the Secretary of State for Trade and Industry to permit the further concentration of newspaper ownership without any reference to the Monopolies and Mergers Commission and his acceptance of the arrogant deadline on his decision imposed by News International plc; and profoundly regrets that the Secretary of State for Trade and Industry so readily abandoned his responsibility to secure the public interest.".

It is most unsatisfactory that the Secretary of State who took the decision is not accounting for it to the House. That is one of the unfortunate features of having a senior Secretary of State in another place. The Chancellor of the Duchy of Lancaster did his best, but he is a sorcerer's apprentice on this matter. He took the line, I suppose quite predictably, that the Secretary of State took a quite reasonable decision and that only unusual people on the Opposition Benches, motivated by synthetic outrage, would find something to cavil at in the decision.

I shall quote from today's *Financial Times* which is hardly a newspaper unversed in the ways of the industry or notably sympathetic to the Opposition. It said:

"Lord Young's haste to comply with an artificial deadline conjured up by a couple of entrepreneurs was both naive and undignified. He should have called their bluff and mocked the acumen of businessmen who value an asset at £38 million today and nothing tomorrow. A reference to the monopolies commission was necessary and almost certainly would not have led to the closure of *Today*."

That judgment might be prayed in aid when one is considering the evaluations.

The Chancellor of the Duchy of Lancaster will no doubt have read or had drawn to his attention the editorial of 2 July, the day following the decision, in *The Independent*. It said:

"On Tuesday evening, Tiny Rowland, chief executive of Lonrho, and Rupert Murdoch, US citizen, proprietor of national newspapers accounting for a substantial proportion of the British market, arrived at a deal under which Mr. Murdoch would acquire the ailing *Today* newspaper. As a term of the agreement they had the effrontery to give Her Majesty's Ministers just one day to declare that the transaction need not be referred to the Monopolies and Mergers Commission, as is normally the case . . . Yesterday afternoon, less than 24 hours later, Lord Young, Secretary of State, duly obliged. Thus a Government freshly elected to office with a large majority is bent to the will of two formidable entrepreneurs."

That is not some judgment emerging from the spite that is assumed to exist on the Opposition Benches.

If that was not enough, perhaps the Secretary of State should have paid some attention to the views of the Press Council, set up to consider these very matters. The chairman of the Press Council, Sir Zelman Cowen, said:

"There could hardly be a more obvious increase in concentration than acquisition of a fifth national newspaper by a group which already owns four.

[Mr. John Smith]

Newspapers which are for sale will often be vulnerable newspapers. To accept a tight timetable set by the owner and the potential buyer if that precludes proper examination by the Commission makes a mockery of the Fair Trading Act.

The decision on *Today* following the similar one when *The Times* and *The Sunday Times* changed hands six years ago signals that newspaper buyers and sellers need not have a Monopoly Commission inquiry if they do not want one."

That is not the view of some synthetically induced sense of outrage. I am correct in thinking that the chairman was appointed by the present Government.

The *UK Press Gazette*, a specialist magazine dealing with the newspaper industry, said:

"Right up until the moment of sale Lonrho executives were insisting that *Today* was shaping up nicely, that they were prepared to invest to continue the improving trend and that they believed it had a bright future.

Unless this was the sales pitch of the used car salesman trying to talk up the price of an old banger then we must believe that there was no likelihood of *Today* being closed. Lonrho chief executive Tiny Rowland's sudden conversion to the gloom scenario seems born of little else but a need to offer Lord Young some reason not to refer the sale to the Monopolies and Mergers Commission."

So much for the notion that somehow we have dreamed up unreasonable objections to the Secretary of State's decision.

Let us look at the facts. The Secretary of State drew our attention to the provisions of the Fair Trading Act 1973 and correctly said that two conditions had to be satisfied before the Secretary of State could clothe himself with a discretion not to refer. One condition was whether it was economic as a going concern, a matter of acute controversy in relation to the takeover of *The Times* and *The Sunday Times* six years ago. I think that the Chancellor of the Duchy of Lancaster will accept that he has to be satisfied on both counts, namely that he believes also that the case is one of urgency before he acquires the discretion not to refer. That is where the heart of the matter lies. In the circumstances was it a question of urgency or not?

We know—the Secretary of State must have known before he took his decision—that there were a number of other potential purchasers. Indeed, if I read *The Sunday Times* of yesterday correctly—I am sure that Mr. Murdoch's activities would not be misreported by one of the newspapers that he owns—Mr. Murdoch came on the scene only on Monday of last week when a deal had almost been fixed between Mr. Maxwell and Mr. Rowland. The deal at issue was only effected the day before the Secretary of State announced his decision not to refer, Tuesday 30 June. Again I am relying, I hope accurately, on the report in *The Sunday Times* that gave us a blow-by-blow account designed to show how Mr. Murdoch had outsmarted Mr. Maxwell.

Attached to the application for the Secretary of State's consent was, I believe, one of the most imperious and arrogant deadlines ever offered to one of Her Majesty's Ministers. If I had been the Secretary of State in question and someone had come to me asking me to take a decision by four o'clock on the following day I would have replied, "Do you know you are speaking to a Minister of the Crown? I might give you deadlines but you certainly will not give me deadlines about a matter of public responsibility." I believe that is the view that the vast majority of people who hold high office in this country would take about such an imperious, arrogant and impertinent deadline that was sought to be put upon a Minister.

Mr. William Cash (Stafford): Does the right hon. and learned Gentleman accept that it was well known for a long time in press circles that this problem was coming up? Indeed, way back on 22 January Lonrho had written to the directors of News UK stating that the would give it support only until 30 June. Therefore, what the right hon. and learned Gentleman has said is a load of rubbish.

Mr. Smith: It has been borne out by the facts, and if the hon. Gentleman reads yesterday's *Sunday Times* he will learn about the accurate sequence of events. However, that is not the main point with which we are concerned today. The question is whether it was or was not a matter of urgency. What did the Secretary of State appear to do about that?

The Secretary of State appeared to rely heavily on the resolution of the board of Lonrho plc—I assume that is the company to which the Secretary of State referred. The Secretary of State did not tell us when that resolution was made, but let us assume it was fairly near to the time, perhaps right on the heels of or immediately prior to the application.

The Chancellor of the Duchy of Lancaster was careful to say that the Secretary of State did not rely entirely on that resolution. I hope that that is the case, because if one accepted everything people said one would not make the independent, objective analysis that the Fair Trading Act 1973 requires of the Secretary of State.

Let us consider the other evidence. Apart from the fact that it was well known that there were other purchasers in the offing—[HON. MEMBERS: "Who?"]—and that to turn down this particular application would not necessarily have led to the closure of the newspaper, there is other evidence about the view taken by Lonrho itself. I refer the Chancellor of the Duchy of Lancaster to an interesting interview in the *London Daily News*, which appeared on Tuesday 30 June. I remind the House that this interview was reported the day before the Secretary of State took the decision not to refer the application.

The article was written by Mr. James Levi, the city editor of *London Daily News*. He reported:

"Rowland"—

that is, the chairman of Lonrho plc—

"called me from a holiday resort near Split on Yugoslavia's Dalmatian coast last night to say he would carry on with the publication of *Today*."

Since he says, "last night", presumably that was 29 June. I shall quote this article at length because it contains evidence that can be drawn both ways and I believe that, in fairness, it should be quoted in full. The article contains a direct quote from Tiny Rowland, which states:

"'We probably have to reach sales of 500,000 to break even. We have already raised the figure to 340,000 and we are confident that if we spend another £25 million to £30 million we should do it'. He likened the paper to a mine shaft which had not reached the ore-bearing rocks."

[*Interruption.*] I am giving this quote in full, and if hon. Gentlemen do not think that it is in favour I trust that they will give this as much credence as they think suitable.

The article continued:

"'We are a mining company which has sunk a mine 1,000 feet and we know the ore is at 1,600 feet so we'll keep digging.' Lonrho is rumoured to be losing nearly £30 million a year at *Today*."

I do not know whether that is correct, but in the interests of accuracy I ought to give everything that is said in this interview.

"Expressing some surprise that the Mirror publisher had broken off his talks, Rowland added: 'I have been out of touch with my office for just eighteen hours. I am 70 years old this year. If I can't take a few hours off there has to be something wrong.'"

The article continues:

"There have been suggestions that Rupert Murdoch, Publisher of *The Sun, News of the World, The Times* and *The Sunday Times* was in the bidding. Rowland admits he now has three options"—

this is the crucial point and was reported on 29 June—

"'We could re-open negotiations with Maxwell, talk to Murdoch or carry on running it ourselves. We think the losses on the paper can be soon be minimised.'"

That was said two days before the reference was made. There was not a word of closing the newspaper, indeed the very opposite. It was Lonrho's intention to carry on with the publication.

Mr. Kenneth Clarke *rose*——

Mr. Smith: I shall certainly give way to the right hon. and learned Gentleman in a moment.

I think it is reasonable to assume — it would be amazing if it was not the case — that that article was read by the Secretary of State before he reached his decision. I know that it was specifically drawn to the Secretary of State's attention before he reached his decision. On the face of that, how could the Secretary of State assume that it was so certain that Lonrho had reached its decision?

Mr. Clarke: We certainly read that article before the Secretary of State made his decision. My recollection is that it was drawn to our attention that it was a report written in a newspaper owned by Mr. Maxwell. The right hon. and learned Gentleman should tell me what he believes is the best evidence of a publicly quoted company——

Mr. D. N. Campbell-Savours (Workington): Is it true?

Mr. Clarke: I have no idea whether it is true. What is the best evidence — the resolution of the board or a reported interview with the chairman of the board who was, no doubt, taking a well-earned rest in Split, by a city news editor, reported in an evening newspaper? Even if the remarks, as reported, are true — I have no means of knowing one way or the other; I do not regard them as highly relevant — they are presumably the words of someone trying to sell as a going concern a newspaper which is actually on the verge of extinction. The right hon. and learned Gentleman talks about evidence, but such evidence is no means of judging the position of a newspaper. The right hon. and learned Gentleman is seeking to rely on a report made on a radio-telephone from Split and on the strength of that to dismiss a resolution made by the board of the company.

Mr. Smith: What is fascinating about that intervention is that it is crystal clear that the Secretary of State, although he knew those words had been expressed by Mr. Rowland, did not put the matter to Mr. Rowland. On the one hand, I am asked to believe that when the Chancellor of the Duchy of Lancaster finds a piece of evidence he does not like, he dismisses it by saying that Mr. Rowland was merely talking up the price of the newspaper. Does it not occur to him that the resolution of the board might have been seeking to talk the Secretary of State into a particular course of action? It seems to me one can make a deduction one way or the other.

At the very best the Secretary of State was presented with a conflict of evidence at the crucial time at which he made his decision. When the Secretary of State acceded to the imperious deadline we are aware that he was anxious to accommodate the person making the application. That was obvious from the way in which it was done so speedily and from the scant information produced by the Chancellor of the Duchy of Lancaster for the Secretary of State's decision.

There appeared to be no inquiry into the accounts of the newspaper to establish whether what had been said was true.

Mr. Kenneth Clarke: There was an inquiry.

Mr. Smith: Why on earth did the right hon. and learned Gentleman not tell us that when he sought to justify the Secretary of State's decision? We know that in the case of *The Times* and *The Sunday Times* the officials crawled over the accounts for a week before a decision was made.

Mr. Clarke *indicated dissent.*

Mr. Smith: The *Sunday Times* transfer was allowed only on the basis that it was not economic as a going concern. I remind the right hon. and learned Gentleman of that.

Mr. Clarke *rose*——

Mr. Smith: I will willingly give way because I believe that the right hon. and learned Gentleman is rather uninstructed on the 1981 case.

Mr. Clarke: The right hon. and learned Gentleman is trying to move off the point. I mentioned the loss making of the *Today* newspaper, although I did say it did not seem to be the most controversial topic in this case. Of course inquiries were made into the financial position of the *Today* newspaper and it confirmed the belief that at least £30 million a year was being lost by that newspaper. If anybody in the House doubts that, he should know that so much as is compatible with commercial confidentiality could be given for the inquiries that were made. However, adequate inquiries were made to confirm the view that the newspaper was hopelessly loss-making, losing substantial sums.

Mr. Smith: If I need lessons in moving off the point, I shall take them from the Chancellor of the Duchy of Lancaster. He knows perfectly well that I am attacking the conclusion that it was a matter of urgency. A financial inquiry is relevant to that as well as to whether the newspaper was economic as a going concern. We know that *The Sunday Times* was permitted not to be referred on the basis that it was not economic as a going concern. It seems to be doing pretty well now after a momentary blip in its history when it was not economic as a going concern.

No full and proper inquiries appear to have been made by the Secretary of State before he accepted the company's resolution. The company is not exactly objective on the matter. It is the suitor to the Secretary of State. Of course, it will buttress its application — as the *Financial Times*, *The Independent* and the Press Council are all hinting — by dressing it up in a way that the Secretary of State will find suitable and acceptable.

Mr. Ian Bruce (Dorset, South): Having recently joined the House and having been in the business world, I know well the confidence that one needs within a company. The right hon. and learned Gentleman read out a quotation — when a chairman is challenged about whether his newspaper can keep going, he will come out with all sorts of reasons why it will keep going. Once the decision has been made and minuted at a board, saying that it is no longer economic and that it must be sold, the matter of business confidence and whether one holds the 2·5 per cent. readership evaporates overnight. Surely that is the urgency that is necessary.

Mr. Smith: If there was a change of decision on the part of Mr. Rowland, it was remarkably quick. It appears to have been closely related to the application that he made to the Secretary of State. The hon. Gentleman cannot have it both ways. One cannot say, "Don't believe Rowland," when it does not suit one, and, "You must believe Rowland," when it does. It is as simple as that. The quotation shows clearly that the Government were willing, indeed anxious, to be persuaded that this was a case on which there should be no reference.

However, even if the Secretary of State were satisfied that it was a matter of urgency, which I hotly dispute, the matter does not end there. He still has to decide whether he should refer it. His powers are unlimited in that respect. He still has a discretion whether to refer. What possible basis was there for not referring this case? Four newspapers were already owned and a fifth was to be acquired. Mr. Murdoch had 32 per cent. of all the daily newspaper circulation in this country before the acquisition of *Today*. He has over 35 per cent. of all the Sunday circulation. It is the largest concentration.

Mr. Neil Hamilton: What about Maxwell?

Mr. Smith: I say to the hon. Gentleman who intervenes from a sedentary position that we have made it clear throughout that if Mr. Maxwell had made the application, that should have been referred, too. I do not know where he got the ludicrous notion that he peddled earlier in the debate.

Mr. Tony Marlow (Northampton, North): Will the right hon. and learned Gentleman give way?

Mr. Smith: I shall not give way to the hon. Gentleman.

Furthermore, in taking into account the application to the Secretary of State, which is substantially on Mr. Murdoch's behalf, some account might have been taken of his conduct since the last time the matter was considered by a Secretary of State, the right hon. Member for Shropshire, North (Mr. Biffen). I am sorry that the right hon. Gentleman has temporarily left the Chamber.

On that occasion it was accepted that *The Sunday Times* was not economic as a going concern, but a great deal of fuss was made about conditions that were attached to the Government's decision. I ask the Chancellor of the Duchy of Lancaster: if the jobs were so important and if the maintenance of a separate newspaper was so important, why was there no condition that it should be kept going as an independent newspaper or that the jobs should be preserved? That is not an idle question because many people believe that one of the purposes behind the acquisition of *Today* might be the acquisition of the colour printing presses, not the newspaper itself. The presses would be available to provide a back-up for Mr. Murdoch's other four newspapers.

On that previous occasion we were told that we need not be worried about Mr. Murdoch because important conditions were entrenched in the permission that was given by the then Secretary of State. The then Secretary of State, the right hon. Member for Shropshire, North, quoted them at length and said that they were sanctions backed by the force of law.

On 27 January 1981, the hon. Member for Watford (Mr. Garel-Jones) who unfortunately is not here, got so carried away with enthusiasm for those conditions that he interrupted the hon. Member for Thanet, South (Mr. Aitken), who was speaking at the time, and said:

"One of the things that reassure many of us is the legal status of those conditions. If an agreement with conditions is made by the Minister the breaking of those conditions would be a criminal offence."

When the then Secretary of State wound up the debate, he stressed the great importance of the sanctions and said that it was not just a set of assurances. He said:

"The sanctions that are implicit in the conditions that I attach under section 58 of the Fair Trading Act . . . are formidable sanctions."

The right hon. Gentleman told us that we should pay attention to Mr. Harold Evans, at that stage editor of the *Sunday Times*. It was an effective riposte in the debate. The right hon. Gentleman quoted Mr. Evans, who said:

"No Editor or Journalist could ask for wider guarantees of editorial independence on news and policy than those Mr. Murdoch has accepted and which are now entrenched by the Secretary of State." — [*Official Report*, 27 January 1981; Vol. 997, c. 795-822.]

That is a formidable point.

I now refer to the biography of Mr. Harold Evans, entitled "Good Times, Bad Times". On page 401 he tells us what happened in *The Times*. He said that Mr. Murdoch

"guaranteed that the editors would have control of the political policy of their newspapers; that they would have freedom within fixed annual budgets; that the editors would not be subject to instruction from either the proprietor or management on the selection and balance of news and opinion; that instructions to journalists would be given only by their editor; and that any future sale of the titles would require the agreement of a majority of the independent national directors."

It was a matter of controversy in the House that one of the things that Mr. Murdoch did speedily was to transfer the titles to News International, but let that pass for the moment.

Mr. Evans concludes:

"In my year as editor of *The Times*, Murdoch broke all these guarantees. He put his point of view very simply to the home editor of *The Times*, Fred Emery, when he summoned him from holiday on 4 March to his office shortly before asking for my resignation: 'I give instructions to my editors all round the world, why shouldn't I in London?' He was reminded of the undertakings to the Secretary of State. 'They're not worth the paper they're written on,' Murdoch replied."

That is the man who, on his next application to the Secretary of State, was given the roll-over permission that he sought and had arranged would happen by setting up the application in the way in which it was done.

Now we know that the Secretary of State chose not to exercise his discretion in respect of such a person. Any reasonable Secretary of State would have said, "Should I give way when there has been an imperious deadline and give discretion to a person who broke all the guarantees which my predecessor talked about, and which Parliament supported?" I do not know whether the Chancellor of the Duchy of Lancaster or the Secretary of State knew

anything about those affairs. They should have been instructed. I am sure that the civil servants who advised them know only too well what happened. It was embarrassing for the Government that one of the first things that Mr. Murdoch did was to remove the titles. Because there was a fuss in the House, he had to put them back to where they were. It was an instructive insight into his point of view.

Of course, the one thing that the Chancellor of the Duchy of Lancaster said with which we could all agree is that there is a serious question about the concentration of newspaper power in this country. Clearly, Parliament will have to consider the whole matter a little further. One thing, however, is crystal clear. The Act is too weak, especially when it is accompanied by weak Ministers and a weak Government who have no intention of bringing even its minimal provisions into play. We have a serious problem——

Mr. Cash: Will the right hon. and learned Gentleman give way?

Mr. Smith: I have already given way to the hon. Gentleman.

There is a serious problem to do with the ownership of the media in this country. It concerns not only the newspaper that we are discussing today. For example, as is noted in early-day motion 43, there is great concern about *The Scotsman* and the dispute taking place there at the moment. Hon. Members on all sides of the House have expressed their concern that one of Scotland's most important national newspapers should be preserved as an independent voice, facing, as it does, a commercial requirement that it should merge all its editorial and reporting functions with other parts of the group of which it happens to be a member. One of the issues at stake is the proper reporting of Parliament by correspondents who are employed by that newspaper directly, so that it does not have to take the copy that is fed through the evening newspaper chain with which it is associated.

I wish that we had a Government who would take seriously the public concern in these matters. A Secretary of State should intervene in disputes such as that to bring about some resolution of the matter. I speak for more hon. Members than those who sit only on my side of the House when I say that there is serious concern, and that the sooner negotiations start in that case, the better.

This concentration of power is at the heart of public concern. Since we know that the present provisions are insufficient, Parliament will, sooner or later, have to consider stronger provisions. Most probably, we should have some upper limit on the amount of newspaper power that one individual or company can own in this country. I hope that more referrals will be made, so that there can be a proper consideration of the public interest and notice can be served on newspaper proprietors that they cannot bully Secretaries of State by threatening that the titles will cease publication. On the other hand, I say that there might be some justification in the view that the inquiries take too long.

Mr. Neil Hamilton: Will the right hon. and learned Gentleman give way?

Mr. Smith: In a moment.

If the inquiries take too long, let us find a way of doing things more speedily. It is not beyond the wit of Parliament, or of a Government who wanted to have an effective method, to devise a way of doing that.

We should also take account of the serious concentrations of power that span the various types of media. Above all, there is the case of Mr. Murdoch, who owns 75 per cent. of all the print in Australia. He also owns satellites, other communications and broadcasting networks in Australia and the United States, as well as the highly profitable newspapers that he has here.

Mr. Kenneth Clarke: Will the right hon. and learned Gentleman tell us what he would prefer to the present powers? Will he endorse the policy views of the Labour finance and industry group about the Office of Fair Trading references on mergers as expressed in *The Independent* of January 1987? I quote from *The Independent* of 20 January:

"the Office of Fair Trading, which would in turn be enlarged by recruiting staff who have 'a political and ideological understanding' of Labour's aims. 'Selection, vetting and monitoring for competence, experience and political inclination will be essential for Labour', says a paper published yesterday by the Labour Finance and Industry Group."

Is it still the Labour party's intention to put people into the OFT on a political and ideological basis?

Mr. Smith: That reinforces my previous view that if I want to be taken off the point there is no better guide than the Chancellor of the Duchy of Lancaster. What I am suggesting—a serious Minister would listen to it—is that it is high time we concentrated on how to obtain an effective method of stopping the concentration of newspaper power. That is a highly serious point, which exercises people throughout the House and country. Since I foolishly agreed to give way to the hon. Member for Tatton (Mr. Hamilton), I shall stand by my promise.

Mr. Neil Hamilton: The right hon. and learned Gentleman is wise and learned, as we know, and no less so for having given way to me. We have all enjoyed the right hon. and learned Gentleman's vacuous theorising about concentration in the media. However, he has failed entirely to explain how that concentration could be reduced by the closure of the newspaper under discussion this afternoon. Will he apply himself to the factual case that we—and Ministers—must examine as to what are the alternatives to the takeover by Murdoch? The only other interest that has been shown in the newspaper came from Mr. Maxwell, who already controls a quarter of circulation of the press. Is the right hon. and learned Gentleman saying that he would not have approved of a takeover by Maxwell or Murdoch — in which case, closure would have been certain?

Mr. Smith: The hon. Gentleman should listen to what I say. I made it clear, today and last week, that in the event of Mr. Maxwell making an application we would have taken the same view, as exactly the same issue of concentration of power would have arisen. I do not accept — as the Government willingly did — that it was inevitable that the newspaper would close. The threat to close it was a bluff that worked on Ministers. As happened with *The Times* and the *Sunday Times*, that is the way to roll over Ministers — by putting forward the right statements that allow them to get out of the provisions.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Does the right hon. and learned Gentleman agree that there is a further safeguard to be examined, in addition to those that he has listed? In the United States, there is a requirement of citizenship for ownership of more than a certain percentage of the press. That is why Mr. Murdoch is now an American citizen, rather than an Australian one. Should we not require major slices of the media to be owned by people who are loyal to this country?

Mr. Smith: That is well worth considering, if for no other reason than that we have such a requirement in the Broadcasting Act 1981, covering another section of the media. However, let us not be fooled into thinking that that would deter Murdoch. He gave up his citizenship to advance his interests in the United States. Some of us would never think of giving up our citizenship to advance our commercial interest. However, that is what Murdoch did in that case.

The issue at the heart of today's debate is that this spineless and complacent Government gave way once again, with the result that we have passed another milestone on the road to the heavy concentration of the ownership of the media in this country in hands that do not hesitate to use them for their own benefit and to advance their own purposes. That must be a matter for great regret.

4.37 pm

Mr. Jonathan Aitken (Thanet, South): The right hon. and learned Member for Monklands, East (Mr. Smith) made a skilful speech and, not for the first time in newspaper debates, I find myself in some, but not total, agreement with him. I cannot follow him in some of the moral and legal indignation that permeated his speech. I suspect that we are talking about a smaller issue than the one that he has developed this afternoon, although I agree that one of the fundamental points at stake is the weakness of the Act. That weakness is manifested in the fact that the *Today* horse has already bolted, so that our proceedings today will already be seen as a somewhat academic exercise — an arguing about whether the stable door should have been guarded more vigilantly by the Secretary of State. We should have had the debate before the decision was taken, not after.

To the world outside, the academic nature of the exercise is reinforced by the near-certainty that, had the Secretary of State referred the sale of *Today* to the Monopolies and Mergers Commission, that referral would not have been likely to make any difference to the end result, beyond causing an expensive, although perhaps legally necessary, delay.

Let us remember that the *Today* newspaper had less than 2·5 per cent. of the national daily circulation, and to argue that Mr. Murdoch's acquisition of that loss-making burden somehow represents a significant monopolistic shift in the power structure of Britain's newspaper industry is pure moonshine. We should remind ourselves that the great British public have shown a considerable lack of interest in, or affection for, *Today*. They have refused to buy or read it in great numbers, and they refused to take its advice to vote for the alliance at the last election. As far as I can tell from testing public opinion in the, admittedly limited, world of pubs in Ramsgate in my constituency at the weekend, most people do not care two hoots whether or not Murdoch owns *Today*. In short, the debate is about one of those esoteric issues that are exclusively reserved for the chattering classes of journalists, politicians and lawyers.

Mr. Norman Buchan (Paisley, South): The hon. Gentleman complains that there has been all this fuss about a newspaper that had the comparatively minor share of 2·5 per cent. of circulation. Does that mean that he is quite happy that one third of the control of our popular press should be in the hands of one man, who, incidentally, is not even British?

Mr. Aitken: I do not think that it would have made any great difference if *Today* had gone to Mr. Maxwell, who also has a large slice of daily newspaper circulation. We are dealing with a rather narrow issue, which is of interest, above all, to the chattering classes, rather than to the great British public. However, if we are to put on a little light parliamentary operetta for the benefit of those chattering classes, let us at least enjoy it and reflect on the irony of the situation.

I wish to begin with a little dirge of sympathy for my noble Friend Lord Young. He came into his office with the reputation of being the great deregulator, the scourge of red tape and the breaker of "Barriers to Business" as his famous and successful White Paper was called. What did Lord Young find on his desk on his first week of office? Why, he found this little excrescence of a problem of a failed colour tabloid newspaper, with no readers or advertisers to speak of and with a mangy journalistic reputation about as significant as that of the Ballarat Echo on an off day.

I am sure that Lord Young, with his natural instincts, could not wait to shovel that excrescence into the wastepaper basket. I feel that he wanted to deregulate it into the dustbin immediately, but perhaps he found himself surrounded by a chorus of wailing Sir Humphreys and m'learned friends from the legal division of his Department, all saying to him words to the effect of, "Hold on a minute, Secretary of State. You have some very important responsibilities here; you have some solemn duties under the Fair Trading Act. You must study this great problem, call in great and good men, consult the Director General of Fair Trading and refer the matter to the Monopolies and Mergers Commission."

So poor old Lord Young had to curb his natural instincts as the Lord High Deregulator for a few moments, in order to consider vital questions such as how imminent the threat of the closure of *Today* really was, and, above all, whether *Today* was, in the words of the Act, "a going concern".

Although the *Today* newspaper was losing a great deal of money, it was clearly a going concern in the eyes of at least three proprietors. Mr. Tiny Rowland has kept it going for many months, partly, one suspects, to wage his private warfare against the Thatcher family, as he did up to and during the general election campaign. It seems from at least one of his interviews with the *London Daily News* that he was willing to keep it going for even longer.

Then we had Mr. Robert Maxwell, who wanted to keep *Today* going so badly that he was prepared to offer £30 million for it. Apparently, his only problem — in these internecine rivalries between proprietors — was that he could not stand negotiating with Mr. Tiny Rowland. It must have been a little difficult on a yacht on the Adriatic.

and that seemed to be the great issue of principle on which he broke off negotiations. The problem was not the price or wanting the newspaper.

Then we had Mr. Murdoch himself, who was the keenest of them all to keep *Today* going. Indeed, he was so keen that he was prepared to fly across the Atlantic by Concorde twice in one day to put on the table a mere £38 million.

I think that the activities of these three dinosaurs of iron whim show only too clearly that a paper that was worth £38 million to three tycoons is a going concern. It would not have been closed and made worthless just because a reference was made to the Monopolies and Mergers Commission. It was not, in the Australian vernacular, Sydney or the Bush. Mr. Murdoch, who is well experienced in setting menacing artificial deadlines in stand-and-deliver Ned Kelly fashion knew that, but he said that it was Sydney or the Bush. But then Mr. Murdoch is quite used to not playing the game—and winning it as a result. I think that if his bluff had been called, all that would have happened is that there would have been a delay of several weeks—perhaps three months—which would have knocked £3 million or £4 million off the price of *Today*. It is as simple as that, and every objective, neutral observer of the newspaper industry that I know shares that view.

There is little doubt in terms of pure law that, under the terms of the Fair Trading Act, Lord Young was under a duty to refer the matter to the Monopolies and Mergers Commission—unless he could be objectively convinced that it was not "a going concern".

Mr. Matthew Taylor (Truro): Has the hon. Gentleman considered that Mr. Murdoch would hardly have pushed the Government to make such a speedy decision if he would save several million pounds from a delay? Perhaps Mr. Murdoch thought that the newspaper was reaching the point where it would be a viable concern and that Mr. Rowland would have kept it going.

Mr. Aitken: I am not as expert as the hon. Gentleman in reading Mr. Murdoch's mind, but we know that Mr. Murdoch knows a quick deal when he sees one. He knew that he could get *Today* quickly by putting a pistol to the head of the Secretary of State, and that is what he did.

I think that there was a prima facie case for a referral to the Monopolies and Mergers Commission, so how did the Houdini-like Secretary of State escape from his obvious responsibilities? I suspect that he was able to find the only justifiable loophole by going back and studying the precedents set by previous incumbents of his office. And where better to look for helpful precedents than that set by the new keeper of the Conservative party's conscience—the voice crying in the wilderness and in the *Sunday Telegraph*—Saint John of Oswestry?

My right hon. Friend the Member for Shropshire, North (Mr. Biffen) has always moved in a mysterious way, and he was never more baffling than when, in January 1981, as Secretary of State for Trade, he declared himself convinced that the highly profitable *Sunday Times* could be taken over by Mr. Rupert Murdoch without reference to the Monopolies and Mergers Commission. There is no point in going over all that old ground again, but the sorry episode of the *Sunday Times* demonstrated that if there ever was a "Stalinist regime" at No. 10 Downing street, my right hon. Friend the Member for Shropshire, North was, at that time, its most servile apparatchik.

After all, my right hon. Friend was the Secretary of State who demonstrated that a coach and horses could be driven through the Fair Trading Act's provisions on newspaper mergers, and he was the originator of Biffen's law, which may be stated as, "A newspaper is a going concern, until Mr. Murdoch says that it is not a going concern."

Biffen's law and its legacy have allowed three successive Murdoch acquisitions to avoid a reference to the Monopolies and Mergers Commission.

Mr. Dalyell: Will the hon. Gentleman give way?

Mr. Aitken: No. I am just finishing.

Until the sections of the Fair Trading Act on newspaper mergers are reformed and strengthened, the Act will remain a law in disrepute. That is why I have said, only slightly tongue in cheek, that the only logical way to deal with the problem is to give Rupert Murdoch a free pass and have done with it.

4.47 pm

Mr. Malcolm Bruce (Gordon): We were all taken by surprise by the abrupt conclusion of the extraordinary speech by the hon. Member for Thanet, South (Mr. Aitken), which seemed to be directed at everybody in general, but at nobody in particular.

The hon. Gentleman freely hurled abuse at the editorial and journalistic quality of *Today* and at its general performance, but it is worth recording that in the past three months the newspaper has achieved the biggest percentage increase in circulation of any national newspaper, and has put on nearly 50,000 circulation. That is no mean achievement. It was moving in a positive direction.

It is a matter of regret to us to see the passing of the only newspaper that consistently supported the alliance during the past few months and during the general election campaign. Conservative Members do their party no credit when they sneer at a newspaper that represents a cause different from their own. Indeed, they reveal the corruption that is creeping into the Tory party, which wants to silence all opposition and alternative viewpoints. It is important to note that that attitude is creeping through the Conservative party.

Mr. Buchan: May I remind the hon. Gentleman about the complaints of the Tory party in Scotland, which was weeping because it believed that the press in Scotland was not sufficiently pro-Tory?

Mr. Bruce: That is so, and perhaps it is just a small contribution to the dispute that is now wracking *The Scotsman*. It is the kind of pressure that the Government are putting on that newspaper.

I regret the passing of *Today* and I do not agree with the hon. Member for Thanet, South in attacking its journalistic standards. I regret its passing, not just in terms of the implications for trade and industry practices, but as a journalist. I have not seen a newspaper vandalised as quickly as that newspaper has been vandalised in the few days since it was taken over. I took the time and trouble to read it and can tell the House that by no stretch of the imagination is it the paper that it was a week ago. It is certainly not a middle-market paper, and the Chancellor of the Duchy of Lancaster claimed that as one of the reasons why it was OK for the go-ahead to be given. It is

[Mr. Bruce]

already a down-market paper and going fast into the gutter, and that is clearly the objective of the new owners. The Chancellor's argument is spurious.

The independence of *Today* is simply a joke, and the degradation started immediately that the takeover took effect. On the day of the takeover, the first pre-midnight edition, which was produced before midnight by the outgoing editor, carried a report of the statement in the House on the takeover proposals. That report showed that there had been considerable opposition to the Government's non-referral by the right hon. and learned Member for Monklands, East (Mr. Smith), by other hon. Members, and by me. The second and third editions that night showed a paean of praise for the Murdoch takeover and gave the impression that the entire universe was cheering the event. That was a quite remarkable turn around and a revelation of how independent *Today* is under its new owners.

The Government motion talks carefully and guardedly about the loss of jobs and about the implications for closure if the Government had not accepted the Murdoch deadline. The first thing that the House should know is that wholesale sackings are already taking place. Many jobs have already gone since Wednesday. What kind of assurances have the Government sought about jobs, and what kind of satisfaction do they expect? I am afraid that the commitment to jobs is very hollow.

The millions of pounds that will be poured into the newspaper from now on will probably preserve the title, but the suggestion that the 500 jobs are really secure is not regarded by most of the staff on the newspaper with equanimity or conviction. I said last week that the Government were guilty of a disgraceful negation of responsibility and that their excuses were lame. I stand by that and I shall embellish it. The Chancellor of the Duchy of Lancaster said last week, and said again today, that *Today* represented only 2·5 per cent. of the market and, therefore, its takeover represented no significant further consolidation or concentration of ownership. Will he say the same thing when *The Independent* newspaper is being added to the the Murdoch stable, because it has just about the same share of the market? Will he tell us at what point concentration of the press under one owner is unacceptably high?

It is certainly clear by now that Murdoch's share of the market is enough to constitute a restraint on trade. I hear reports that the advertising agencies are being bullied, and that if bullying will not work they are being threatened, intimidated or even bribed by Murdoch in an effort to seduce advertising away from newspapers. That applies particularly to *The Independent* so that its position in the market will be weakened and in future he can add it to the number in his stable. There is no end to the man's ambition to concentrate ownership of the press.

I shall now turn to the argument put forward by, I think, every hon. Member who has spoken about the implications of the threat of blackmail. It has been said that if the Government had not accepted the deadline, *Today* would have folded. The obvious point has already been made that if *Today* was worth £38 million last Wednesday, it is inconceivable that if the Government had not acceded it would have been worth nothing on Thursday. The other point is the situation that Lonhro was in. It took over *Today* when the paper was losing money. Eddie Shah had incompetently tried to launch a newspaper, thinking that new technology was all that newspapers were about. He had no record, and no understanding of how expensive it is to launch a new title and of how much marketing and promotion were necessary.

When Lonhro took over *Today*, it knew that it was a loss-maker and that Lonhro would have to build up the paper. Lonhro recognised that that would take some time. The problem for *Today*, which caused the newspaper to suffer a misfortune, was that Lonhro's other trading interests turned sour during the same period. As a result of that the shares were dipping on the market and Lonhro needed to improve its cash position fast in advance of the annual report. Only last month it sold its gambling interests for £126 million. The further £38 million last week gives Lonhro £164 million to dress up the national report. That was the real motive.

If a referral had been made, folding *Today* rather than waiting for the outcome would have been stupid business practice because, clearly, there would have been an immediate requirement to write off the £30 million of accumulated losses. In those circumstances, the figures that Lonhro would have had to present for the annual report would have been infinitely worse than if it had waited for the outcome of a referral and had then sought to find a bidder. The indications are that the three options outlined by the right hon. and learned Member for Monklands, East would have crystallised. Either Maxwell or Murdoch would have firmed up, or possibly, as my hon. Friend the Member for Truro (Mr. Taylor) said, *Today* would have reached a level of circulation that would have made Tiny Rowlands and Lonhro decide that it was worth hanging in there to reach profitability.

The paper was making rapid progress in a positive direction. That is the main reason why nobody can seriously believe the Government's claim that if they had not acceded to the request *Today* would have folded. There is no conceivable or sensible business reason for folding that newspaper. The fact that it is incredible makes me conclude that the Government's decision was not, as the right hon. and learned Member for Monklands, East described it, spineless and complacent. It was corrupt.

The telephone call that Lord Young made to Murdoch during the election campaign to complain that the *Sun* was not giving enough commitment at that stage to the Tory party produced the desired response of another scurrilous outburst of *Sun*-style support for the Conservative party. The pay-off came when, unfortunately for Lord Young, Rupert Murdoch came to him shortly after he had been made Secretary of State for Trade and Industry, and chairman- designate of the Tory party, and asked for support for this takeover. One need not look far from that to conclude that the Government's decision was too close to the interests of the Tory party to believe the lame arguments put forward by the Government to defend their decision.

The Government's excuses are lame in the extreme, and I do not think that I have seen the Chancellor of the Duchy so uncomfortable at the Dispatch Box during the time that I have been a Member of the House. I wonder whether in four years' time Lord Young or his successor as chairman of the Tory party will ring the editor of *Today* to complain that he is not getting the support that he expects. That is certainly the way that thinking is going on the Tory Benches.

Finally, I should like to take up a point made by the hon. Member for Thanet, South. It is worth recalling that since 1965, of 91 applications for press mergers and takeovers, only 18 have been referred to the Monopolies and Mergers Commission and that no national newspaper deal has been turned down. Clearly, the refusal to use the commission in the present situation is untenable and unacceptable.

The 1962 Royal Commission on the press said that the scrutiny of press takeovers

"should be kept entirely free of government responsibility or political association."

One would have thought that the embarrassment felt by Ministers over the last few days on this issue would have encouraged them to adopt that recommendation. They should have tried to find a method of ensuring that there was an automatic referral that could be dealt with in a speedier time of, say, six weeks, and could possibly be handled by a judge accustomed to commercial law. I think that that suggestion would find a lot of favour in the press.

If that were the practice and the law, the kinds of shotgun marriages that we have expected and suffered from Murdoch could not happen in future. Everybody should be keen to ensure that that were so and that blackmail could be eliminated. We have seen the Government accede to blackmail, but in this instance they did not mind too much because the outcome was to their political advantage. This is a sad and regrettable period in the development of the British press.

The independence of the British press is now under severe attack. Such concentration of ownership is a matter of considerable concern. The lack of concern of, and response from, Conservative Members is a sign of the corruption of power, of complacency and of their desire to ensure that the organs of the media express only the views that they wish to see expressed. I would have more faith and trust in the Conservative party's commitment to freedom if I saw action to support plurality and diversity. The Government have failed to justify their behaviour and stand indicted for their accession to blackmail.

5 pm

Mr. David Sumberg (Bury, South): There is no doubt that a respectable case could be made out against the decision taken by my noble Friend Lord Young not to refer this transaction to the Monopolies and Mergers Commission. I would not agree with that case, but it is legitimate. However, it is not legitimate for the Labour party and its trade union friends to pretend that they are defenders of choice and diversity in the free British press. On every conceivable opportunity given to them, they have been found supporting, and giving succour to, those who want to bring the printing presses to a halt.

It is somewhat ironic that the newspaper about which we are talking is the *Today* newspaper. As my right hon. and learned Friend the Chancellor of the Duchy of Lancaster has said, the newspaper was not founded by a great press baron such as Mr. Maxwell, Mr. Murdoch or even Tiny Rowland. It was founded by a small business man from the north-west of England, which is where my constituency lies. My right hon. and learned Friend touched on the history of the case and it might be as well for the House to be reminded of that history.

Eddie Shah, who founded the *Today* newspaper, first came to national attention after the 1983 general election, when he was attempting to expand choice and diversity in local newspapers in the north-west of England. He was tired of the restrictive practices of the trade unions, which had seen the death, not merely the loss of independence, of national and local newspapers. He resolved to try a different way.

The reaction of the trade unions — a reaction supported by the Labour party — was simple. They tried to close down Mr. Shah's newspapers. Nothing was allowed to impede that aim, whether it was personal violence, intimidation or blockading the printing works. Thank goodness, that campaign failed, but it was no thanks to the latter-day defenders of a free press on the Labour Benches.

Mr. John Smith: What has this to do with the debate?

Mr. Sumberg: It is important because the credentials of the Labour party, as it criticises the Government position, need to be examined.

Mr. Shah went on to found the *Today* newspaper. He started a revolution in the printing industry and he attempted to break the power of the printing unions, which had hitherto thought—often correctly—that every newspaper employer was a soft touch. Mr. Shah failed, but the newspaper survived. The Opposition do not like the fact that his legacy was that the power of the printing trade unions was broken for ever. They are finished.

If the Labour party genuinely wanted to see a flowering of opinion, newspapers being created and more opinions being seen, they would have welcomed that development. Not a bit of it. Hon. Members have already criticised the conduct of Rupert Murdoch. When he tried to bring some sense into the printing industry, and to bring it into the 1980s, the Left resolved that he should not succeed. If the Grunwick picket line was the first Ascot of the Left, the Wapping barricade was undoubtedly the second. Less than a year ago, we saw the yobbish tendency of the Labour party fighting on the streets while the so-called refined or respectable tendency was ostentatiously shunning any contact with the Murdoch press while having the gall to complain that their views were misrepresented in his newspapers.

My speech will not be long because I wish only to remind the House of the history. Those who now work themselves into a pious rage over one newspaper, with only 2·5 per cent. of the national circulation, losing its independence, did not give a tuppenny damn about the threat to major national circulation newspapers and local newspapers when they were in danger of losing not merely their independence and freedom but their very existence.

The Labour party has shown in this debate hypocrisy and something worse. I deplore its constant references to the nationality of Mr. Murdoch.

Mr. Ron Leighton (Newham, North-East): What is it?

Mr. Sumberg: Whatever it is, such jibes come ill from a party that is constantly telling us that it is fighting racism and discrimination. It is wrong to put such an attitude to the House. Labour Members have no right to come to the House to bemoan the fate of the British press. They are responsible for a large measure of this. I think that it was Stanley Baldwin who described the press barons in the 1930s as having power without responsibility. Times have changed. The last election showed that the Labour party has no power, and never will have. This debate has shown that it has no responsibility either.

5.8 pm

Mr. Martin J. O'Neill (Clackmannan): I am sponsored by the National Graphical Association. My position is well known, and I shall not go down that road today. However, I shall indulge in some schadenfreude at the expense of Mr. Shah. In many respects, the difficulties that he encountered were ones that the NGA helped to correct, as they were difficulties in the production of the *Today* newspaper following the debacle of its launching. These problems were corrected by the employment of union members at his plants. In the past few months, an increasing number of people on the production side of *Today* have taken out union membership. While there is by no means a closed shop there, a substantial number of the work force is engaged in producing what, technically, is now regarded as an attractive product.

The issues that we have to confront today are the role of the Secretary of State and the application of the criteria on the bid, and the nature of the purchase and its significance for newspaper printing and production. There has been much talk about circulation and the importance of the jobs, but there has not been much mention of the interaction between the production facilities and the future of other sections of the British press. That is the most glaring omission from the criteria behind which the Minister has sought to hide.

In comparison to the News International bid, *Sunday Sport*, at what has modestly been called the bottom end of the market, talked in terms of a sum of money substantial enough to make Mr. Rowland, if he were in the financial difficulties described by the hon. Member for Gordon (Mr. Bruce), seize that bid in advance of his consideration of the Murdoch one. Anything up for sale in Britain strictly requires the interest of Mr. Maxwell. He is like the ladies who attend jumble sales organised by the Labour party who come along and look at every bargain and try to haggle for a price. When they find that there is another jumble sale down the street next week, they say, "We'll go down there and have a go."

Mr. Maxwell's interest is well founded and well established. That is one reason why Opposition Members would have demanded Maxwell's reference to the Monopolies and Mergers Commission had his bid been successful. Although in many respects he is sympathetic to the Labour party, there are times when we have to watch him very closely. As they say in Scotland, "When you sit down with the devil, you've got to use a lang spoon."

No matter who owned the paper, we would have to be careful. We are not clear whether the interest shown by Associated Newspapers was simply superficial or whether the company, in a predatory fashion, wanted to move into that area of the market in which News International and *Today* are presently competing.

Many people have suggested that a circulation of 500,000 would have been the break-even point although at one time there was talk that that circulation figure could have been as low as 35,000 if any of the companies involved wanted to make a go of the newspaper. The signs are that circulation had been creeping up and that advertising revenues had been improving. It is probably true to claim that the status of the *Today* element in the Lonrho accounts is not nearly as red as has been suggested.

We have been down this road before with Mr. Rowland. It is not that long since Mr. Rowland closed another new and exciting paper. The only difference between *Today* and the paper I have in mind is that people in the locality were prepared in great numbers to be identified with the paper and they strongly supported the quality and standards that the paper was seeking to uphold. Of course, I am referring to the Glasgow-produced *Sunday Standard*. That paper was closed abruptly for failing to meet fully, in a relatively short period, the targets set at its launch. Its closure was, once again, the result of the whimsical approach of Mr. Rowland to what was becoming a very significant newspaper institution.

Thankfully, the days are long past when the press barons continued to throw good money after bad to support their opinions and prejudices. Perhaps Mr. Rowland became bored. However, perhaps he did not want to be another contract printer. There may be aspects of the face of capitalism that even he finds unacceptable and perhaps he does not want to be involved in printing for other people. At the end of the day, his new presses were doing that. Indeed, the *Today* operation was running on a better financial footing than at any time since its launch because the *London Daily News* was being printed at Heathrow and because deals had been struck, following the closure of *Today on Sunday*, with the *News of the World* to print the colour sections of that paper.

The acquisition by News International follows logically into the scheme of things as Mr. Murdoch would want them. We have seen the appointment of a new editor to the *News of the World* whose aim is to increase the circulation of that paper even more. The weapon to be used in that circulation battle will be the colour presses now owned by News International. Those presses will be used until the next phase of Wapping is completed some time within the next 20 or 24 months.

It may be argued that Mr. Murdoch wishes to start up a new paper. However, the truth is that he has no record of starting papers in Britain; he merely acquires them, reduces them to the lowest common denominator of what passes as popular appeal and then sells them in ever greater numbers. That may be a testament to his commercial judgment or his assessment of humankind. I am not sure which. However, Murdoch will acquire and unload assets as and when that suits his purpose. I can well imagine that in two years' time we may be debating the sale of *Today's* printing presses. Those presses might well be sold to Mr. Maxwell and he would then have the colour paper that he wants to sell in great numbers, in the kind of numbers that he is achieving in Scotland with the *Daily Record*.

In the antics and moves of the newspaper proprietors we see the quite callous appreciation of the need to secure various means of production in different parts of the country. While we all welcome the retention of the jobs, few of us believe that the deal that has been struck will necessarily resolve anxiety. As I have said, I can imagine us facing the same problems in two years' time because of the nature of the newspaper industry. News International might well have been deterred by the bid being referred to the Monopolies and Mergers Commission. We cannot be certain about that, but the argument is clear. The paper was a going concern and an attractive proposition.

The Secretary of State seems to have stood idly by. He does not realise that market share is not the only criterion that should have been taken into account. The statistics of the demand or the circulation of the newspaper are not the only important factors. Consideration should have been

given to the control of the means of producing the newspaper. In many respects that is just as important in the longer term for the public interest.

A proper examination of those circumstances would have shown that the owners of newspapers today now produce one another's papers. In days gone by, the critics of monopoly capitalism might have identified the interlocking directorships as one of the mechanisms whereby ownership was concentrated. Today, power is exercised by small groups of men and their satraps by affording one another the opportunity to produce journals in different parts of the country and to do that in a way that has resulted in the ending of the origination by Express Newspapers Ltd in Manchester and a considerable loss of jobs in that area.

The lesson of this non-referral is clear. Whenever the Government are challenged by a large newspaper proprietor, they always hide behind the criteria because the criteria do not take account of present circumstances. The Fair Trading Act 1973 is not relevant to today's circumstances. No matter who brings in new technology or who assists in that, new technology requires new systems of control. This non-referral has shown that the Government, and the Secretary of State, are unfit to hold office because they do not appreciate that in trade and industry the needs of readers in the newspaper industry and of the producers and journalists are intermingled in such a way that we must have new controls over publication and ownership of papers and so break the interlocking relationship between the various strands.

The Parliamentary Under-Secretary of State for Corporate and Consumer Affairs (Mr. Francis Maude): Perhaps the hon. Gentleman will tell us what sort of new controls and regulations he wants to introduce.

Mr. O'Neill: Time prevents me responding to the Minister's intervention at great length.

We must find a means of adequately separating the production of newspapers from the control of them if the owners of newspapers are using productive powers to interfere with the freedom of the press, or to ensure that the concentration of ownership increases to an exent that means that the Secretary of State is incapable of interfering with it. It is clear that he is incapable of doing so when we consider the episode that we are now discussing.

This may not have been the most successful exercise that the Opposition have waged to secure a referral, but it will alert the public to the fact that much more is required in the ownership and control of newspapers than the fig-leaf-like protection that is afforded to everyone by the 1973 Act.

5.20 pm

Mr. Michael Fallon (Darlington): I am sorry that the hon. Member for Clackmannan (Mr. O'Neill) did not have more time to develop his thinking on how the free press might be made a little less free. He made a significant contribution to the debate, however, and at the same time weakened the Opposition's case. He was the first Opposition Member to express some concern about jobs being at risk. He knows that jobs have been lost in recent years in the Scottish newspaper industry, and he expressed concern about the real risks of jobs being lost at *Today*. He knows that jobs were under threat, but that concern was not expressed by the Opposition spokesman, the right hon. and learned Member for Monklands, East (Mr Smith).

Secondly, and more significantly, the hon. Gentleman reminded us that Mr. Rowland, as with Mr. Murdoch, has had no hesitation in closing newspapers that have made significant losses. No time was wasted in closing the *Sunday Standard*.

The Opposition have failed to make their case, and that is not because their anger is entirely synthetic. I imagine that it was occasioned by one telephone call from Mr. Maxwell last week. Their failure to make their case is not merely because their anger is conditioned by their perennial anti-Murdoch prejudice, which runs through their entire approach to the newspaper industry. They have failed because they have been unable to advance their case on the central test in the Fair Trading Act 1973 of competition in the newspaper industry.

The first test is whether a newspaper is or is not economic as a going concern. There is ample evidence – this evidence was before Ministers – that *Today* was losing considerable sums. There were two previous owners, and its sister newspaper, *Today on Sunday*, had already been closed. That fact was completely ignored by the right hon. and learned Member for Monklands, East. There was no alternative bidder making a firm offer to Mr. Rowland and Lonrho, and it is evident from all that we have seen and read that the business was on the brink of collapse. It seems that the first test of the 1973 Act is clearly satisfied.

Mr. Tony Lloyd: The hon. Gentleman mentioned the closure of *Today on Sunday* and also Mr. Rowland's ability to close newspapers. Does he regard the present legal framework as adequate when newspaper proprietors can close titles without any reference to the Government? We are talking about a massive concentration of ownership in an industry that provides sources of information for the public. Furthermore, is the hon. Gentleman happy that the provincial press is being devastated by the proprietors? Instead of criticising the Opposition's attempt to get some sanity into the newspaper business, will he urge the Government Front Bench to think seriously about the dangerous concentration within the industry?

Mr. Fallon: The hon. Gentleman makes a fair point about closures and whether they should be notified. I shall come at the end of my speech to the general principles that we should examine in the operation of the 1973 Act.

The second test under the 1973 Act is whether the matter was urgent, and it seems that there is ample evidence that it was. *Today* was losing about £500,000 a week, which means that private business and private interests were losing that money. However, the Opposition have made far too much of the deadline that they feel was imposed on my right hon. Friend the Secretary of State. If a business is losing money week after week, there must be a point at which any sensible management will draw the line and say, "We will not allow our losses to continue after a certain point." The Opposition have presented their case in a way that suggests that Mr. Rowland had some sort of public duty to continue subsidising the newspaper to the extent of about £500,000 a week, and to do so week after week.

The matter was urgent because jobs had already been lost and more jobs were at immediate risk. I should have

[Mr. Fallon]

liked to hear more from the Opposition Front Bench about the extent to which they believe that the 500 jobs would have been secured if my noble Friend had not taken the action that he did. My noble Friend the Secretary of State had a difficult decision to take under the terms of the Act, and if Mr. Murdoch closes *Today* a year from now, the Opposition will crow. They do not care about Murdoch jobs in any event, but they will crow if it appears that my noble Friend took the wrong decision. On the other hand, if Mr. Murdoch makes a success of *Today* and turns it round so that it starts to make money, as he did with *The Sunday Times*, they will argue in a year or two's time that it must have been a going concern all along. It is only management, change of management, and the application of better management, business and marketing techniques that will turn the newspaper round.

My noble Friend the Secretary of State did not have an easy decision to take, but it seems that he took the right one, given that the conditions set out in the 1973 Act were satisfied. That suggests that the Government were fully entitled to agree that the transfer should take place without a report from the Monopolies and Mergers Commission. If that is so, there is only one remaining and separate consideration to which we should address ourselves. Given that the Government were entitled to agree to the transfer, were they right to agree that the title should be transferred to News International? It seems that the tests to be applied are whether News International already has a significant stake in the middle market of newspapers, which plainly it has not, and whether the addition of the *Today* title will increase its share of the total newspaper market to the extent that it will have a dominant position.

It is necessary only to state the reverse of the first test to realise that it cannot be implied that News International's ownership of *Today* reduces competition in the middle market between the *Daily Mail* and the *Daily Express*. Did Lonrho's ownership of *Today*, or its ownership by Eddie Shah reduce competition between the *Daily Mail* and the *Daily Express*? It would seem that the presence of a third player in the middle market enhances competition, and I find it rather odd that the Labour party of all parties should seek to preserve an aging middle-class duopoly.

Will the addition of *Today* to the Murdoch stable significantly affect his share of the total market? Will the numerical increase in the number of his titles have that effect? It does not seem to me that that test is met either. He still does not have even one third of the total newspaper market in this country. I do not think that this decision makes any significant change in the concentration of the newspaper industry.

It is especially important that the *Today* title should survive, because this newspaper ushered in the era of new technology and the new industrial relations climate that those of us who support and believe in free newspapers should do everything possible to encourage. When I say "free newspapers," I mean not simply newspapers that are free to compete against other newspapers, but newspapers that are free to compete as businesses — free from the archaic working practices and anti-business methods of the past, and free as businesses to make profits and to be successful. We in this House owe a special debt to *Today* and Eddie Shah for opening the way to wider and freer competition in the newspaper market.

Finally, I turn to the point made by the hon. Member for Stretford (Mr. Lloyd). Surely, however cumbersome they may seem, the real test of the workings of the Fair Trading Act 1973—and I accept that there is concern in Scotland and the north at the closure of titles — is whether newspapers are becoming more, or less, plural. Over the past two years or so we have seen a growing diversity in our newspaper industry. That growing diversity and plurality are quite separate from the question of how many newspapers Murdoch, Maxwell, Beaverbrook or Stevens owns, and all hon. Members should be ready and willing to support it.

I welcome the decision taken by my noble Friend. He has preserved the title of *Today*, he has preserved it as a going concern and he has secured the jobs that go with it. Of course, if Mr. Maxwell is seriously interested in buying the newspaper it will be open to him to make an application in the future, but it was my noble Friend's action last week that ensured the newspaper's survival, either to prosper on its own, or to be ready to let others try.

5.32 pm

Mr. Robin Corbett (Birmingham, Erdington): The Minister and his hon. Friend the Member for Darlington (Mr. Fallon) have made much of the fact that 500 jobs would have been at risk if the sale of *Today* had been referred to the Monopolies and Mergers Commission. Indeed, the Minister—I am sorry that he is not in his place—claimed that the decision not to refer had

"preserved a substantial number of jobs." — [*Official Report*, 1 July 1987; Vol. 118, c. 504.]

I must say to the Minister's third representative on the Front Bench—the hon. Member for South Ribble (Mr. Atkins)—that he was in no position last week to claim credit for those jobs. Let me ask him—although I shall not get an answer, because he has left the bone here; even the dog has gone home—what assurances about jobs the Secretary of State sought from Mr. Murdoch, and what assurances were given.

There is bound to be no reply to that question; however, I have the answer. My information is that no such assurances were sought. The Minister and his hon. Friends have no basis for taking the credit, from the day on which the sale and the decision not to refer were announced, for 500 jobs being preserved, as the Minister stupidly claimed. Indeed, on the basis of the reasons given by the Minister for not referring the sale, it is logical to assume that no reference would have been made if *Today* had been sold to someone else, as precisely the same factors would have surrounded that transfer. Those factors remain the same whether Tom, Dick, Harry or Harriet is trying to buy.

If that is the case, the Minister knows—he said so in part this afternoon at the Dispatch Box — that at one stage Lord Rothermere of the *Daily Mail* was interested in acquiring the title. The hon. Member for Darlington had better remember one fact about that when he prates on about saving jobs. Lord Rothermere made it perfectly clear that his sole purpose in trying to acquire the *Today* title was to shut it down, the better to safeguard the flanks of the *Daily Mail*. That is another reason why

Conservative Members should be careful in boasting about jobs being saved and preserved. I believe that time will quickly demonstrate that what they say is not true.

Was it a taste of Murdoch style to come that, on the very day *Today* trumpeted the news of its purchase, it was under the headline

"Big welcome for £38m Today deal"?

The report began:

"Politicians and union leaders last night welcomed the purchase of TODAY by Rupert Murdoch's News International group."

Nowhere in that report was there one word of the criticism voiced by Opposition Members and supported by the hon. Member for Thanet, South (Mr. Aitken). All that had evaporated. Judging by the new Murdoch-style *Today*, it never happened. I wonder whether that is what was meant by what I suppose passed for a leader, although it was not labelled as such, which modestly claimed that the newspaper under Murdoch would be "aggressively independent". The only thing that is aggressively independent about other Murdoch titles, such as the sewer *Sun*, is their independence from truth and facts.

Again, nowhere did that leader, or that news story, make it clear that what the leader modestly called

"Britain's most energetic newspaper group"

includes four other titles—that is, three newspapers and *The Sun*—or detail Mr. Murdoch's control of a television satellite, or his extensive media interests in the United States, Australia or anywhere else.

My main complaint is that under the present Government—while they prattle on about freedom and freedom of the press—monopoly ownership, and with it a strengthening of uncritical support for the Conservative party, has worsened in the current decade. Ten of the 17 "Fleet street" nationals have changed hands since 1981. The Government's view, which they also apply to radio and television, is that all that counts is the depth of a pocket or purse. Newspapers, television and radio stations — they are all for sale. They are simply other commodities that can be bought by and sold to the highest bidder. [HON. MEMBERS: "Why not?"] Conservative Members make the point graphically when they say, "Why not?". Let me try to persuade them. I shall simply say to what is left of the Government Front Bench that, if that is their view, the Government should have the courage to repeal the Fair Trading Act 1973 and wrap up the Monopolies and Mergers Commission. I do not want that to happen, but it would be much better than the present deceit.

If the present law is to be retained, it needs toughening. Perhaps a Select Committee could consider the matter, and the Government could undertake tonight to respond positively to its suggestions. Better that than the present position, in which a decision not to refer looks to many, both inside and outside the House, like a belated thank-you present to Mr. Murdoch for his unswerving support for the Conservative party and its leader.

If the law is not changed—this is the worrying aspect —Mr. Murdoch, or anyone else with the cash, can and will buy his way further into our media, and then use that power to assault the commercial position of the few newspapers that criticise the Government, argue for an alternative and represent views that are excluded from any of the titles under Mr. Murdoch's control.

There is a legitimate public interest beyond profitability in all this. In a democracy, the public have the right to a range of titles that reflect differing opinions. The fact that views are held by a minority does not mean that they should not be heard. Competition is about much more than just competition in the market place. It is about the competition of ideas and about arguments for alternative policies within our democracy.

The new technology was said to be the dawn of greater diversity in our press. Three owners and three editors later, *Today*—the first national child of the new technology—has been swallowed by a media conglomerate owner who makes Citizen Kane look like a democrat. On all three continents where Mr. Murdoch rules, his titles support business men's Governments and their ambitions. It is an awesome power, and it threatens our democracy.

Mr. Cash (Stafford): Will the hon. Gentleman give way?

Mr. Corbett: Not at the moment.

That is not simply because Mr. Murdoch interferes with the editorial content of his newspapers but because his staff know from the moment that they are appointed what is expected of them. They know what to write and how to write it. They know also that if they do not do so they will be out of the front door, before they can pick up their hats and coats.

Mr. Cash: The hon. Gentleman says that the Murdoch newspaper empire is riddled with lies, yet it seems that the hon. Gentleman, his right hon. and learned Friend the Member for Monklands, East (Mr. Smith) and all his colleagues have been relying heavily on extracts from *The Sunday Times* to support their case. Could he explain that?

Mr. Corbett: The hon. Gentleman's question is too facetious to bother with.

A month ago, *Today* decided to support the Liberal party and the Social Democrat party in the forthcoming election. Does anyone doubt for a single moment that its advice to voters at the next election will be precisely the same as that given in this election by *The Times*, *The Sunday Times*, the *News of the World* and *The Sun*—vote Tory? If that does not happen at the next election, I shall give £100 to charity. I shall look to you, Mr. Deputy Speaker, to remind me of that promise.

I congratulate David Montgomery, the new editor of *Today*, on his return to journalism. I hope he likes the experience, learns from it and determines to stay with it.

5.41 pm

Mr. William Cash (Stafford): The Opposition have said a great deal this afternoon about the inadequacies of the Fair Trading Act 1973. Scurrilous and perfectly unsustainable attacks have been made on Mr. Rupert Murdoch. A variety of accusations have been levelled against him with not a shred of evidence to sustain them, other than from the book that Mr. Harold Evans published a few years ago in a fit of pique.

Mr. John Smith: In the speech to which the hon. Gentleman is, I believe, referring, I drew attention to the fact that the editor of *The Times*, who was appointed by Mr. Murdoch, correctly stated in his account of the events that Mr. Murdoch broke all the assurances and guarantees that were offered to Parliament so that the reference would not take place. What is scurrilous about that? That evidence exactly fits the case.

Mr. Cash: The right hon. and learned Gentleman is relying on hearsay from that book. His allegation is based on second-hand information. He has no evidence whatsoever to substantiate it.

Another point that has been completely ignored by the Opposition in their call for changes to the Fair Trading Act 1973 is that section 58(3) of that Act is based on section 8 of the Monopolies and Mergers Act 1965. Who, I ask the right hon. and learned Gentleman and his colleagues, passed that legislation? It was the right hon. and learned Gentleman's colleagues in the Labour party who passed section 8 of the Monopolies and Mergers Act 1965. Furthermore, all the essential ingredients of section 58(3) repeat section 8 of the 1965 Act. The facts speak for themselves. If the law needs to be changed, the Opposition were guilty of enacting the legislation that they now criticise.

During the Second Reading of the Monopolies and Mergers Bill on 29 March 1965, the President of the Board of Trade of the then Labour Government said:

"what neither a Government, nor even Parliament, can do is to compel the Press to be free, nor even, by Parliamentary decision, make a newspaper pay if the public is not willing to buy it. We have, indeed, allowed for this latter eventuality in the Bill by enabling the Board of Trade to give consent in the case of newspaper mergers if the paper in question has no chance of carrying on successfully with its existing resources."

He went through the various alternatives, which had been agreed by the then Conservative Opposition and Labour Government, that could have formed the basis for a different approach to the law and said:

"There are really, I think, only three practical alternatives here if we decide to do anything at all, and none of the three alternatives is very attractive. The first is judgment by some sort of judicial procedure; the second is decision purely by a Minister, who inevitably, or at any rate probably, has political loyalties of some sort; and the third is an inquiry and recommendation to the Government by some sort of administrative tribunal."—[*Official Report*, 29 March 1965; Vol. 709, c. 1218.]

All these matters were looked into carefully in 1965, and they formed a perfectly balanced set of alternative proposals. The decision that was taken by the then Labour Government and agreed to by the then Conservative Opposition, that was incorporated into the Fair Trading Act 1973 and that forms the legislative basis for these proposals, has already been thoroughly and exhaustively considered. The basis on which the Government have made this decision lies four square within the provisions of that legislation.

Much has been made of the political complexion of Mr. Rupert Murdoch and his newspapers. It may have escaped the attention of the Opposition that in 1974 there were two separate campaigns. *The Sun*, which at that stage had already been acquired by Mr. Rupert Murdoch, placed itself firmly under the Labour banner. It is absurd for the Opposition to pretend that there is a substantial case for levelling the charge of political partiality against Mr. Rupert Murdoch when *The Sun* supported the Labour party in 1974. *[Laughter.]*

Mr. Neil Hamilton: Does my hon. Friend agree that the mirth on the Opposition Benches comes ill in respect of Mr. Murdoch, as he is one of the principal supporters and bankers of Mr. Hawke, the Prime Minister of Australia?

Mr. Cash: My hon. Friend makes an important point. When the Opposition start to collapse with mirth it is the best indication that they have no reply to make to the suggestions that are being made on the Government Benches.

Mr. Wilson: Would the hon. Gentleman join me in condemning the scurrilous and vile campaign by *The Sun* in attempting to demonstrate that the heir to the throne is unbalanced because he visits islands and cares about poverty? Does he agree that any political party that prostitutes itself to a publisher who is prepared to peddle such treachery in the interests of circulation should be deeply ashamed of itself and should be branded as deeply unpatriotic?

Mr. Cash: The hon. Gentleman makes a series of futile allegations that have absolutely nothing whatever to do with the substance of the debate, so I shall treat them with the contempt that they deserve.

As my hon. Friend the Member for Darlington (Mr. Fallon) made clear, *Today* has played a very significant role in the preservation of the freedom of the press. Furthermore, when faced with a mixture of financial crisis and urgency, the need to sustain that newspaper was self-evident. Therefore, the criteria in the Fair Trading Act 1973 have been subscribed to and complied with, and the basis upon which my right hon. and learned Friend the Secretary of State arrived at his decision was entirely reliable and entirely justified.

The hon. Member for Gordon (Mr. Bruce) suggested that in some way the decision was corrupt. If, under the basis of the legislation as it now stands, the Secretary of State, when arriving at a decision on a discretion, failed to be properly satisfied in law as to the basis upon which he made that decision—in other words, that there was a corrupt basis upon which he had arrived at the decision—that decision would be capable of being impugned at law. In reality there is no such basis, and we look in vain to the Opposition, including the hon. Member for Stoke-on-Trent, Central (Mr. Fisher), who no doubt will be replying to the debate, to produce evidence of such corruption and evidence of anything that can justify the impugning of the decision that has already been taken.

This decision was taken in line with other decisions that have been taken in the past — for good and sound reasons. Indeed, over recent years there have been a number of references to the MMC involving national newspapers. There was the one in 1966 when *The Times* was acquired. There was the 1978 reference in connection with Lonrho's acquisition of Outrams, the publishers of the *Glasgow Herald*. In 1981 there was the acquisition of *The Observer* by Lonrho. Therefore, it is not true, as the Opposition have said, that there have been no references in relation to national newspapers that are worth considering, because I have given three examples.

Furthermore, a number of non-references have occurred, including the *Evening Standard* and *Evening News* in 1980 and the acquisition of Times Newspapers Ltd. by News International in 1981. Reference has been made to the basis upon which that decision was made then. It was a perfectly proper decision at the time and in the then prevailing circumstances. Indeed, anyone who looks at the consent and the conditions imposed would know that it was a perfectly proper decision that was not capable of being impugned.

There is another aspect of the hypocrisy of the Opposition Benches on this subject. We need only look

back to what occurred in July 1969, when Mr. Cudlipp had announced that *The Sun* would be wound up in January of the following year. At that time *The Sun* was losing money. The Labour Cabinet considered whether the IPC-Reed merger should go to the MMC. I understand that at the time one of the Secretaries of State, now Mrs. Barbara Castle, went through the motions, weakly supported, so it is said, by the right hon. Member for Chesterfield (Mr. Benn). It was said that there was not one supporter for the reference to the MMC by the Cabinet. For those who wish to look it up, they will find that this occurs in the Crossman diaries of 10 February 1970. These matters were looked into at that time.

According to those diaries, the Prime Minister of the day described the attempt to go through the motions of a reference to the MMC—which was not backed up by any decision to do so as there was not one supporter in favour of it—as "political suicide".

When Labour Members say that reference should have been made on this occasion, it would do them no harm to look at the history of the way in which similar references were dealt with by their own Government when in power. I should also add that the former right hon. Member for Glasgow, Hillhead, Mr. Roy Jenkins, also agreed with the then Prime Minister on the basis that together they had said that the *Daily Mirror* was the only paper that was loyal to the Labour party.

Labour Members should not be throwing stones, because Mr. Crossman made a very accurate assessment of the position in his diaries, and no one subsequently suggested that it was not an accurate representation of what happened.

Mr. Leighton *rose*——

Mr. Cash: Does the hon. Gentleman wish to intervene?

Mr. Leighton: No. I hoped that the hon. Gentleman had finished.

Mr. Cash: This decision was properly taken against the background of the legislation that was originally passed by the Labour party. The decision was fully supported by all the criteria set out in the Act, and there is no basis whatever for the Opposition to continue to criticise the decision, which was entirely justified.

5.55 pm

Mr. Ron Leighton (Newham, North-East): One way of approaching this matter—perhaps the only realistic way in view of the circumstances—is with a massive dose of cynicism. Many people ask whether it matters, as so many of our tabloids are so bad that they live in the gutter, are debased and degraded, are a disreputable part of the entertainments industry, purveying titillation and sensation, and at election times are merely Conservative leaflets. Therefore, many wonder whether it matters at all, as they regard the tabloid press as a lost cause.

Secondly, many people think that this is a political decision—that Murdoch was so helpful in the election that this is his quid pro quo, his reward for services rendered. We all remember what Murdoch's *News of the World* did to Deirdre Wood at Greenwich and the lies told in *The Sun* about Labour councils banning nursery rhymes and so on. People think that the last thing this Government would want to do is to stand in his way.

Before anyone says that that has nothing to do with it, we should remember that this is not the first time that this Government have helped Murdoch. The Secretary of State and the Monopolies and Mergers Commission were the dogs that did not bark, let alone bite, when this happened in 1981 when Murdoch wanted *The Times* and *The Sunday Times*. One loophole in the legislation was whether the papers were making losses. The Secretary of State then said that they were uneconomic, but Harold Evans in his book "Good Times, Bad Times" claimed, and provided evidence, that they were not. We should recall what Murdoch said about Harold Evans in the statement that he issued on the day on which he took over *The Times*. He said:

"I hope that Harold Evans, whom I regard as one of the world's great editors, will continue to serve for a long time".

That was before Mr. Evans was pushed out. But Harold Evans said:

"It was Mrs. Thatcher's will which prevailed in the Government discussions on the take-over in 1981".

He added:

"I heard on 22 January 1981 that she had insisted there would be no monopolies inquiry. Murdoch had stood by her in the dark days and she was going to stand by him. The new Secretary of State for Trade, John Biffen, put it differently when he rose in the Commons five days later, but it added up to approval for Murdoch on condition that he gave various undertakings of editorial independence, which he readily did."

We all know that in his book Harold Evans said that Murdoch broke all those guarantees.

As a member of Sogat 82, I would not believe a word that Murdoch says about anything. I remember what he said to the staff of the *News of the World* recently. He strung them along and told them that they were going into Wapping. They formed an agreement that they had initialled and were willing to sign, but he broke those undertakings and wanted to sack 5,500 workers without any compensation or redundancy pay.

We should not be so cynical. What sort of newspapers we have does matter. They are run as businesses, but they are different from most other businesses. It does matter whether they have standards. Why else do we have a Press Council? It may be a toothless tiger, but it is there. Why set up a Monopolies and Mergers Commission? Why else have a framework of accountability for the electronic media that sets standards and requires political balance? It is because we recognise that access to accurate information and news is vital to the working of our democracy. That is why newspapers should not be bought and sold like packets of tea over the counter if it results in monopoly, because monopoly of news is bad for democracy.

Parliament set up three Royal Commissions on the press, in 1949, 1962 and 1977. They all warned against monopoly and recommended action to maintain and create diversity. The second Royal Commission quoted the first when it said:

"the monopolist, by its selection of the news and the manner in which it reports it, and by its commentary on public affairs, is in a position to determine what people shall read about the events and issues of the day, and to exert a strong influence on their opinions."

It went on to say:

"In addition, the monopoly publisher is in a position to determine who and what shall be investigated and criticised in the area covered by his papers since there he is the principal source of news and comment. Furthermore, a journalist whose writings or investigations clash with the monopolist's policies and purposes may either have to move out of the

[Mr. Ron Leighton]

region of the monopoly, if he is to stay in his profession, or perhaps compromise or suppress his views and the results of his investigations."

How are we to tackle monopolies, and how are we to create diversity? Other countries have approached it in what we might call the positive way. They have done it by giving subsidies, because they believe that each strand of political thought should have its own newspaper. They give start-up aid and subsidies to newsprint. We have not done that in Britain. We have approached it in what we might call the negative way—that is, to forbid mergers and takeovers.

The 1977 Royal Commission said:

"On a reference, the Commission are required to report whether the transfer may be expected to operate against the public interest, taking into account all relevant matters and in particular 'the need for accurate presentation of news and free expression of opinion'."

This approach has proved farcical and totally ineffective. It is impossible to point to any occasion when it has proved effective. The Act contains fatal flaws and loopholes that enable the Murdochs of the world to drive a coach and horses through it. Under the Act, the Secretary of State need not refer if the paper is not economic, if the paper is to continue as a separate newspaper or if the case is one of urgency. That is fatal. It completely subverts and undermines the legislation. It only needs someone like Murdoch or Lonrho to say the magic words "This is urgent" or to give a 4 o'clock ultimatum for the Secretary of State immediately to roll on his back like a spaniel and let someone like Murdoch play with his Fair Trading Act. It is all very neat, the legislation is so weak. Experience shows that it is useless and that it is no real barrier to monopoly.

No one can say that Murdoch taking over *Today* is not a big step towards monopoly. If monopoly is bad, we ought to do something about it. The Chancellor of the Duchy said that it saved the title and saved 500 jobs. He deserved a horse laugh. Last week at Bemrose, Murdoch sacked 750 workers who printed the colour supplement for the *News of the World* all through the Wapping dispute. Murdoch is to saving jobs what Sweeney Todd was to health care.

Mr. Tony Marlow (Northampton, North): Will the hon. Gentleman give way?

Mr. Leighton: No, there is not time.

Murdoch gives absolutely no guarantees at all in respect of the title. One of the attractive things to Mr. Murdoch is the machinery. It gives him facilities to print colour. With all the talk about new technology at Wapping, what a lot of people do not understand is that there is no new technology in the machinery room at Wapping. Those machines are all 17 years old and have been in store. He cannot print colour unless he gets his hands on this colour printing machinery.

If *Today*'s title is to be kept, I am certain that it will bear little relationship to the present paper. I remind the House that *The Sun* was the original *Daily Herald* and that Reed International — the *Daily Mirror* — made the *Daily Herald* into a tabloid. It did not want two tabloids, so it gave the paper to Murdoch, and we know what he did with it. *Today* supported the alliance at the last election. If there is an alliance and if there is a *Today* at the next election —I know they are two big "ifs"—I will wager anyone in the House that *Today* will not support the alliance.

Some people thought that new technology would radically change the newspaper industry. They said it would mean lower costs and cheap newspapers, that anybody would be able to start their own newspaper and that it would lead to diversity. I did not believe that. They said that it would lead to many new Left-wing newspapers. I looked for this in the United States as the new technology originated there. I could not find any new Left-wing newspapers that had arisen there as a result of new technology.

The argument was that it would greatly reduce labour costs, but the last Royal Commission found that labour costs are only 21 per cent. of a newspaper's costs. The new technology had no effect on the other costs for newsprint and such things. The experience of the *Daily Telegraph* going over to new technology was that it was so expensive that the paper lost control of it. It is now owned by a Canadian precisely because it went over to the new technology. When Eddie Shah came along with the new technology, we were told that he would run rings around the big boys and break down monopoly. But even his new "cheap" technology newspaper cost £22 million to start up. All that money was lost and many tens of millions of pounds have since gone into it. There have been three changes of ownership and three changes of editorship, and to what end?—to end up being swallowed by Murdoch, the arch-monopolist. So new technology is no solution to the problem of monopoly.

If the slight reduction in costs brought about by the new technology is applied equally to all newspapers, it will not improve the relative position of weaker publications. It will not alter the relative position of competing titles. The proposition now before us is that the first new technology paper be taken over by an arch-monopolist. If we are against monopoly and if it is against public policy and against the spirit of the legislation, why do we allow it? If the Government do allow it, let them abandon the pretence that they are opposed to monopoly.

Murdoch is building a huge monopoly empire across the world of radio, television, cable and newspaper interests—as much as he can get in Australia, as much as he can get in the United States and as much as he can get in Britain. He is willing to sell out his nationality and his soul. He is willing to do anything. He does not like this country. He does not like British people or British institutions. He only uses us to make profits in his newspapers here. He makes more profit from his four British newspapers than he makes from any other part of his empire around the world and he uses those profits to finance further acquisitions in the United States and elsewhere. The Government propose that he be allowed to behave in that way. That must give us pause for thought.

My last point is that market forces in the press will not guarantee diversity. The ineffective monopoly legislation will not guarantee diversity. We must have something else. We have to work towards a new approach. My own party will have to give new thought to this. We need to do two things. First, there ought to be a publicly owned body responsible to Parliament which would acquire and own printing facilities and lease them to any body or group which could show that it could provide a readership and a demand. Secondly, there should be a body to distribute advertising. The old *Daily Herald* and the old *News*

Chronicle collapsed when they had circulations of 2 million because they did not get advertising revenue. Anyone who says that a paper with a circulation of 2 million ought to go under is not a true believer in democracy. Inadequate advertising is preventing newspapers being viable. We need a body to distribute advertising fairly among the various papers.

6.7 pm

Mrs. Teresa Gorman (Billericay): We have spent the afternoon in the House apparently hacking over the near corpse of a relatively small and relatively insignificant ailing business, deciding in our great wisdom whether we think that it should be allowed to die quietly or whether it should be given the kiss of life by Mr. Maxwell, Mr. Murdoch or someone else, as if we somehow or other have power in these matters. Opposition Members have several times demonstrated their xenophobia towards Mr. Murdoch, neglecting to note, as some of my hon. Friends have pointed out, that the majority of our newspaper groups, of which there are at least four prominent ones, rely heavily on the talents and capital of people from abroad, whether they come from Czechoslovakia, Canada or wherever.

I wonder whether that xenophobia on the part of Opposition Members extends to Japanese or American business men who bring business to the hard-pressed parts of the country where some Opposition Members have their constituencies. I am sure that their electors would be interested to know how they feel about foreigners coming here and investing money. I think that it is a jolly good thing.

Several times during the debate the subject of the Fair Trading Act 1973, which subsumes all that we are talking about, and its offshoot, the Monopolies and Mergers Commission, has been raised. It was suggested earlier by the right hon. and learned Member for Monklands, East (Mr. Smith) that the Act was a weak piece of legislation. It was also pointed out that weak legislation of that sort brings the law into disrepute. I would go further and say that the legislation, which is the point of the whole exercise this afternoon, is silly. The fact that the House should be deluded into believing that its role is to interfere in what is a perfectly free business decision between two consenting adults, two newspaper proprietors, as to whether the newspaper has a viable future is nonsense. Legislation on the statute book that allows the House to intervene in this way brings the proceedings of the House into disrepute. We should be considering whether we need that legislation on the statute book at all.

A great deal has been said about monopoly and about Mr. Murdoch building up some great monopoly by which he will influence all our decisions. I am not entirely averse to the idea that the owner of a business should have a strong say in the ethos of that business. If the *Today* newspaper had had a political stance, it would probably not be in its present position. In fact, it muddled about not having any political market and eventually ended up as a soft Left alliance newspaper, where we know there was not much market to be had. If it has now ended up in the gutter. It is a Left-wing gutter, and not a Right-wing gutter on this occasion.

To suggest that Mr. Murdoch could create a monopoly of newspapers by buying up one here or there is nonsense. In addition to newspapers, we have any number of political and quasi-political magazines that people of Left-wing persuasion can read. There are magazines such as the *New Statesman*. I believe that the Tribune Group has a magazine, and there is a publication called *Labour Weekly*. There are dozens of journals and dozens of television and radio programmes where the Left can express its opinion. Best of all, as my right hon. and learned Friend the Chancellor of the Duchy of Lancaster has said on more than one occasion, if the Left feels that it is necessary to have a national newspaper, it can set up and run its own. The hon. Member for Clackmannan (Mr. O'Neill), representing the National Graphical Association, has pointed out that his interests lie in that direction.

We have a piece of legislation that we should be reconsidering. Fair trade is brought about by an open, competitive market. The fact that we are debating this issue now suggests that the House is attempting to constrain open competiton. We do not want legislation to restrict that in any way.

Mr. Andrew Faulds (Warley, East): Let us have more massive monopolies.

Mrs. Gorman: The hon. Gentleman ought to know that a monopoly can be effective only if it is backed up by the power of Government legislation. As long as there is no method of force for keeping out competition, one cannot have a monopoly. A monopoly is something that Governments can have, but they cannot be created by the private sector. The more open the market is allowed to be, the less chance there is of the sort of restriction about which Opposition Members are complaining.

We want less of the Fair Trading Act. I suggest that we should reconsider the whole thing if it leads us to spend the entire afternoon debating nonsense such as the future of a relatively insignificant newspaper. We should adopt the attitude that the best possible way in which Opposition Members as well as my hon. Friends can get their points of view across is to keep the market as open as possible. It is competition that brings variety to the customer, not the sort of restrictive or semi-restrictive legislation that the Fair Trading Act represents.

Mr. Wilson: Would the hon. Lady extend her argument to television? Would she say that the people who pay for advertising on television should have the power and the right to dictate what television programmes and channels exist, and what the political complexion of the programmes should be? If she does not say that the power of advertising money should dictate the complexion of television, what is her logical argument for saying that the same market forces should have absolute power over newspapers?

Mrs. Gorman: Advertisers would be interested to hear the hon. Gentleman say that they dictate the nature of the programmes around which their advertisements are placed. I am sure that they would like to have that power. The important thing is that that does not happen.

Mr. Wilson: I asked whether the hon. Lady thought it should happen.

Mrs. Gorman: Television is not nearly open enough. We need more competition on television and radio, and I hope that we will move in that direction. Rupert Murdoch, as the financial proprietor of the newspaper, is not wrong in wishing to have some say in the way in which the newspaper goes. It is perfectly logical. If Eddie Shah had

[Mrs. Gorman]

insisted early on that the newspaper had a political position, it might not have been dying on its feet today. Because the public could not identify its position, they did not buy it. It deteriorated gradually from a mixed bag of opinions into a soft-Left newspaper, and then lost its readership. It is now lucky to be rescued by Mr. Murdoch so that at least the machinery may be used to provide jobs and so on.

One cannot expect someone who owns a business not to have a say in the way in which it moves, the type of product it produces, and the general tone and direction of it. Legislation that allows us to believe that we have some say in a straight commercial market decision is nonsense and wastes the time of the House.

6.17 pm

Mr. Norman Buchan (Paisley, South): After those closing remarks I am not sure why the hon. Member for Billericay (Mrs. Gorman) wanted to come here in the first place, if she believes that we have no power and does not want us to examine—

Mrs. Gorman *rose*——

Mr. Buchan: I will not give way. With respect, we have heard quite enough. I find that comment extraordinary, as I found her other comments. She said that monopoly cannot occur unless the Government cause it. At present, three people, Maxwell, Murdoch and Stevens, control about 80 per cent. of the dissemination of popular printed information in this country. If that is not technically a monopoly, it is bloody near. They are three people with a particular point of view. There are about five people who have a basic monopoly over the whole of western Europe in the popular dissemination of news. For example, there is Berlusconi in Italy and France.

During the entire debate Conservative Members, certainly the hon. Member for Billericay, have not understood the offensive nature of discussing newspapers as if they were commodities to be bought and sold at some sort of auction. At least Beaverbrook was honest when he said that he retained his newspapers in order to create propaganda. Conservative Members—the hon. Member for Billericay and the Minister — think that the first criterion for the preservation of a newspaper is profitability.

Throughout history there have been battles for freedom and for freedom for expression in order to achieve that freedom. There was the fight against the Stamp Acts, the fight against censorship, and now the fight against monopoly by cash. That is the position we are facing. It is nonsense to think that the individual outside has as much power in terms of the dissemination of views, as much freedom in terms of expression and, therefore, as much freedom, as Mr. Murdoch. He has 11 million times more chance of expressing his view than an individual voice outside.

I am told by the Minister that the Government could not interfere in the sense of making a judgment on the case. They could decide only whether it should be referred to the Monopolies and Mergers Commission. One of the weaknesses of the argument may be that they would not have an opportunity to listen to the views of the Monopolies and Mergers Commission.

My God, only a year ago in this House two Cabinet Ministers lost their jobs because they were busy interfering in an industry, Westland. Then, there was plenty of interference over a straightforward commercial transaction. Therefore, the Minister cannot come to this House and give us the hypocrisy that this Government are not interested in commercial decisions. They are interested, and there are two ex-Cabinet Ministers on the Back Benches to prove that.

The second reason why we are upset is the result of the comments made by the hon. Member for Billericay during her speech. The hon. Lady accused us of xenophobia, but let me tell the hon. Lady that I spent the entire afternoon trying to prevent the xenophobia of her Government keeping out someone from Pakistan who should be coming here.

Today, I received two letters. One was from my brother-in-law in Canada, who is white, to tell me that he will be coming over here for a month this summer. His letter was not a request for me to make representations so that he may obtain a visa. He can come over — he is white. My brother will arrive on the date that he told me. The other letter was about Mohammed Shafri, who is in Pakistan. He has done the 40-mile trip to Islamabad twice in an attempt to process an application to appear in Britain at the wedding of his widowed sister's daughter so that he may give her away at the ceremony. That application has been refused because of the xenophobia of the Government.

Therefore, we are offended for two reasons, first because of the hypocrisy of Conservative Members in relation to such problems and secondly, because of the Government's failure to understand that we are not dealing with simple commodities. We do not believe that we should leave freedom of expression to the vagaries of the market place or allow the freedom of the big and powerful to dictate and determine.

The hon. Member for Billericay knows perfectly well how Mr. Murdoch uses his papers. He certainly uses his papers to make points, but above all he uses them to make profit. In the process he is prepared to let the precious written word degenerate into the gutter, as he has helped the degeneration of the entire popular press of the country.

I am against monopoly, whether on the part of Murdoch or Maxwell. I certainly believe that it is valuable that those men took opposing views during the election. I agreed with the hon. Member for Gordon (Mr. Bruce), who spoke for the alliance—if I may still call it an alliance. Indeed, the hon. Gentleman said that it was a small voice, but that at least it spoke on behalf of the alliance.

I believe that it is a crime for us to pretend that there is freedom, liberty and democracy when there is a virtual monopoly of the printed word in Britain. It does not stop there. We have seen the Peacock report and the Green Paper on television and radio. Both those documents endorse exactly what the hon. Member for Billericay wants. They want to get rid of restrictive legislation and make it a free-for-all so that the hon. Lady and myself can own a radio station. She nods. Can the hon. Lady afford to open a television station tomorrow? She cannot and I cannot, but Maxwell and Murdoch can. The hon. Lady does not share the same freedom of equality as Mr. Maxwell and Mr. Murdoch.

This so-called freedom is the freedom of two, three or five people to express their point of view and not the freedom of the many. If we want freedom for the many we

must understand the nature of freedom in our society. If we want freedom for the many we cannot give power to Maxwell, Murdoch, or to Berlusconi. The power of freedom must be exercised by the social will of the community.

Mr. Marlow: The hon. Gentleman, in common with so many of his hon. Friends, is obsessed with the monopoly aspect in this affair. The hon. Gentleman says that he could not afford to open up a radio station, but the Labour party could. The Labour party could also open a newspaper. However, the problem may be that if the Labour party opened a radio station or launched a newspaper nobody would listen to it or read it. Is that what the hon. Gentleman is concerned about?

Mr. Buchan: It is extremely interesting that the hon. Gentleman should make the rights of one man, Murdoch, the equivalent of the rights of some 11 million trade unionists or members of the Labour party. Thus we arrive at the equation that 10 million equals one, whether it is Murdoch or Maxwell. There is no equality of freedom unless the 11 million have the same power that Maxwell and Murdoch exercise.

I wish to discuss the effect of this decision on another current case, that of *The Scotsman*. *The Scotsman* was first acquired by Roy Thompson, almost in the same month as the *Manchester Guardian* changed its name to *The Guardian*. Indeed, Mr. Roy Thompson had to be prevented from seeking to change *The Scotsman* to "The Man." *The Scotsman* is one of the two quality newspapers in Scotland. Indeed, there are other good newspapers in Scotland, above all the one published by my hon. Friend the Member for Cunningham, North (Mr. Wilson), "The West Highlands Free Press." That is a welcome addition, though it does not have quite such a large circulation as *The Sun*.

At present, *The Scotsman* is at the centre of an honourable strike. The journalists want to retain the freedom to be able to report this place to the readers of *The Scotsman* and not to be restricted to reporting this place only from the viewpoint and in the interest of the entire regions of Great Britain — largely, incidentally, for evening papers. In other words, if the group that controls *The Scotsman* has its way, the voice of that paper will be chopped by those who control that newspaper, Thompson Regional Newspapers. That is what is happening within the Maxwell and Murdoch groups. Those groups, by acquiring another paper, or another group, prevent the wider dissemination of news and prevent diversity of opinion.

The tool they use for that end is the new technology. Peacock and the Tory party have argued that new technology opens up freedom of expression, but it has had the exactly opposite effect. Eddie Shah has been praised today for ensuring greater ease of publication and ease of presentation by using new technology. However, the effect of new technology has been to act as an instrument to reduce the variety of the press rather than increase it. It has been used not to allow greater diversity of ownership, but to reduce ownership. The end point of competition is monopoly. For that reason there become fewer people with ownership and less diversity of views. Such is the problem we face.

My hon. Friend the Member for Newham, North-East (Mr. Leighton) spoke powerfully on behalf of the print unions and said that there were solutions. The hon. Member for Billericay thought that the best solution was to scrap everything and let the powerful have their way. History has shown that when the powerful have their way, millions have suffered. The solution to this issue of crucial and social importance is to exercise some social responsibility for it. There was a laugh when my hon. Friend the Member for Newham, North-East said that printing presses could be established by the Government and groups should be allowed to hire them and pay for their use to enable them to publish. That practice is followed in the extremely good democracy of Sweden. There is no reason why it should not happen here. In addition to such liberating methods we can use restrictive methods and say that no man should own more than X number of titles.

I should have thought that one newspaper is enough for any one man. Apparently, Murdoch thought on similar lines earlier on this year when he said:

> "We all slow down as we get older. I and my colleagues have put together a very important group of newspapers, magazines and television properties. Now we should move into a mature phase where we improve them all, and just work at them. We have enough."

That was in January. However, he did not have enough, because he has now bought *Today*. Either Mr. Murdoch was telling the truth or he was telling a lie. If he was telling a lie that is all the more reason why we should deplore the Government's decision to let him have his way. If he was speaking the truth when he said, "We have enough," it means that he has, no doubt, bought *Today* to acquire the machinery in the interests of competition rather than to run that newspaper.

Among other things, this gross interference affects the liberty of the readership.

Mrs. Gorman *indicated dissent.*

Mr. Buchan: The hon. Lady shakes her head. She wants freedom to control the 300,000 newspapers that are printed each day, but what about the freedom of those 300,000 people who wanted to read that particular newspaper which is now changing hands?

The central argument that is facing us in this debate is not the technicalities of sending a bid to the Monopolies and Mergers Commission or the technicalities of the Government's stupid decision. It is a question of freedom, liberty and democracy. The sooner we come to understand that, the better. The Government's actions, the Peacock report and their decision of last week have stood freedom on its head. They are saying that they seek to give freedom to the rich and powerful at the expense of the many. The people had better face up to that because freedom and democracy will be the critical linchpin at the next election.

6.30 pm

Mr. Matthew Carrington (Fulham): After that speech by the hon. Member for Paisley, South (Mr. Buchan), we should get back to some of the commercial realities.

Today was questionably viable. Its readership was too low to sustain it. If readership is too low, the inevitable consequence is that the advertising also becomes low. One can be sure of one thing about advertisers: they are impartial about which newspapers they advertise in. If advertising is leaving a newspaper, it will not survive.

The newspaper was about to close for perfectly good commercial reasons, that it was losing about £500,000 a

[Mr. Matthew Carrington]

week. That is an unsustainable financial position for any newspaper. Investors were needed to make up the amount of money per week that was necessary to keep the newspaper going.

Few investors are prepared to put about £38 million into a newspaper. If the Government's policies have time to continue, there will be many more investors with that sort of money, but at the moment the number of people who can invest that sort of money in such a loss-making venture with the prospect of turning it round is not large. It is worth considering who the potential investors in the newspaper were.

First – we have heard it from Labour Members – we have the desire for an owner of a newspaper to come forward who is politically uncommitted, does not own any other newspapers and would allow editorial freedom – in other words, a man who is rare on the newspaper publishing scene and on the commercial scene in general. Perhaps Labour Members would consider such a man to be Mr. Robert Maxwell. For all his many undoubted virtues as a newspaper proprietor, when it came to it, he was not prepared to put the money up front to rescue that newspaper.

As I am sure many other hon. Members did, I read in *The Sunday Times* the description of the negotiations before the takeover. It was apparent that Mr. Maxwell's offer, if such it was, was a nebulous, "Cash tomorrow or some time in the future." It was not a real rescue of that newspaper——

Mr. Marlow: It was a political stunt.

Mr. Carrington: As my hon. Friend says, perhaps it can be described kindly as a political stunt.

The second option which has been suggested is that certain hon. Members or their friends outside the House could have had a whip round and bought the newspaper. That is not such an outrageous suggestion as we might think because something similar happened with *News on Sunday*. Highly politically committed local councils, finding themselves in control of certain funds on a trustee basis, mainly pension funds of their employees in the town hall, felt it appropriate to invest those funds in a highly speculative newspaper venture, *News on Sunday*,which would have a particular political leaning. At the moment, in its final death throes, it is losing the pension funds of those councils large amounts of money. We must be extremely grateful that hon. Members' friends outside the House did not feel it appropriate to dip into the money that was in trust yet again to rescue yet another paper. The pensioners will be more grateful than anybody else that it has not happened. If it had, they would have been left with relatively little in their pension fund.

The third option was Mr. Murdoch. He is no saint. I do not suppose that any of my hon. Friends would consider that any of us have a brief to support him, but in the past he has proved himself a saviour of newspapers. He also has the commercial ability to put a newspaper back in order when it is losing money. I am sure that hon. Members and many people outside the House would rather have a viable *Today* than pie in the sky tomorrow.

6.35 pm

Mr. Mark Fisher (Stoke-on-Trent, Central): In this debate, the Government had the task to convince the House and the public that they acted correctly in instantly approving the takeover and not referring it to the Monopolies and Mergers Commission. The Chancellor of the Duchy of Lancaster surprised the House by the feebleness of his attempt to make that case, but at least he attempted to do so. His case was that *Today* was uneconomic, that there was acute urgency and that the Secretary of State did everything that he could to fulfil his responsibilities under the Fair Trading Act.

Because virtually nobody else on the Conservative Benches made a case, apart from repeating the fact that there was no alternative, it is worth looking at what the Chancellor of the Duchy of Lancaster said. He said that the economic case was the simple and least controversial part. The reports and facts that he gave the House were mixed. My right hon. and learned Friend the Member for Monklands, East (Mr. Smith) referred to reports in the *UK Press Gazette* that Lonrho executives said that *Today* was shaping up nicely. Indeed, for several weeks the *UK Press Gazette* has reported that senior executives of Lonrho such as Mr. Nick Morell said that they were optimistic about *Today*'s chances. But those are reports. We should look at the facts. The facts, which no Conservative Member has recognised, or stated, are that *Today*'s circulation has been going up every single month for the past six months. Yesterday the figure was 337,000. Is that failure to increase circulation every month for the past six months?

My right hon. and learned Friend the Member for Monklands, East also told us that Mr. Rowland, speaking while on holiday in Split, said:

> "We think the losses on the paper can soon be minimised . . . we know the ore is at 1,600 feet so we'll keep digging."

Perhaps Conservative Members do not like reports and would prefer facts. The facts are before us. As the hon. Member for Thanet, South (Mr. Aitken) said, Mr. Murdoch was prepared to put in his cash – £38 million – because he believed that it was economic. In that mixture of reports and facts, all that we heard from the Secretary of State and the Chancellor of the Duchy of Lancaster was that there was a resolution of the board and that there was evidence. But we never heard what that evidence was. It was unspecified.

Why was the matter urgent? Lonrho bought the newspaper when it was loss-making. It knew what the problems were. It must have been confident of solving them. It knew the investment that would have to be made. The Chancellor just said that there was a resolution of the board and that he had evidence, but again he failed to tell the House what the evidence was. If he is to reach the core of the debate, which is whether the Secretary of State acted responsibily, he and the Government owe it to the House to put that evidence in front of us. Where is it? We must see it.

I ask the Chancellor of the Duchy of Lancaster to place a memorandum of material in the Library of the House immediately after the debate, showing all the detailed working papers that he had, and the evidence that was put in front of him and the Secretary of State, so that we can see it and so that we and the public can make our own judgment on the facts which were before the Secretary of State.

There was a good precedent for that in 1981. The then Secretary of State put a memorandum of material in the Library. I have it here. I ask the Secretary of State, or the

Chancellor, on his behalf, to place a similar, I hope more detailed, memorandum in the Library of the House immediately after the debate.

It is not just a matter of having those facts. The House needs to know what questions the Secretary of State asked those gentlemen when they came to see him. What questions did he ask about the financial position of *Today*? What questions about the assets, the printing works, the property or the good will were asked? What questions about the losses, what questions about the overheads, debts or interest charges? How did he separate the losses attributable to *Today on Sunday* from those of *Today*? How did he seek to separate the figures in Lonrho's audited accounts for *Today* from the rest of Lonrho's accounts figures that were set before him? I presume that they were put in front of the Secretary of State. The House needs an answer about how he approached those figures.

Mr. Kenneth Clarke: Will the hon. Gentleman accept that what is required is that the Secretary of State should be satisfied that the newspaper is not a going concern, economically, as a separate paper? The Secretary of State needs adequate information for that. There is no point in compiling information upon information once there is sufficient information to satisfy him on that point. There is no point in proving something six times over. Does the hon. Gentleman seriously doubt that this was a heavily loss-making newspaper that was viable only with a circulation of about 700,000?

Mr. Fisher: On the contrary, what the House and the public need to know is that the facts were there and that the Secretary of State saw them. The public need to see those facts, too. The Secretary of State should recognise that the facts were given before, and we need to know them now. I trust that he will put them before the House. Without them, it is impossible for the House to decide whether the Secretary of State acted properly and wisely.

What questions did he put on the future prospects of the paper? Did he ask for an independent valuation, or did he—as with so much else in the case—simply take the word of Lonrho executives? Did they say, "These are the facts." Did he say, "I take your word for it entirely. I do not need any independent valuation of my own"? That seems surprising and, if true, it shows a cavalier attitude to the facts.

There is the issue of the timing of events, too. The Chancellor of the Duchy of Lancaster, on behalf of the Secretary of State, made great play of the urgency of the situation. Let us examine that urgency. Will he tell the House—if not, I will ask him a written question, and he can answer in writing—when he first met the representatives of Lonrho and of News International? Was it on Tuesday, or Wednesday morning? Did he, by any chance, meet Mr. Robinson or Mr. Nick Morell on Wednesday morning? Was it on that occasion that these facts and this evidence were put to the Government? If that was the occasion, was it done in writing or verbally?

If it was in writing, and I am right in thinking that it was done on Wednesday morning, the House will know that that was four, five or at most six hours before the Chancellor of the Duchy of Lancaster came before the House to make a statement that the Secretary of State had been totally satisfied by all the evidence. So, the Secretary of State is asking us to believe that, in six hours, the accountants [illegible] the evidence and saw what the paper was worth in terms of [illegible] that there was an overwhelming urgency about the case. Six hours of scrutiny!

The Government should be ashamed of themselves. At least in the 1981 case the Secretary of State will recall that it took a whole week for the Department of Trade and Industry to conclude that the case was well-founded. In this case, unless the Government care to tell me that I am wrong, we have been told that the paper's fate was decided and that the Government were satisfied within a maximum of five or six hours.

Mr. Maude: Does the hon. Gentleman accept that the break-even point in circulation for the newspaper was 700,000, and that its actual circulation was 300,000? Does he further accept that it had been making serious losses from the moment that it had been set up and that no one has seriously questioned for an instant that it was making serious losses at the time?

Mr. Fisher: No one is in a position to analyse in detail or to question the figures, because no one apart from the Secretary of State and the Chancellor of the Duchy of Lancaster has seen them. If the public—*[Interruption.]* The Chancellor of the Duchy of Lancaster now says that everybody knows about them. What does everyone know? Not a single fact has been put before the House that everyone knows. The Chancellor should understand that the figures are rather more difficult than he says they are. It will be a matter of considerable accountancy skill to withdraw the relevant figures from Lonrho's audited accounts. If the right hon. Gentleman does not understand that, he should re-examine them.

The Government have made a decision on virtually no evidence. That brings no credit to the Government or the legislation. The Government have simply rolled over and said, "We take your word for it. We don't need the figures. Even if you give us the figures a mere four or five hours beforehand, we will be satisfied and not ask questions about their accuracy." That is the case that is so overwhelming that it does not need to comply with the legislation and go to the Monopolies and Mergers Commission.

The Chancellor of the Duchy of Lancaster started with some sweet words about the public interest and about how our national press needs diversity and independence. In general, we no longer have that. Three companies own 71·5 per cent. of our national dailies. Three companies own 81·7 per cent. of our Sunday circulation. In this case, News International, with five titles, owns 32 per cent. of our dailies, and 33 per cent. of the total. That represents 10·8 million papers sold every week, out of a total of only 32 million sold in this country.

Mr. Rupert Murdoch, on "Panorama" on 19 January, said:

"We have enough of this country. We are now going to improve our product."

Hon. Members on both sides of the House will have seen from recent editions of *The Sun* how improved that product has been. Mr. Murdoch, however, should not be taken lightly. He is a ruthless and ambitious man who—*[Interruption.]* If hon. Members doubt that, they should, perhaps, look at his interests in radio, television, cable, satellite, film and broadcasting. If they believe that he has satisfied his desire for media control in this country, they should know that he now owns 75 per cent. of Australian

[Mr. Fisher]

print media. It is that cross-media ownership that is so dangerous. All hon. Members should be aware of the situation. It is possible that, in the next 10 years, we shall turn around and discover that Mr. Murdoch and people like him own our cultural media. That is not a light matter.

Every other country recognises that that is a problem. Almost all have specific legislation to protect themselves from it. In Italy, there is specific anti-trust legislation, with a 20 per cent. maximum. In France, there is a 30 per cent. maximum. In Sweden and Norway, there is specific, positive legislation to encourage pluralism. Even the United States has legislation preventing cross-media ownership whereby no paper and television station in the same city may have the same owner. We should have the same concern here.

My right hon. and learned Friend the Member for Monklands, East referred to the Broadcasting Act 1981, which forbids ownership of ITV companies except by British and EEC nationals, and which affects the concentration of ownership. That is because we recognise that television and broadcasting are powerful media. The same is true of the newspaper industry. We badly need to protect ourselves from a concentration of ownership by specific legislation.

The lack of scrutiny by the Government shows that, whereas they have a duty to safeguard the public interest, they have been stampeded by Mr. Murdoch, who has put a pistol to their heads. They have not even bothered to acquaint themselves with the facts. I hope they will now do so, and put those facts before the House and the public. They have reached completely the wrong decision. The Conservative Government are now not only pawns of the City and the friends of deregulation but, effectively, the party of private monopoly. I invite the House to join the Opposition and vote for our amendment and against this appalling abnegation of responsibility by the Government.

6.49 pm

The Parliamentary Under-Secretary of State for Corporate and Consumer Affairs (Mr. Francis Maude): The debate has taken place in a calmer atmosphere than that which prevailed on Wednesday. I had hoped that a period of calm would have enouraged some Opposition Members to realise that their rejection of the decision made by my right hon. Friend the Seceretary of State was misguided.

The Fair Trading Act, like its predecessor, does not require a Monopolies and Mergers Commission examination in every case. It sensibly recognises that there may be circumstances when time will not permit such an examination. In such cases, if the newspaper is to continue as a separate newspaper—as was the case with *Today*—and it is uneconomic as a going concern, the Secretary of State may give his consent without an examination.

It astounds me that some Opposition Members should have suggested that *Today* is still economic as a going concern. No rational person could sustain such an argument. The paper has made losses since its inception. It has already had to be rescued once and further losses lie ahead. Losses of up to £30 million a year have been widely quoted and are not far wrong.

The owners of the paper had concluded that enough was enough and that if the paper could not be sold quickly it would have to be closed. It has been suggested that Lonrho was bluffing and that my right hon. Friend should have called that bluff. That would have been wholly irresponsible. He had in front of him a resolution from Lonrho's board saying that it would close *Today* at midnight if a reference was made. It had apparently decided some time previously that in view of the substantial and continuing losses being made by *Today*, it would not fund the paper, in any event, beyond 30 June.

My right hon. Friend did not even have to rely on that evidence alone. No more than three weeks previously, Lonrho had closed *Today on Sunday*. The hon. Member for Clackmannan (Mr. O'Neill) reminded us that the *Sunday Standard*, based in Glasgow, had been closed by Lonrho — "whimsically", according to the hon. Gentleman. With that evidence before us, it is not surprising that my right hon. Friend decided that he could not take the risk with the newspaper and with people's jobs.

Against that hard evidence, the right hon. and learned Member for Monklands, East (Mr. Smith) seriously suggests that the Secretary of State should have taken a different view, on the basis of a report in a Maxwell paper of a telephone conversation with Mr. Tiny Rowland on holiday in Split.

I recollect from the time when I practised at the Bar that there is a rule called the best evidence rule. I do not know whether it applies in Scottish law.

Mr. John Smith: Of course it does. If the hon. Gentleman was in practice he would know that.

Mr. Maude: I am an English lawyer. If the right hon. and learned Gentleman had been called upon to choose between those two forms of evidence, as he might have been in the long-gone days when he was Secretary of State for Trade, he could have made no other decision than that made by my right hon. Friend.

Mr. Fisher: I am grateful to the hon. Gentleman for giving way. Will he accept that the only best evidence is the facts? Will he undertake to place in the Library the facts that were in front of the Secretary of State?

Mr. Maude: There is no serious dispute about the facts. *Today* was an uneconomic paper. The hon. Gentleman seemed to argue that it was difficult to disentangle the figures for News (UK) Ltd. from those for the rest of Lonrho. But News (UK) Ltd. is a separate company—a 90 per cent. subsidiary of Lonrho. It was not difficult to extract the figures because there was a continuing subsidy from Lonrho. There is no confusion. It was a clear, straightforward case. *Today* was uneconomic and was heading for the rocks. It would have been wholly irresponsible to take a risk with it.

My right hon. Friend did not even need to be satisfied that there would be an immediate closure. There needed only to be a serious risk that the paper would not survive for the time taken by an MMC reference. I remind the House that the last transfer of a newspaper referred to the MMC—Fleet Holdings to United Newspapers—took five months to be cleared. Does anyone seriously suggest that Lonrho would have been prepared to keep the paper going for five months with such losses?

In the face of that evidence it would have been a foolhardly gamble to assume that Lonrho was bluffing. The 500 people whose jobs depend on the survival of *Today* are heartily relieved that my right hon. Friend did not take that reckless gamble.

It has been suggested that my right hon. Friend should have imposed conditions on the transfer. There could be only two reasons for doing that: either to ensure that *Today* continued as a separate newspaper – no one has seriously suggested that that is not Mr. Murdoch's intention; all the commercial logic points in that direction – or to guarantee editorial freedom. There was clearly a case for imposing such conditions in the transfers of *The Times*, *The Sunday Times* and *The Observer*.

Mr. Leighton: Will the hon. Gentleman give way?

Mr. Maude: No. I must get on. I have a lot of points to deal with.

The Times, *The Sunday Times* and *The Observer* were well established and substantial newspapers of considerable national importance. *Today* is of recent origin and has only a tiny market share – no more than 2·5 per cent. of the market even for popular dailies. It could not have been justifiable to impose conditions in such a case.

Listening to some Opposition Members one would think that choice and diversity in our newspaper market were declining. The reverse is true, as my hon. Friend the Member for Darlington (Mr. Fallon) pointed out in his powerful speech. There are now 11 companies with national newspaper interests, compared with only nine 10 years ago. There are two additional companies with national newspaper interests. If that is regarded as a reduction of choice and diversity, that is an odd definition.

In the past 10 years no fewer than six new national newspapers have come into existence, some free-standing and some from within existing groups. The implied suggestion by Opposition Members that there is a wicked capitalist conspiracy to freeze out newspapers is manifestly absurd. That contention was demonstrated ad absurdum by the hon. Member for Gordon (Mr. Bruce) in a contribution of advanced paranoia, couched in the most insulting and offensive terms. I think that when he reflects on it in the morning he will be somewhat ashamed of that speech.

It has never been easier to establish a new newspaper. New technologies and the increasing practice of subcontracting the printing mean that start-up costs are comparatively modest. There is nothing to prevent anyone of any political stance from setting up a new paper, as the recent establishment of *The Independent* and *News on Sunday* demonstrate. However, once a newspaper is established, its success and the maintenance of the jobs involved depend on customers buying copies of the paper. No one can compel them to do so.

There is a wide range and variety of newspapers within a comparatively narrow price band and I found somewhat disquieting various suggestions made by Opposition Members, including the right hon. Member for Blaenau Gwent (Mr. Foot) who has referred contemptuously to the gutter press and on Wednesday referred to the "degrading standard of journalism". The right hon. Gentleman ought to remember that no fewer than 8 million people buy the *Daily Mirror*, *The Sun* and the *Daily Star* and many more people see those papers. It is offensively arrogant for the right hon. Gentleman to assume that he is right and all those people are wrong. That attitude may go some way to explain the convincing and shattering electoral defeat of the Labour party.

Much of the debate has been about the nature of the proprietors involved. Mr. Murdoch has been accused of being a foreigner, of inhibiting editorial freedom and of supporting the Conservative party. We may have all sorts of opinions about the proprietors. The fact that a paper is technically foreign owned may be of slight interest, but I doubt whether it makes much difference in reality. I doubt whether it makes a substantial difference to the *Daily Mirror* that it is owned by a Liechtenstein-based company.

We should not have to decide between the relative merits of newspaper proprietors and about whether Mr. Murdoch is better than Mr. Maxwell or Mr. Tiny Rowland and which has the better record of defending editorial independence. That would be wrong, and the legislation does not allow the Secretary of State to make such decisions.

Like my hon. Friend the Member for Thanet, South (Mr. Aitken), I come from a newspaper family. There are some differences. His family owned newspapers and mine worked for newspapers, but I mind about newspapers and about the survival of *Today*. It would not have been tolerable for the Government to take a callous gamble with the survival of that newspaper and the 500 jobs that go with it.

This debate has been shot through with rancour and hatred from the Opposition. Their rancour arises from the wounding rejection that they received from the electorate and because they are so desperate to find a scapegoat for their disaster. We always hear the same cry, that it was the people who were wrong and that they were misled by the wicked capitalist press. The people were not misled and saw through the Labour party.

The Opposition showed a hatred of Mr. Murdoch and that was exemplified in the speeches by the hon. Members for Birmingham, Erdington (Mr. Corbett), for Newham, North-East (Mr. Leighton) and for Paisley, South (Mr. Buchan). That hatred of Mr. Murdoch made nonsense of the contention that they have some high-minded conviction and that the nature of a proprietor does not matter. The Opposition hate Murdoch and that is why they are so agitated about this whole business. Does anyone suggest that if Mr. Maxwell had come forward with an application the Opposition would have made all this fuss? Of course they would not, and they did not make any fuss about it before. The Government's decision is right and I strongly commend it to the House.

Question put, That the amendment be made:

The House divided: Ayes 220, Noes 291.

Division No. 6] **[7 pm**

AYES

Abbott, Ms Diane	Boateng, Paul
Allen, Graham	Boothroyd, Miss Betty
Anderson, Donald	Boyes, Roland
Archer, Rt Hon Peter	Bradley, Keith
Armstrong, Ms Hilary	Bray, Dr Jeremy
Ashley, Rt Hon Jack	Brown, Gordon *(D'mline E)*
Ashton, Joe	Brown, Nicholas *(Newcastle E)*
Banks, Tony *(Newham NW)*	Brown, Ron *(Edinburgh Leith)*
Barnes, Harry *(Derbyshire NE)*	Bruce, Malcolm *(Gordon)*
Barnes, Mrs Rosie *(Greenwich)*	Buchan, Norman
Barron, Kevin	Buckley, George
Battle, John	Caborn, Richard
Beckett, Margaret	Callaghan, Jim
Beith, A. J.	Campbell, Ron *(Blyth Valley)*
Benn, Rt Hon Tony	Campbell-Savours, D. N.
Bennett, A. F. *(D'nt'n & R'dish)*	Canavan, Dennis
Bermingham, Gerald	Carlile, Alex *(Mont'g)*
Bidwell, Sydney	Cartwright, John
Blair, Tony	Clark, Dr David *(S Shields)*

Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Dunnachie, James
Dunwoody, Hon Mrs Gwyneth
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Douglas
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, James
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Tom
McCartney, Ian
McFall, John
McKelvey, William
McLeish, Henry
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Morris, Rt Hon J *(Aberavon)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Pendry, Tom
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerald
Stott, Roger
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dafydd Elis
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James

Tellers for the Ayes:
Mr. Ron Davies and
Mr. Allen McKay.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Simon *(Swindon)*
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dykes, Hugh
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Fookes, Miss Janet
Forman, Nigel
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Goodhart, Sir Philip
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Bernie *(Tottenham)*
Greenway Harry *(Ealing N)*
Greenway, John *(Rydale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janner, Greville
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*

Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Miller, Hal
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C
Mudd, David
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Tony Durant and
Mr. Mark Lennox-Boyd.

Question accordingly negatived.

It being after seven o'clock, MR. SPEAKER *put the main Question, pursuant to the order of the House [3 July].*

Question agreed to.

Resolved,

That this House welcomes the decision of the Secretary of State for Trade and Industry to give his consent to the transfer of the ownership of the Today newspaper from Lonrho plc to News International plc; notes that Today was seriously loss making and manifestly uneconomic as a going concern; further notes that unless the transfer had taken place Today would probably have ceased publication immediately with the attendant loss of over 500 jobs; and congratulates the Secretary of State on ensuring the continuation of Today as a separate newspaper.

Orders of the Day

Local Government Bill

Order for Second Reading read.

7.13 pm

Mr. Donald Dewar (Glasgow, Garscadden): On a point of order, Mr. Speaker. We are about to start a very important debate on the Local Government Bill. As you will appreciate, it is a United Kingdom Bill that foreshadows the privatisation of local authority services and threatens the jobs of thousands of workers in Scotland as well in other parts of the United Kingdom. The essence of the problem that I wish to draw to your attention is that this is a United Kingdom Bill. As you will be aware, there has been a different tradition in Scottish local government. We have our own structure, legislative system and financial base. Our concern is that what should be a Scottish Bill is being buried in United Kingdom legislation, at least partly, I believe to save Ministers the embarrassment of wrestling with separate Scottish Bills.

The Bill is liberally scattered, as you will know, Mr. Speaker, with references to Scottish statutes as the draftsmen struggle to make sense of two systems that are different north and south of the border. It is an abdication of responsibility when Scottish Ministers sit tight and let the Secretary of State for the Environment conduct Scottish business for them.

I ask you, Mr. Speaker, about possible protection for hon. Members on both sides of the House who represent Scottish interests. It is unsatisfactory, in terms of the proper scrutiny of Scottish legislation, that this should happen. What options are open to us? I recognise that you are not responsible for the way in which the Government present their business, and I would not try to put an unreasonable burden on you, but how do we ensure that there is some form of expanded Committee, that there is proper representation for Scotland on that Committee, that the Scottish Office does not duck out, and that there is a Scottish Minister in Committee? Would it be possible to have a Committee of the whole House, which will at least ensure that all Scottish Members have a fair chance to take part?

I ask for your guidance, Mr. Speaker, on these matters. Through you, I express our alarm and concern at the cavalier approach of the Scottish Office to Scottish business as instanced by this legislation.

Mr. Bill Walker (Tayside, North): Further to that point of order, Mr. Speaker. Is it in order for a United Kingdom Parliament to deal with Scottish legislation in an English Bill or Bills that are substantially for England? If that is so, we who are Members on the unionist side of the House believe that this is the correct way to deal with matters in the circumstances in which the House now finds itself.

Dr. Norman A. Godman (Greenock and Port Glasgow): Further to that point of order, Mr. Speaker. Is there not now a pressing need to examine the basis for the treatment of Scottish business? Will you give serious consideration to the setting up of a Speaker's Conference with the specific remit of the careful scrutiny of Scottish business and how it is processed in the House?

Mr. Speaker: I call Mr. Willie Ross.

Mr. Ernie Ross (Dundee, West): Do you mean me, Mr. Speaker?

Mr. Speaker: Order. I apologise. It was just a slip of the mind.

Mr. Ross: He looks much younger than I do.

Further to that point of order, Mr. Speaker. Labour Members are concerned about the fact that the Secretary of State, who is likely to lead for the Government on this Bill, does not know where Scotland is. Given that the Bill will have a major effect on Scotland, it is strange that the Secretary of State for Scotland is not here to defend Scottish rights. We look to you, Mr. Speaker, to ensure that the separate Scottish identity is protected. We hope that you will ensure that our voice is represented both tonight, which is essential and important, and in Committee.

Mr. Tom Clarke (Monklands, West): Further to that point of order, Mr. Speaker. This is a Local Government Bill. As an ex-president of the Convention of Scottish Local Authorities, I remind the House that, as my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) said, there is a big difference between Scottish and English local government. That is why we had the Redcliffe-Maud report on English reorganisation and the Wheatley report on Scottish reorganisation. You will recall, Mr. Speaker, that the Wheatley report recommended specifically that there should be one association in Scotland speaking for Scottish local government, strengthened by regular communication with the Scottish Office.

To present the Bill in this way, especially if it is to be seen as a precedent, means that local government in Scotland, which is already gravely under-resourced, is being unacceptably exploited. As Parliament has always felt that its relationship with local government is important, is it not in the interests of the House and its proceedings to ensure a good relationship between Parliament and Scottish local authorities? Therefore, is it not wrong for the Government to pursue the Bill in the way that they are attempting to pursue it?

Mr. James Wallace (Orkney and Shetland): Further to that point of order, Mr. Speaker. I endorse much of what the hon. Member for Glasgow, Garscadden (Mr. Dewar) said. It is not a new venture for the Government to tag on Scottish legislation to a United Kingdom Bill. It happened in the last Session, on the Public Order Bill. Only one Scottish Member of Parliament served on the Committee. It was felt that, apart from the fact that it was a terrible burden to put on one Member, the resulting legislation did not reflect the best interests of Scots law, which is a distinctive system. Here we are faced with a distinctive system of local government and there will be general concern unless, Mr. Speaker, you consider some of the suggestions that have been put to you by the hon. Member for Garscadden. Scotland will be lumbered with a poor system of local government if the legislation goes through without proper Scottish scrutiny.

Mr. William McKelvey (Kilmarnock and Loudoun): Further to that point of order, Mr. Speaker. As you know, I am just a simple Back Bencher and I certainly do not have a suspicious mind. I ask for your guidance and assistance, as you always give such help to Back Benchers. Is this a new practice? If so, is it not an extremely

dangerous precedent for Scottish business to be slipped in almost covertly in this way so that we may not have appropriate discussion in the House? Furthermore, if we have to seek meetings with Ministers on Scottish business, must we now seek meetings with United Kingdom Ministers on Scottish business, rather than with Scottish Ministers?

Mr. John Home Robertson (East Lothian): It appears that the Government will try to adopt a whole series of shenanigans to inflict their legislation on Scotland, where they have no mandate. I am sure that all Scottish Members would be grateful to you, Mr. Speaker, if you would keep a particularly wary eye on the Government's conduct with regard to Scottish business. The Local Government Bill is a dramatic example of legislation that would normally have been two distinct Bills — an English Bill and a Scottish Bill, or even an English Bill and a Welsh Bill. I wonder how much expense the Government have incurred in using Civil Service time to produce this composite Bill, which is an English Bill and a Scottish Bill rolled into one. This is an abuse of the Civil Service and is about to become an abuse of Parliament unless you, Mr. Speaker, can find some way of protecting Scottish interests.

Mr. Nicholas Bennett (Pembroke): I am the hon. Member for a Welsh constituency with 70,000 electors. If you, Mr. Speaker, take into account the point of order about a Speaker's Conference, would you also bear in mind the artificially high level of Scottish representation and the low number of voters in some constituencies, and reduce the level of Scottish representation to the level permitted to English and Welsh Members?

Several Hon. Members *rose*——

Mr. Speaker: Order. Hon. Members should allow me to deal with this matter. I believe the House knows that the hon. Member introducing a Bill is perfectly entitled to draft the Bill so that it applies to all or any part of the United Kingdom. It is for the hon. Member in charge— in this case the Secretary of State for the Environment — to defend the provisions of his Bill. None of the matters that have been raised are for me. They are matters of tactics. The hon. Member for Glasgow, Garscadden (Mr. Dewar) has correctly described the number of options that could be operated. With regard to the precedent, I must tell the House and the hon. Members for Orkney and Shetland (Mr. Wallace) and for Kilmarnock and Loudoun (Mr. McKelvey) that there are plenty of precedents.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I want to raise a separate point of order arising from your ruling, Mr. Speaker, and from the precedent set by the Government in introducing legislation in relation to local government that covers England and Scotland. As I understand that in about six months' time the Public Bill Office will be accepting amendments for the English Bill dealing with the abolition of rates and the introduction of the community charge – otherwise known as the poll tax. Will you confirm, Mr. Speaker, that it will be in order for hon. Members to table amendments for the repeal of the Abolition of Domestic Rates Etc. (Scotland) Act 1987, thus removing the poll tax that was rejected by the people of Scotland?

Mr. Speaker: That is a hypothetical question.

Mr. Foulkes: No it is not.

Mr. Speaker: Order.

Mr. Dewar *rose*

Mr. Speaker: Order. We should get on.

Mr. Dewar: I shall not delay the House for very long. You said something very important, Mr. Speaker. You referred to the Minister in charge of the Bill. In every instance that appears, in essence, to be the Secretary of State for the Environment in England and Wales. The essence of our objection is that there should be a separate Scottish Bill under the control of the Scottish Office. That should be scrutinised properly in a Scottish Committee. That is the principle upon which we will continue to fight during the remainder of this Session.

Dr. Godman *rose*——

Mr. John Maxton (Glasgow, Cathcart) *rose*——

Mr. Speaker: Order. I have already taken a point of order from the hon. Member for Greenock and Port Glasgow (Dr. Godman). I call Mr. Maxton.

Mr. Maxton: I want to pursue the question that was referred to by my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) about a Speaker's Conference. We are reaching crisis point in the way in which Scotland will be legislated for in this Session. The simple fact is that the Government suffered a crushing defeat in Scotland. They are left with 10 Members of Parliament and they simply cannot pass legislation for Scotland. That is why we have this Bill — which we could almost describe as hybrid — before us today. If this kind of legislation is brought before us, and Scottish hon. Members and, more importantly, the Scottish public, our voters in Scotland, are, I am afraid to say, to be insulted in this way by the House of Commons, a constitutional crisis will be created in Scotland.

I know that you, Mr. Speaker, more than anyone else, would want to defend the union, and all Opposition Members, with very few exceptions, would want that also. However, there are limits to the strains that can be placed upon that union by the House of Commons. The contempt with which the Government are treating Scottish parliamentary time is the way in which that strain can be taken to breaking point.

Mr. Speaker: I call the hon. Member for Angus, East (Mr. Welsh). Please be brief.

Mr. Andrew Welsh (Angus, East): Mr. Speaker, you said that this is a matter for the Minister. How can we assure accountability in the House through you when places for Scots Members on the Committee and in this debate are restricted? How can we ensure accountability when the Government are not accountable to the Scottish people and were not elected by them? How can Opposition Members ensure accountability, as that is what we were elected for?

Several Hon. Members *rose*——

Mr. Speaker: Order. Hon. Members must allow me to deal with this matter now. I do not need any further help. I can tell the House that the House has a resp[illegible] scrutinise legislation. That can be done in [illegible] described by the hon. Member for Glasgow, Cathcart (Mr. Dewar). The Bill might possibly be committed to a Committee of the whole House, or to an expanded Committee upstairs. That is not a matter for the Chair.

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[Mr. Speaker]

Indeed, it is not up to the Chair to select those Members for the Committee. That is a matter for the Chairman and the Committee of Selection. There are plenty of opportunities for this matter to be discussed widely, as no doubt it will be.

Mr. Harry Ewing (Falkirk, East): I know that you are anxious to proceed, Mr. Speaker. However, this is a very serious matter at the beginning of a new Parliament. It is better that the House should spend some time now to understand that feelings are running high about the way in which the people of Scotland and the decision that they made at the recent general election appear to be disregarded. It is bad enough if that opinion is disregarded by the House, but it would be even worse if it was disregarded by Mr. Speaker or anyone else in the House —although I know that that is not the case. However, that impression may be given because of the Government's attitude, and if that is the case the people of Scotland could react to it.

This is very serious. The Bill has legal implications following what was said in the Widdicombe report. There is a different legal system in Scotland. The Scottish courts could easily rule what is legal in terms of expenditure differently from rulings given in English courts. A ridiculous situation exists at present. No Law Officer from Scotland is present. If and when the Committee to consider the Bill is set up, and if Scottish Members on that Committee call for a legal opinion, there is no Lord Advocate or Solicitor-General for Scotland who can be called to give a legal opinion to the Committee members.

My second fear is that, because of the Government's attitude, a practice might develop whereby United Kingdom Ministers start a Bill in its Committee procedure, and halfway through the Bill, because the English and Welsh clauses have been disposed of, the Government Whips arrange for the United Kingdom Ministers to be taken off the Bill and we may be landed with Scottish Office Ministers who have heard nothing of the debate in Committee. That would be a most unsatisfactory way to proceed. I ask you to make it clear, Mr. Speaker, that you will deprecate such practices in any Committees of this place. As I have said, this is an extremely serious matter.

Mr. Speaker: I understand fully the points that have been raised with me, but the plain matter of fact is that we legislate in this House for the United Kingsdom. I am aware that there is a different legal system in Scotland.

Hon. Members: What about Northern Ireland?

Mr. Speaker: Northern Ireland is part of the United Kingdom. It is not for me to decide which hon. Members will consider the Bill in Committee; nor is it for me to decide whether a Scottish Minister should be a member of it. I think that we should proceed.

Mr. Max Madden (Bradford, West) *rose*——

Mr. Speaker: Mr. Nicholas Ridley.

7.33 pm

The Secretary of State for the Environment (Mr. Nicholas Ridley): I beg to move, That the Bill be read a Second time.

The Bill represents a further significant step in two of the Government's major objectives—introducing greater competition and securing greater value for money. The first steps in this direction were taken in the Local Government, Planning and Land (No. 2) Act 1980, which included the direct labour organisation provisions in part III and which, incidentally, applied to Scotland and the rest of the United Kingdom. The Bill introduces other changes in local government law that are aimed at improving the way in which local authorities operate.

The free operation of the market is the best way of delivering greater choice, higher productivity and better quality services at lower prices. The Government have increased competition since 1979 in such things as air services, conveyancing, opticians' services and bus services, to name but four, with dramatic results.

Mr. Maxton: Will the right hon. Gentleman give way?

Mr. Ridley: I shall give way to the hon. Gentleman, but I shall not give way to every hon. Member who seeks to intervene because I have much to say and I do not want to delay the House too long.

Mr. Maxton: I want to ask the Secretary of State only one simple question. The Bill covers Scotland, and I do not see the Secretary of State for Scotland on the Treasury Bench. I assume that a Scottish junior Minister with responsibility for local government will reply so that Scottish Members will have the chance of hearing something to do with Scotland.

Mr. Ridley: Hon. Members who represent Scottish constituencies can listen to what I have to say and to what my hon. Friend the Minister of State has to say when he replies.

For many years we have been trying to persuade local authorities to follow our example and to try competition to help them deliver good quality services at lower cost.

Mr. Maxton: On a point of order, Mr. Speaker. We have spent some time discussing whether there should be a separate Scottish Bill and I have very recently raised an important question with the Secretary of State. Surely it would be common courtesy for the Government to ensure that a Scottish Minister replies so that there can be some response to the Scottish part of the Bill.

Mr. Speaker: The hon. Gentleman is an experienced Member of this place and he knows that the issue that he has raised is not a matter for the Chair.

Mr. Ridley: Judging from what the hon. Member for Copeland (Dr. Cunningham) said on 24 October 1986, he shares the view that there should be competition in the provision of local authority services. He said:

"We know that some part"——

Dr. John Cunningham (Copeland): Will the Secretary of State give way?

Mr. Ridley: Perhaps it would help the House if I read the quote first. I believe that the House should have the privilege of hearing it. The hon. Gentleman said:

"We know that some part of the Tory electoral success in 1979, repeated in 1983"—

and now in 1987—

"had to do with a recognition of popular disenchantment with public services—a disenchantment not necessarily with the principle, but with the practice."

Now if that is the hon. Gentleman's view——

Dr. Cunningham: Will the Secretary of State give way?

Mr. Ridley: Very well.

Dr. Cunningham: I think that I am grateful that the Secretary of State has given way grudgingly but I am not grateful that he should misquote and misrepresent what I had to say in the way that he has done. He has quoted me accurately by reading from the speech that I made at the Association of Metropolitan Authorities' annual conference at Newcastle upon Tyne in October 1986, but the complexion that he has put on my remarks is wholly dishonest.

Mr. Ridley: I must ask the hon. Gentleman to withdraw. I quoted the hon. Gentleman's words that were uttered in a speech and set out in a press handout and I am entirely entitled to do so. I did not interrupt the sentence halfway through or anything of the sort. I hope that he will apologise for what he said to me. If he does not like what he said in the past and if he feels ashamed of it when it is brought to the attention of his Left-wing colleagues who sit behind him, he should be more careful and not say such things.

We issued a consultation paper over two years ago warning local authorities that we might have to force them to expose their activities to competition if they did not choose to do that themselves. A few authorities responded but the vast majority continued to increase the burdens that they were imposing on their ratepayers and, in many instances, provided poor quality services. We therefore decided to introduce legislation to implement the main proposals set out in the consultation paper. Part I will compel local authorities, and other public bodies with a similar role, to open up a range of their activities to competition. The initial list set out in clause 2 covers the services proposed in the consultation paper — refuse collection, building cleaning, street cleansing, catering, ground maintenance and vehicle maintenance. We shall be issuing a further consultation paper shortly on the possibility of adding sport and leisure management to that list.

Clause 2 also provides a power to add further activities to the list. This power is necessary so that we may add further services later once authorities have coped with the initial list. We shall certainly not use the power to add core services such as teaching, policing, planning control and the like. Use of the power will be subject to affirmative resolution of both Houses.

Several Hon. Members *rose* —

Mr. Ridley: No, I shall not give way now.

The way that the public sector unions and many Labour local authorities have reacted to the threat of competition is highly significant. In their endless teach-ins, seminars, training courses and the like the emphasis again and again has been on the need for direct labour organisations to improve their own efficiency. Despite the ritual attacks on the private sector, it is clear from the literature produced by DLO pressure groups that their real fear is simply of competition itself and not necessarily of unfair competition.

The fear of those pressure groups is local residents' hope—hope for the savings the competition can and will deliver. Wandsworth's total saving over five years from competition tendering amounts to about £25 million. This represents 26 per cent. of the cost of the services and includes the cost of the generous staff severance scheme. Now that most severances are over, the annual saving is running at almost £6 million a year. Another example of such savings is the savings from the National Health Service tendering exercise, which are now running at over £90 million a year. From contracting out there comes £26 million and the rest comes from in-house efficiency improvements. The activities listed in clause 2 cost something approaching £3 billion a year. Competitive savings are typically between 20 per cent. and 30 per cent. If we hit a modest target of 10 per cent. savings, it would save about £300 million a year. That is worth saving.

Mr. Dafydd Wigley (Caernarfon): Will the Secretary of State give an undertaking that he will discuss the matters that he has outlined in respect of DLOs and competitive tendering with local government authorities in Wales? There is great difficulty in applying such developments in rural areas where, whatever the circumstances may be in urban areas, they are particularly unsuited.

Mr. Ridley: My right hon. Friend the Secretary of State for Wales will respond to the hon. Gentleman's question. As he knows, I am not responsible for implementing the Bill in Wales, and neither am I responsible for so doing in Scotland. This is a United Kingdom Bill, but my right hon. Friend's attention will be drawn to what the hon. Gentleman has said.

The Bill requires compulsory competitive tendering, not compulsory contracting out or compulsory privatisation. Those who fear contracting out frequently say that it will lead to poorer services. This is utter nonsense. The Bill requires local authorities to specify the standard of service that they require, whether that service is provided in-house or by contractors. For some authorities even that process will be a new departure. Up till now few have attempted the essential management task of saying precisely what outputs they are aiming for.

"Instead of concentrating almost exclusively on arguing about who should be producing health and social services or education, we should be asking how best to make sure that the appropriate kind of service, whether public or private is being produced, to the right specifications of quality, at the right price and in the right place for the right people."

That was a quotation from an article about the future of the welfare state published two weeks ago in *New Society*, and I entirely agree with it.

Dr. Cunningham: If the Secretary of State is so convinced of the effectiveness of contracting out services, and the ability to rely on the quality of service thus provided, why has the maintenance of police vehicles been specifically excluded from the provisions?

Mr. Ridley: Because, as the hon. Gentleman would realise if he thought about it for a moment, there are considerable security implications. Incidentally, I wish that the hon. Gentleman would get a new buttonhole. His red rose is becoming a bit tarnished. Perhaps he would also pay me the courtesy of intervening a little less frequently. I know that I am keeping many of his hon. Friends, particularly those from Scotland, who may wish to contribute from doing so.

As anyone who has contracted out services knows, it is easy to develop sophisticated systems to ensure that the specification is delivered. Occasionally, contracts go wrong. The trade unions ensure, of course, that these receive the maximum publicity. But in the vast majority of cases these problems are quickly sorted out, and, where they cannot be, the contract can be terminated and a new contractor appointed. Compare that with the problem of improving an inefficient direct labour organisation.

[Mr. Ridley]

I turn to some more detailed aspects of part I of the Bill. Competition for cases where DLOs carry out work for their own authority will be phased in by regulations under clause 6, at a pace with which local authorities and contractors can cope. The phasing-in period is likely to take no more than three years. Clauses 7 to 12 require authorities to publish full specifications. They will then have to invite tenders, and their DLOs can prepare formal bids, too. Tenders received will have to be compared fairly with the DLO bid. If, following that, the work is awarded to the DLO, clause 9 requires authorities to keep separate accounts for the work to ensure that the DLO delivers its price. Clause 10 allows me to set financial targets for work subject to competition. In most cases, targets will be set in the form of rates of return on capital. Clause 11 requires authorities to publish annual reports on each of their activities.

In order to enforce compliance, the sanction against authorities which insist on sheltering their DLOs from fair competition is to order the closure of the DLO. In the six years of the original DLO legislation, two closure orders have in fact been made. Authorities will not find themselves automatically subject to those sanctions if they fail to accept lowest tenders, despite much scaremongering to the contrary. Proper tender appraisal is not a simple matter of whose bid is lowest. Authorities will have a full chance to explain their decisions. If they can justify rejection of a lower tender in favour of their DLO, they will not face any sanction. The sanction will be available for both anti-competitive behaviour and financial failure.

Part II of the Bill deals with local and other public authority contracts. Political discrimination in the award of contracts is an offensive and growing practice; increasing numbers of councils subjugate the interests of their ratepayers and business men to futile political gesturing. All that is required of local authorities is to provide good local services at minimum cost to their ratepayers. People want good street lighting, regular and clean refuse collection, level pavements to walk on, roads without potholes, high standards of schooling and a well-maintained housing stock. They do not want the councils' political views and posturing on national policy issues to be a surcharge on the rates, through the imposition of conditions in contracts for the provision of services.

Mr. Paul Boateng (Brent, South): I am much obliged to the Secretary of State for giving way. Will he give a categorical assurance that nothing in part II of the Bill will in any way limit or otherwise affect the powers and duties of local authorities under section 71 of the Race Relations Act 1976 to promote good race relations in the United Kingdom?

Mr. Ridley: The clause to which the hon. Gentleman refers in fact concerns two sections in the Race Relations Act. The point can be debated at length in Committee, but the Bill is perfectly explicit about what he means.

What is it to do with Leicester city council, Peterborough city council or the London borough of Greenwich whether contractors have any links with the nuclear missile programme? What is it to do with the London borough of Newham whether any of the directors are freemasons? What is it to do with St. Helens council whether contractors on its tender list contribute to funds for a hospital in North Vietnam? What is it to do with the London borough of Brent whether companies are involved in the construction of United States bases?

Those and other authorities of that ilk discriminate against contractors on such grounds in placing firms on approved lists and awarding contracts. Actions of that kind bring local government as a whole into disrepute. Although as yet only a minority of councils go in for such political posturing, the disease is spreading. Already, more than 40 local authorities impose contract conditions relating to links with South Africa. Too many councillors seem to find it more fun to play at national politics at their ratepayers' expense than to deal with the real local challenges and problems.

Many of the practices that I have mentioned could probably already be challenged under the existing law. Local authorities have to act reasonably, and cannot take account of irrelevant considerations in reaching their decisions. While the provisions in part II of the Bill will strengthen the law by making it absolutely clear that such practices are illegal, this type of blackmail will be stopped only if it is challenged. Firms must use the new provisions to stand up to authorities which continue to abuse the contractual process. Otherwise, they will eventually find themselves being told how much to pay their staff, how many gays and lesbians to employ, and for which employers and which countries they can work.

Mr. Simon Hughes (Southwark and Bermondsey): Does not the Secretary of State accept that the fallacy in his criticism of local government in relation to contract compliance is the same as the fallacy in his criticism in relation to tendering? Does he not accept that local authorities comprise people who are perfectly able, whatever their party, to debate the issues and to make an appropriate local decision, and that, occasionally, moral considerations might be as relevant to local government —or more so—than they are to central Government? Local councillors, including Conservatives, are elected to make decisions. Does not the Secretary of State respect local government's right to make decisions any more?

Mr. Ridley: I do not think that it would be right to impart such political considerations to the provision of services for which the ratepayers are asked to pay the excess costs. As the hon. Gentleman knows very well, the ratepayers do not elect the councils; in his and many other areas, a very small minority of the electorate pays full rates.

Mr. Tony Marlow (Northampton, North): A particularly pernicious habit has been developed by many extreme Left-wing local authorities over the past few years. Many Conservative Members received a great many complaints about it during the election campaign, and we are delighted that my right hon. Friend is bringing the Bill forward. Will he tell the House how it will work? Suppose that someone who has been contracting and working with United States bases comes up with a tender that is better and cheaper than any other, and the council turns it down? How will they be able to take action, and will my right hon. Friend reassure us that such action will be successful?

Mr. Ridley: It would be a breach of the civil law. The contractor, an association of contractors or anyone else —for instance, a ratepayer—will be able to bring a case against the local authority on the basis of the provisions

of the Bill, if they become law. If the case were as blatant as my hon. Friend suggests, there is no doubt that the aggrieved person would have a case which would prevail.

Mr. Maxton: Will the Secretary of State give way?

Mr. Ridley: I have given way to the hon. Gentleman once, and I do not intend to give way to him again.

When I announced in October last year that the Government would bring forward this legislation, I hoped that it would be possible to include a special provision to allow authorities to use the contractual process to promote the employment prospects of inner-city residents.

Several Hon. Members *rose*——

Mr. Ridley: Hon. Members will note——

Mr. Maxton: On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker (Sir Paul Dean): It is clear to the whole House that the Secretary of State does not intend to give way, so hon. Members must not persist.

Mr. Maxton: On a point of order, Mr. Deputy Speaker. With the Secretary of State opening the debate and the Minister for Local Government closing it, it is clear that the only way in which Scottish Members of Parliament will be able to make any point at all or obtain any information about Scotland is by questioning the Secretary of State.

Mr. Deputy Speaker: I am hoping that the House will hear some Scottish Members of Parliament, but if there are constant points of order their chances are that much less.

Mr. Ridley: Hon. Members will note that part II of the Bill does not contain such a provision relating to inner-city residents. That is because it has subsequently become clear that European Community rules designed to ensure equal conditions of competition for public works and supply contracts, rules which the Government fully support, do not permit the introduction of that type of measure into the contractual process. The absence of this provision from the Bill should not be interpreted in any way as weakening this Government's resolve to ensure that inner-city residents share fully in the benefits flowing from new investment and new initiatives in the inner-cities.

Our research has shown that employment growth in inner-city firms assisted through the urban programme has been well targeted on inner-city residents. The jobs did not require especially high skills. The majority needed only on-the-job training. On average, 84 per cent. of new employees lived locally, and the proportion from ethnic minorities was equal to or greater than the proportion of such residents in the district.

But certain jobs—in construction, for example—need particular skills. To require that a quota of jobs must be given to local residents, with the rise in costs and the fall in standards which that entails, is clearly impractical as well as unlawful. Proper training is an essential component of many inner-city projects. The Manpower Services Commission is reshaping its efforts in favour of the unskilled and unemployed in the inner cities. It is working with my Department, for example, to provide community programme places for the long-term unemployed in refurbishment schemes on rundown estates.

Within the inner-cities initiative of my right hon. and learned Friend the Chancellor of the Duchy of Lancaster, the Government's task forces are working to encourage firms to recruit more inner-city residents, to ensure that training is well matched to employers' needs and to develop the capacity of small local firms to win contracts. Our aim is to raise skill levels so that local people are better equipped to compete for jobs and employers find that it makes sound sense to hire them. We have made very encouraging progress in a number of schemes sponsored by our task forces. These examples demonstrate our commitment. I and my colleagues charged with the responsibility for regenerating our inner-city areas will continue to make sure that our programmes are designed to encourage firms to recruit local labour, and to ensure that that labour is better trained and motivated to grasp the opportunities thus created.

I must emphasise to hon. Members that the provisions in part II of the Bill are designed to ban abuses of the contractual process. They will not stop public authorities from taking reasonable action—for example, over health and safety, or under the race relations legislation. In the latter case, there is special provision in the Bill to allow authorities to ask reasonable questions, and take account of the answers, in pursuance of their specific duty to carry out their functions with regard to the need to eliminate unlawful racial discrimination. It is the unreasonable use of their contractual muscle by certain authorities that these provisions are intended to stamp out.

I shall mention very briefly the other measures that the Bill contains. Part III of the Bill and clause 28 bring back the measures on local authority assistance for private rented housing and on land registers which were contained in last Session's Bill but lost when the election was called. Clause 26 honours the commitment we made during the passage of the Local Government Act to reverse the effects of amendments made in another place to the publicity provisions. Clause 27 provides for various changes to the powers of the local ombudsmen, most of which result from representations made by the ombudsmen themselves.

Clause 30 regularises the basis on which the Manpower Services Commission and the Department of Employment can enter into training agreements with the Inner London education authority and the joint boards created when the Greater London council and the metropolitan counties were abolished. Clause 31 is a purely Scottish provision, which extends the Scottish Accounts Commission's remit to enable it, like the Audit Commission in England and Wales, to carry out value for money studies of local authorities.

Dr. Godman: Will the right hon. Gentleman give way?

Mr. Ridley: I shall give way, but it will be for the last time.

Dr. Godman: On the Scottish elements of this English Bill, what representations did the right hon. Gentleman's Department receive from the Convention of Scottish Local Authorities? Will he list those in Scotland who are in favour of the Bill?

Mr. Ridley: This provision will be welcomed in Scotland. [HON. MEMBERS: "By whom?"] It was included at the special request of a large number of Scottish interests.

Clause 32 abolishes the dog licensing system——

Mr. Andrew F. Bennett (Denton and Reddish): Will the right hon. Gentleman give way?

Mr. Ridley: No. I said that I would not give way again.

Clause 32 abolishes the dog licensing system, an anachronism which at present costs about four times as

[Mr. Ridley]

much to operate as it collects in fees. As I announced last year, following consultations, we concluded that abolition is the right course to follow.

My announcement last February that we had to postpone legislation on competition, contracts and publicity caused some dismay among my hon. Friends. I promised then that it would be brought forward at the first opportunity. I am pleased to be able to deliver my promise after a delay of only four months. This Bill will bring major benefits to ratepayers and local residents alike, and I commend it to the House.

7.56 pm

Dr. John Cunningham (Copeland): The Bill's unpleasant nature was, unfortunately, thoroughly matched by the nastiness of much of the speech of the Secretary of State for the Environment.

It is significant that the first Bill to be produced for a Second Reading debate by the Government demonstrates the enduring determination of Ministers, and especially of this Secretary of State and the Prime Minister, to go on diminishing the role of democratically elected local government. The Bill continues the sustained attack on local government of the past eight years. It is the 44th piece of local government legislation to have been proposed since 1979. There is no parallel for that in Britain in any other policy area, nor is there any parallel for it in any other democratic country.

What the Bill contains does not seem to be so important as that there should be a local government Bill. It is said that the Department of the Environment office where Bills are drafted has been nicknamed The Windmill because, rather like that entertainment establishment, the officers are drafting so much legislation that they never have a chance to close the office. The Prime Minister continues to keep these local government issues in front of the electors bcause it is convenient for her and for the Secretary of State for the Environment to have a political whipping post. They need to blame all the ills and failures of central Government policy on democratically elected local councils.

As the Secretary of State ploughs on through the rhetoric, the dogma and the new powers, I wonder whether he ever stops to think about their impact? The claim is that, after eight years of Thatcherism, 43 Acts of Parliament, numerous see-saw changes in local government finance, a massive loss of freedom and unprecedented ministerial powers and interference, local government is inefficient. Given the burdens that have been placed upon it in the past eight years, it is hardly surprising if some aspects of local government are less efficient than they otherwise might be.

In any event, efficiency is not the Secretary of State for the Environment's real objective. That was made obvious during the recent general election campaign in connection with the proposed sell-off of the nation's water assets. When the right hon. Gentleman on 18 May 1987 wrote to the chairman of the Water Authorities Association, he made this abundantly clear, because he said that the Government were

"committed to extending share ownership and narrowing the public sector . . . we have been led to conclude that these aims must have priority."

In other words, it is the Government's philosophy that has priority, not the efficient management of services, whether the water industry or any other public service. That is what the right hon. Gentleman said then. I have no doubt that he stands by it. However, his statement today about efficiency being the Government's overriding objective flies in the face of what he knows to be the most efficient management of the water industry.

Of course, we should not be surprised. These views are the price of survival in what the writings and interviews of the right hon. Member for Oswestry describe as a "Stalinist regime". Dogma always takes precedence in such organisations, and the Secretary of State is the epitome of it doing so again.

Mr. William Cash (Stafford): On a point of order, Mr. Deputy Speaker. Should not the hon. Gentleman refer to the right hon. Member for Shropshire, North (Mr. Biffen) as that is the proper name of his constituency?

Mr. Deputy Speaker: Constituency names have changed and we all have problems with that fact.

Dr. Cunningham: I apologise to the right hon. Member for Shropshire, North (Mr. Biffen), but in the *Sunday Telegraph* yesterday he said of the Tory party:

"so that we do not have a sort of Stalinist regime any longer".

It is important to have that on record, and I am grateful to the hon. Member for Stafford (Mr. Cash) because I would not want anyone to think that his right hon. Friend's words had been misquoted.

Just a few days ago in the debate on the Loyal Address, the Secretary of State said that more controls over local government were necessary to control public expenditure —another of the shibboleths that are always paraded on these occasions. It is as if somehow local government expenditure is rising too rapidly.

Any comparison between the rise in central Government expenditure and local government expenditure shows where the real problem is. Central Government's expenditure on its own account has risen since 1979 by 127 per cent. In the same period, and on the same basis, local government expenditure has risen by 103 per cent. The rise in central Government expenditure on its own account is therefore at least 25 per cent. higher than that of local government. Which is out of control? Would the Secretary of State like to comment?

Central to this legislation, as with all such Conservative legislation, is the Government taking more and more powers to themselves. For example, they are taking more powers over the city of Birmingham which has a budget in excess of £500 million, or Leeds, where the budget is more than £300 million, or Manchester, where it is almost £300 million, or Newcastle upon Tyne, where it is about £155 million. Who in this House really has the knowledge, understanding and detailed information to be taking more and more powers and control over businesses of this size?

We can imagine the reaction if private enterprise was being interferred with in this way. We can imagine the reaction if Governments in other countries were doing so. We can imagine the reaction of the Mayors of Hamburg, Milan, Toronto or Los Angeles to all this centralist nonsense. We can imagine what would have happened had President Mitterrand said something like that when Mr Chirac was the Mayor of Paris. His response, if repeatable at all, would have been something like "Va t'en!"

Mr. Nicholas Soames (Crawley): Merde!

Dr. Cunningham: Indeed. I am grateful to the hon. Gentleman, even though as a PPS he is supposed to be silent, for directing that comment to his right hon. Friend.

Ministers are asking the House and their own civil servants to continue second-guessing the decisions of thousands of elected councillors of all the political parties and of thousands of local government administrators who have the information, knowledge and understanding of the problems and sensitivities of delivering effective local services.

This Bill is also about controlling publicity as well as about enforced competitive tendering and undermining good employment. I suggest that it should more aptly be called the Shutting up of Opposition, Undermining of Good Employment and Enforcement of Unfair Competition Bill, because that is how we judge its principal provisions.

Part IV attempts further to gag local government before much of the national debate on major aspects of the Government's legislative programme has even really begun. Who has argued that the 1986 legislation on these aspects of publicity and local government is not working? Where is the evidence to support that contention? What is to become of the right hon. Gentleman's own draft code of practice on these matters, which is currently undergoing discussion and debate? The latest draft of that code of practice states:

"The principles set out below recognise the political nature of local government. They have taken account of the fact that some local authority publicity will deal with issues that are controversial because of particular local circumstances, or because of a difference of view between political parties locally or nationally. The principles do not prohibit the publication of information on politically sensitive or controversial issues, nor stifle public debate."

That is in the right hon. Gentleman's own draft code of practice. What will happen to that draft code? Is it to be agreed or abandoned? Will he continue discussing it on that basis with the local authorities? Will he say what he intends to do? Of course he will not, because he is already preparing to rat on that promise, just as he has ratted on so many other promises to local government over the years.

Local government, to be genuinely local, needs freedom to voice the concerns of the community it is elected to serve and, where necessary, to voice its criticisms of central Government policies that adversely affect its area, its communities and its population. That is what local government should have the right to do in any plural democratic society. The Labour Opposition stand by that right, but apparently Conservative Members no longer do so. The legislation contains a contemptible set of proposals and we denounce them.

Mr. Ridley: The hon. Gentleman is mixing up the right to express political opinion, which of course remains for councillors on all occasions, and the denial of the use of ratepayers' money for overt political purposes, which is what the Bill seeks to achieve.

Dr. Cunningham: The right hon. Gentleman knows full well that the Government have already legislated on the overt use of local authority money for party political purposes. For my part, I support his view on that absolutely and unequivocally. But he now knows that this Bill contains clauses that go much further. That is what we object to, and that is what we shall go on objecting to.

Clause 26 is aimed at restoring the two clauses of the Local Government Act 1986 that were removed by the House of Lords. Those clauses dealt with the definition of party political publicity and the legal status of the recommended code of practice on local authority publicity by which local authorities are supposed to abide. That is the point now at issue and that is the point that the Secretary of State singularly failed to respond to in his intervention and about which we object most strenuously.

In connection with the powers set out in clause 26(2) on page 26, I ask him who will censor the performance of local authorities in the matter. Who will be the judge? How will those powers be enforced? Will local authorities and individual councillors have the right of reply to some of the torrent of personal abuse and vilification heaped on them dishonestly by the Tory Government's friends in the mass media? Will they have the right to reply to some of the garbage we see in *The Sun*, the *Daily Mail* and the *Daily Express* so regularly in support of the right hon. Gentleman and the Conservative party? It does not seem so.

The Secretary of State has called again today on local authorities to go for greater efficiency. In the past he has called for them to abandon national wage agreements—the practice established more than 50 years ago—although he is very reticent to say much about it in public. The Secretary of State for Education introduced a Bill not just to abolish the Burnham procedures but to eliminate the ability of local education authorities to negotiate at all with teachers about pay and conditions. The fair wages legislation has been abolished. This centralist authoritarian tendency of the Government continues to erode people's democratic freedoms and rights and to undermine good employment practices. That, too, is one of the aims that are at the heart of what the right hon. Gentleman is proposing to the House today. The Labour party will strenuously oppose such proposals.

Mr. Marlow: The hon Gentleman is obsessed about centralism and the fact that central Government is taking over powers from local government. Could he tell the House, by number, which clauses are transferring power from local government to central Government rather than from local government to the people who work and operate with the local area?

Dr. Cunningham: I say to the hon. Member for Northampton, North (Mr. Marlow) that, even with his renowned lack of ability and understanding, he is quite capable of working that out for himself.

Labour Governments created the Commission for Racial Equality, the Equal Opportunities Commission and the Health and Safety Executive. *[Interruption.]*

Mr. Deputy Speaker: Order.

Hon. Members: Name him.

Mr. Deputy Speaker: Order. That is very unseemly behaviour, and the hon. Member for Northampton, North (Mr. Marlow) knows it. Dr. Cunningham.

Mr. Marlow *rose*—

Mr. Deputy Speaker: Order. The hon. Member for Northampton, North has been here for a good many years. I expect him to help the Chair by setting a good example to new hon. Members of the House. Dr. Cunningham.

Dr. Cunningham: Labour Governments created the Commission for Racial Equality, the Equal Opportunities Commission and the Health and Safety Executive. We believe that it is time to take the next logical step and legislate for contract compliance. Such legislation should be central to any Government's policies to reduce unemployment, to regenerate the inner cities, to attack the scandalous housing crisis we face, to promote racial equality, to strengthen the impact of equal opportunities legislation, to improve employment prospects for people with disabilities, to improve Britain's abysmal lack of effective training, to achieve better conditions of employment, to produce better value for money in public spending and to improve health and safety, especially in building and construction.

Those are 10 powerful and positive arguments for contract compliance, and there are others. Apparently Tories, some people in the CBI and the private sector generally, present the issue as damaging to British business, as some awful Left-wing radical idea which can only harm our economy. It is a typical Conservative, even reactionary, response to the challenge of necessary, indeed long overdue, change. But Ministers ought to know, as we know, that in the United States of America—the home of the market economy and free enterprise—80 per cent. of all jobs in manufacturing and 83 per cent. of all jobs in transportation, public utilities and communications are now governed by contract compliance legislation. It is because of that legislation and because of the force of law that progress has been made in ending the inequalities between people in black and ethnic communities and women and white males in a whole range of employment issues across the nation.

The United States Congress and successive Presidents have long recognised the fundamental, social and economic force of such proposals, and Britain must do so too. There is nothing new in the principle of contractual conditions in Britain. They have existed for a long time in many forms. Craft guilds and professional bodies apply them to individuals. For several centuries Governments have applied conditions to contracts specifying broad matters of policy not directly related to the cost of goods or services.

More recently, observance of the Race Relations Act 1976 has been a required contractual condition, although no one ever seems, so far as I can tell, to have lost a contract because of that required compliance. However, I suspect that is because of lack of monitoring of the compliance, not because of the conduct of employment practices. We could even say that the fiasco that went on over weeks in Australia about Mr. Wright was a form of contract compliance. At least that is what the Government were trying to enforce in his case.

Local government is the target of much abuse, but contract compliance is a positive and innovative development in the best traditions of British local government, again in the forefront of social and economic progress and, I remind Government Members, of companies such as Marks and Spencer. That is the reality staring hon. and right hon. Gentlemen in the face. They will not face up to the facts at home or abroad.

Within the public sector, it is commonplace to find routine systems for checking the bona fides of companies that want to sell things. In the past those systems have generally concerned themselves only with a firm's financial good standing or technical competence to perform a particular contract, although if one's firm got involved with defence contracts, the security services might make extremely searching inquiries into the more personal aspects of the lives of the firm's senior executives and of the lives of other employees in the company. The same is true in the civil nuclear power industry. The Government are no different from any other Government in that it might also intervene to specify in some detail the precise quality control systems that firms must follow in respect of defence contracts as well as a variety of other matters that could affect the final quality of the end product.

We say in support of contract compliance simply that questions of equal opportunities for women, for ethnic minorities and for people with disabilities, issues affecting health and safety, the elimination of lump labour and various other matters connected with the construction industry, better training, trade union rights and low pay, rank at least equal in importance to a firm's financial good standing or its technical competence or its acceptability to the security services. It is madness for a national Government to claim, as the Government do, that they are upholding the law when it effectively subverts the law by providing substantial financial resources to companies and organisations that they know perfectly well are breaking those laws.

It is hypocritical for the Government to say that they are taking major new initiatives for the inner cities and then setting aside any attempt to legislate effective contract compliance. It is no longer acceptable for the Government to fund the Health and Safety Executive, the Campaign for Racial Equality, the Equal Opportunities Commission and a range of inner-city and other initiatives aimed at eliminating discrimination and promoting equality of opportunity while channelling vastly greater sums of money to companies and organisations that are perpetuating and possibly exacerbating the very problems that those other programmes are supposed to be tackling.

I have a few questions for the Minister who is to reply. On 29 October last year the Home Secretary wrote to my hon. Friend the Member for Blackburn (Mr. Straw):

"we are not contemplating legislation which would prevent a local authority from taking action in accordance with this duty so as to encourage the provision of equal opportunity for ethnic minorities in employment."

The "duty" referred to was that contained in section 71 of the Race Relations Act 1976. More recently the Chancellor of the Duchy of Lancaster in an interview in a programme called "Witness: On the Margin" on Thames Television on 1 July said:

"Mr. Ridley and I are totally committed to the policy of using local labour and getting development to generate more local employment."

However, the Minister for Local Government spoke at a press briefing which was reported in *The Independent* on 27 June 1987. It said:

"Outlining the conditions on contract compliance and private tendering yesterday, Mr. Howard promised that no legislation to enforce local quotas of workers would be introduced."

Which is right? Who is in charge of the policy and the initiatives?

The Minister for Local Government (Mr. Michael Howard): They are both right.

Dr. Cunningham: Who is telling the truth? I invite the Minister to answer, because they cannot both be right. The Minister is saying that no such legislation will be enacted

but other members of the Cabinet are saying something very different. The hon. and learned Gentleman ought to be candid with the House and tell us exactly what the Government's intentions are. I will willingly give way to him.

Mr. Howard: Both are correct. There will be no legislation to enforce quotas in the way suggested by the hon. Gentleman, but that does not mean that steps cannot be taken to encourage the use of local labour. If the hon. Gentleman had done my right hon. and learned Friend the courtesy of listening to his speech he would have known that on the urban programme 84 per cent. of those employed were local to the inner city.

Dr. Cunningham: The Minister, in the same way as some of his right hon. and hon. Friends, wants to will the end but he will not provide the means. All the lessons— *[Interruption.]* Without legislation, the objectives cannot possibly be achieved. Legislation is a prerequisite and anybody who has looked at the propositions knows that that is the case.

No one would defend inefficiency, poor services or the waste of precious public resources. However, enforced privatisation and enforced competitive tendering do not deal with that. That causes unemployment. It exploits low-paid people, often from ethnic communities. It exploits women, lowers standards and generates public squalor, as we have seen not only in some local authority areas but in the Health Service. Low-paid workers know what happens to them and their standard of living when there is competitive tendering. They are in no doubt about the value of Labour's power at local level. It is Labour control of the local authority employers' side that has ensured that people on low wages have had some fairness of treatment that the Government seek to deny them.

Why do the Government not publish the responses to their Green Paper on competitive tendering? Why cannot the evidence be put before the House? It is interesting to reflect that all local authority associations, regardless of political control, remain totally opposed to it. Where is the evidence for the savings that the Government claim? What is the basis of comparison? There is no valid comparison of costs and efficiency between, for example, the private sector in the building and construction industry and local authority direct labour organisations. What is the rate of return required in the private sector? I would be grateful to know if the Minister can tell us that in his reply. The profits quoted by the private sector are based on turnover rather than on capital employed, which is the basis he is enforcing on local government.

In spite of what the Secretary of State had to say, the Government are interested in cheapness for its own sake. The effects of tendering were considered by the Select Committee on Social Services in its report of 1985. That report questioned the value of tendering even in the Government's own terms. It said:

"This whole exercise, which has now been under way for around four years, has involved a considerable amount of management time and effort; has caused disruption and discontent, not exclusively among NHS staff directly employed in these services; and to date has not brought home the bacon."

Invariably it is the case that cost cutting is done at the expense of wages and conditions. It is not done by cutting out waste or by being more efficient.

On the matter of competition, the market is dominated by two major multinational holding companies, BET and the Hawley group. In many respects there is no competition at all. That is the reality. In the most recent edition of the *Local Government Chronicle* it said:

"More than two thirds of the number of councils reporting privatisation said they had done the opposite and brought services previously contracted out back in house. Of these 27, there were 13 Labour controlled, seven Conservative and two Alliance."

Local authorities themselves are coming to recognise the fallacy that is at the heart of what the Government have to say on these matters. The road to greater and necessary efficiency in local government is by strengthening democratically elected local authorities, not by undermining them, by giving local communities more rights and information and not denying it to them, by improving quality tests, and by requiring councils to publish a report on the performance of their statutory duties. The reality in this Bill, as in almost every other piece of local government legislation introduced by the Government, is that more ministerial control is the Government's principal concern. There is more nit-picking bureaucracy, which is inefficient in the extreme. We have nothing but contempt for this legislation and the manner of its introduction and we shall certainly oppose it at every stage.

8.29 pm

Miss Janet Fookes (Plymouth, Drake): So far there has been the barest mention of one aspect of the Bill that I want to discuss in more detail. I refer to clause 32, which aims to abolish the dog licence.

I believe that that decision is wrong, and I deeply regret the decision of the Government to go ahead with it, despite all the efforts that have been made by a vast number of organisations to persuade them that they should not do so. I accept that the present amount of 37½p is ludicrous. We are all aware that that sum does not even cover the cost of collection and therefore the amount available to local authorities is minute. However, I believe that the Government have drawn the wrong conclusion by believing that the dog licence should be phased out altogether.

In this country we face many problems with dogs. The problems have been with us for many years, and I believe that the situation is likely to get worse rather than better. Animal welfare organisations spend a great deal of time seeking to deal with strays, as, of course, do the police. Thousands of dogs are destroyed each year, and before that unfortunate event occurs many attempts are made to find a new home for the dogs. In some cases those attempts are successful, but in many cases it proves impossible. In addition, uncontrolled dogs cause endless trouble. I am sure that most Members have received complaints from constituents about dog fouling. It can be an extremely serious matter for many people, but is just one aspect of the problem. Another extremely serious problem is that of animals, especially dogs, causing road accidents. Goodness knows how many people are injured, or even killed, in accidents in which a dog is in part responsible.

There is also the problem of livestock worrying. The National Farmers Union calculated that, last year, no fewer than 10,000 animals, probably mostly sheep, were either killed or maimed. Such attacks cause untold suffering to the animals, quite apart from the appalling financial effects for the farmers.

[Miss Janet Fookes]

All in all, it is a great mistake that the Government have not used the opportunity to put the dog licence fee up to a realistic level so that it could be used to fund schemes for dog wardens and generally to improve the control of dogs.

I have a particular love for dogs and it saddens me when I go round, as I often do, to animal homes and see countless animals being brought in off the streets, unwanted, unloved and probably with an extremely short life in front of them. Furthermore, we know that there is the possibility of rabies coming across the Channel at some stage. I am well aware that drastic emergency measures exist, but how much better it would be if we had dogs under control. That would lessen the need for emergency measures. Such measures would probably include the wholesale slaughter of animals and widespread panic if rabies entered the country, as it seems likely to do at some stage.

We are also aware that many animals are bred by irresponsible people and by dog breeders, if one can call them that. If one used the licence on a differential basis so that dogs that had been neutered or spayed would be liable to a much lower licence fee, that would go a long way to reducing the number of dogs that are bred, but unwanted. If we do away with the licence, there is no way in which that could happen.

Mr. Allan Roberts (Bootle): I am sure the hon. Lady is aware that during the previous Parliament, the Select Committee on the Environment studied the question of dog licences. We recommended to the Government—they have not responded, but perhaps the general election intervened—that, although the national licence should be abolished, powers should be given to local authorities to levy their own licences and fund such services as the hon. Lady has described. The hon. Lady is quite right when she says that there is a terrible problem. In my constituency people come to me and say that when they go out of their garden gate it is quite often like entering a safari park.

Miss Fookes: I am not in the least surprised that no substantive answer has been given to the report of the Environment Committee—election or no election. Over the past 12 years I have been seeking to obtain proper answers from Governments of both complexions. Both have failed dismally to give any answer until now, and in my view the Government have given the wrong answer, so we are no better off than we were before.

I urge my hon. Friends on the Front Bench to think again about this matter. If they are unwilling to have the cost of dog licences borne nationally, perhaps there is a case, as suggested by the hon. Member for Bootle (Mr. Roberts), for licences to be issued on a local basis. Personally, I would much prefer a uniform national system, which at least has the merit of familiarity.

I believe that many people would agree to an increased licence in return for the various benefits that could be adduced. There is no reason why there should not be exemptions for working animals or block licences for those who go in for breeding in a big way, or even for packs of hounds, much though I dislike packs of hounds when used for their primary purpose.

I believe that the Government's policy is short-sighted and that we shall pay dearly for it because of an increase in the number of dogs that are out of control. It is ironic that the Conservative Government introduced a scheme in Northern Ireland very much along the lines that I have suggested. After a few years of operation, that scheme appears to be working extremely well. Sheep worrying was a great problem in Northern Ireland, but it has been considerably reduced. I had hoped that such a scheme in Northern Ireland would act as a forerunner for a more general scheme for the rest of the United Kingdom.

With all the power at my command I urge the Ministers to look again at the laws relating to the control of dogs. It cannot be right that we have about 24 different Acts that seek to control dogs, yet we are doing nothing about dog licences. Unless I have some assurance from my hon. Friend the Minister when he winds up the debate tonight, I shall reluctantly be compelled to cast my vote against the Bill on that one issue alone.

8.37 pm

Mr. Bernie Grant (Tottenham): I am pleased to be here representing the constituency of Tottenham and I am also pleased to follow my predecessor, Norman Atkinson, as Member of Parliament. Norman served the constituency well for more than 20 years and I shall be pleased if I am able to equal his fine record of service to Tottenham's citizens. I wish to add my voice to the thousands of constituents in thanking Norman for his work on behalf of the people of Tottenham. We wish him well in the future.

For myself, as for Norman, local government and the needs of inner cities are of prime importance when representing a constituency such as Tottenham. Tottenham has almost 20 per cent. unemployment and almost half our citizens are from the black and minority ethnic communities. Such are the major characteristics of life in Britain today. Therefore, I was pleased to see that this Government, somewhat belatedly, had come to recognise the need for the inner cities and for their regeneration. What a wonderful opportunity this first Local Government Bill of the new Parliament would have been to address those problems. However, once again, they have got it wrong, I believe deliberately.

The Bill before us, in common with the 14 previous Bills on local government introduced since 1979, provides the wrong answers to the wrong questions about local government, its priorities and needs. The solutions the Bill provides are privatisation of local government services, an end to contract compliance and a reduced role for local government publicity. That is a recipe for more local government domination by lawyers and the courts and less by those professional officers who provide the necessary services for our people. Last week, *The Guardian* showed that even among Tory local authorities privatisation was unpopular. It reported that, these days, more councils are cancelling contracts to outside firms rather than extending them.

Ask the residents of London's east end what the Government's solution to inner-city needs means to them. It means the yuppification of docklands, putting two-bedroomed flats at £250,000, beyond the wildest dreams of local people. Yet living cheek by jowl with that is the unrestrained Thatcherite land of Spitalfields, with sweatshops, atrocious housing and dire poverty, so graphically brought to life last week by Prince Charles' visit. Nestling beside both is Rupert Murdoch's Wapping, the subject of our previous debate, and that other face of Thatcherism—Murdoch's press—which simultaneously

welcomes yuppies and condemns Prince Charles for drawing attention to the poverty. No wonder the Government back Murdoch's bid to take over the British press without restriction or inquiry.

To this Government, the solution to local government and inner-city problems is to increase freedom, but their definition of freedom is freedom of choice for those who have the money to opt out, and the freedom of the private sector employers to exploit low-paid workers. That is not the answer. We with experience in inner-city local government see no merit whatsoever in worsening services and driving down the wages and working conditions of ordinary people so that they become a new servant class to an influx of yuppies. Public services in our inner cities need to be improved under democratic control, not impoverished and handed over to outside profiteers and carpet-baggers, as the Bill proposes.

The improvement that is necessary costs money, and the Government must find it. We in the Labour party do not want the freedom that the Government propose for local authorities and inner cities because it is a licence for the few to exploit and impoverish. We are interested in real freedom for everybody, a type of freedom that liberates people from the yoke of poverty and the chains of racism that infect our inner cities. The fight against institutionalised and personal racism in this country must be at the top of the agenda for anyone who seeks to address inner-city problems.

However, in the Bill the issue of racism is an afterthought. The fact that the Bill allows section 71 of the Race Relations Act 1976 to be included in contract compliance proposals is a feeble gesture in the fight against racism because the Race Relations Act itself is feeble and in need of major reform.

Furthermore, in the same Bill, the Government propose to withdraw the power of local authorities to refuse to give contracts to firms that have trading links with South Africa. That gives the lie to any pretence by the Government that they are concerned about eliminating racism. It is further evidence of the Government's intention to prop up the racist regime in South Africa.

Let us return to the United Kingdom, where black unemployment runs at two or three times the rate of white unemployment in inner-city areas such as Tottenham. Such discrimination cannot be allowed to continue. It should be the role of Government to stop it by taking strong and positive action to combat racism in employment and other areas. The proposals in the Bill are inadequate, and we shall oppose them vigorously in the later stages of its passage.

It is clear that the Bill represents a continuation of the neglect that the Government have shown towards the disadvantaged, which has resulted in urban violence. That is a tragedy, because unless the political system can offer some prospects, particularly to our young people and our young black people, they will find other means of expressing their frustration. As an alternative approach, let me refer to one estate in my constituency, Broadwater Farm. It is an example of what local government can do in an inner-city estate.

What has Haringey council done? We have embarked on skill surveys and on the economic regeneration of the estate through our economic development unit. We have provided jobs in an estate where there is 40 per cent. unemployment and where up to 80 per cent. of the black youth are unemployed. We have gone out of our way to recruit local people to work on projects and in running essential council services. We have done that by inserting a clause into contracts for work on the estate, which states that local people must be employed wherever possible.

The architecture on the estate has major drawbacks, so we have employed architects to work with the community, taking on board the people's aspirations for how the estate should be developed. We have improved the provision of public and community facilities by encouraging the participation of all concerned, including the police, in an open forum rather than imposing the ideas of so-called experts on that community.

What has been the outcome? There have been no more disturbances. The community spirit is high and people are confident. There is no graffiti on the estate. The local police chiefs publicly praise the co-operation that they get from the local community in improving relations.

Despite the chronic levels of economic deprivation, crime levels on the estate are at an all-time low and the police tell us that they are the lowest in Tottenham. Even the Department of the Environment uses the estate as a model of what community development can mean in practice, by bringing in visitors to the estate from home and abroad on a weekly basis. That approach is light years away from the cheapskate, mean-minded and corner-cutting solutions that the Bill offers the inner cities. That approach meets the needs of the inhabitants, not the needs of the fly-by-night profiteers.

In contrast to the measures proposed in the Bill, our approach in Haringey involves the community in controlling developments in the area and having the power of veto over those developments. By working with the community, we have been able to develop together in partnership and in confidence. The alternative suggested in the Bill and in the Government's other proposal for the inner cities is to take power away from the people, to put it in the hands of faceless Whitehall bureaucrats and Tory politicians who have to pick up a map to find where inner-city areas are.

I believe that we are sitting on a powder keg in the inner cities. The Bill and future Government legislation could be the spark that ignites it. I do not want to come back to the House in a year's time and say, "I told you so." If that happens—I am trying to ensure that it does not—it will be the responsibility of this Government.

8.47 pm

Mr. Barry Field (Isle of Wight): I compliment the hon. Member for Tottenham (Mr. Grant) on his confident speech and knowledge of local government.

I believe that few, if any, hon. Members have had the pleasure and honour of addressing it and knowing that their constituency has remained unchanged in name and in boundary since the election of our first Member of Parliament in 1293. There was a gap in the sending of Members to the House from 1295 to 1583, when the boroughs decided that they could not afford the cost of a Member of Parliament. In 1584, however, they made up that gap by electing no fewer than six Members to the House. I am delighted to be able to say, as the hon. Member in this Parliament who represents the largest constituency in the country, with just under 100,000 electors, that that is the sort of productivity that we in the Conservative party like to see, although we are usually looking for a much shorter time scale.

[Mr. Barry Field]

In 1690 one of my predecessors occupied your Chair, Mr. Deputy Speaker, in a rather inglorious way. He had the unique distinction of moving a vote of confidence in himself and was absent when the vote was taken — an absence subsequently explained in his letter of resignation as having been brought on by a severe attack of the colic. The reason why he moved a vote of confidence in himself was that he was accused of taking a bribe. I am sure that, in the usual charitable fashion of the House, when the matter of an hon. Member who had fallen from grace came before it, the attack of colic was referred to the Catering Committee.

A number of distinguished hon. Members have represented the Isle of Wight — Sir Arthur Wellesley, afterwards the Duke of Wellington; Lord Palmerston; the right hon. George Canning; and William Lamb, afterwards Lord Melbourne. No fewer than four Prime Ministers started their political careers on the Isle of Wight. I am not for a moment suggesting that that position will be vacant in this House. Unlike some hon. Members, I am certain that it is adequately filled for this Parliament and for many Parliaments to come.

I noticed that Sir Peter Macdonald, my predecessor but two, mentioned in his maiden speech that he came from a dockyard constituency. I was delighted this morning to visit one of the shipyards of which he spoke and to see the completion of £1 million-worth of orders going to Korea, no less. I noticed that my predecessor but one, Mark Woodnutt, reminded the House in his maiden speech of the reputation for natural beauty that the island possesses, known as it is as the garden isle. I also see that he reminded the House of our county council's motto, which is that all this beauty is of God. I am happy to report to the House that, in a changing and shifting world, 27 years on, the island seems even more beautiful today.

So to my predecessor, Stephen Ross. He enjoyed that rare compliment in politics, the respect of both sides of the House. He had an undeniable reputation for hard work in the constituency and in the House and, as we never tire of telling people, the Isle of Wight is a slightly different place. I am pleased to be able to tell the House that I paid him that tribute in the constituency during the course of the election as well.

Of course, we have our problems as a constituency. As far as I can discover, we are the only reasonably heavily populated island in the United Kingdom that receives no assistance with our ferry costs or with locating industry and commerce on the island. Despite that, we have an enviable and undoubted reputation for innovation and invention. We have companies selling laser technology to West Germany, and we have Westland Aerospace and Plessey, both of which produce outstanding products. It has been estimated that, including ferry time and waiting time, a round trip for a commercial vehicle to London — 178 miles from the island — is equivalent to a mainland journey of 448 miles. That shows the difficulty of the increased costs of operating on an island.

Typically, and topically, we have a lot of innovation, and in view of the news of Richard Branson's weekend attempt with a balloon, I am delighted to tell the House that we are currently in the process of completing the manufacture of a gondola for delivery to Australia for a high altitude balloon attempt to travel round the world in 12 days. The mould of the gondola comes from a mould for a septic tank.

In 1956 my family company was asked by the local authority to become involved in the provision of a crematorium service. That was long before the days of privatisation. Since then we have been involved on no fewer than three occasions in winning a tender for the privatisation of that service in local government. With the small exception of indexation, which no commercial company can afford to provide outside of the public purse, in every case the staff that we took over received a pay rise, better pay and conditions and better pension rights than they had had in local government service. It is time that we nailed the nonsense that private enterprise is not responsible enough to empty our dustbins, clean our streets, service our vehicles and cut the grass. It is about time that we had this legislation, and a great deal more, to allow these services to be provided at a cost that the nation can afford.

8.56 pm

Mr. Simon Hughes (Southwark and Bermondsey): First, I wish to congratulate one hon. Member from either side on their maiden speeches. The hon. Member for Tottenham (Mr. Grant) was right to pay tribute to his predecessor. I know, and he knows that I know, that constituencies such as his need a lot of representing. The inner cities of Britain have not done well in recent years and have done worse in the past eight years. I have no doubt that the hon. Gentleman will fight as hard as any to ensure that all the people of Tottenham get a better deal —if that is possible under this Government—and they will be able to see that he puts them first. I welcome him to the House.

I am slightly less able to welcome the hon. Member for Isle of Wight (Mr. Field), for obvious reasons—he took back the seat from Liberal hands. That is no personal criticism. He, too, was right to pay tribute to his predecessor, who was a friend of mine and of local government. If Stephen Ross had been here, he would not have been supporting the Bill. He would have been saying that local government should be left to get on with its own business without Government interference. I hope that the hon. Gentleman will represent that island conscientiously and assiduously, and I have no doubt that he will try to do so.

As the hon. Member for Isle of Wight said, the island has the largest electorate of any constituency in the United Kingdom and its representative probably receives more letters from prisoners than that of any other constituency. If one is in prison one certainly writes many letters if one can, because there is not much else one can do. The hon. Gentleman will no doubt make sure that the island is not forgotten and, unlike other outlying parts of the country, receives a better deal from the Government. It has not fared well, either, under his party's hierarchy.

Mr. Tony Banks (Newham, North-West): As the hon. Gentleman is obviously in a nostalgic mood, will he tell us what Michael Meadowcroft would have said if he had been here? Has the hon. Member retaken his local government portfolio?

Mr. Hughes: I am always grateful for the hon. Gentleman's interest. Yes, I have retaken the portfolio on

local government matters and I am happy to have done so. I am sure that the hon. Member will agree that the more people that we can get into the army opposing the Government in the battle of the inner cities and against local government, the better it will be. I look forward to a sturdy alliance with the hon. Gentleman on this matter, as we have had previously on many such matters.

My last welcome is to the hon. and learned Member for Folkestone and Hythe (Mr. Howard), the new Minister for Local Government. We are glad to see him. He has a reputation as a doughty fighter and I hope that by the time he ends his term of office, he will have successfully fought to correct some of the Department's failings. It certainly needs enlightenment and correction.

There were rightly many points of order earlier. We should not be legislating for Scotland, England and Wales in one Bill. It is improper, unsuitable and inappropriate. The Bill does not pay due respect to the differences between countries and until we devolve power to local government and to Wales and Scotland, the people of those countries will not be properly governed centrally, nationally or locally.

As the hon. Member for Copeland (Dr. Cunningham) said, it is typical that the first Bill of a new Parliament should be an attack on democracy. The Bill is yet another attack on local government. I have been reflecting on the difference between the Government's biased view of local government and their view of the private sector. They put out a White Paper about the private sector entitled "Lifting the Burden", but they put more obligations on local government and undermine the theory and practice that local people elect councillors to act for them locally, untrammelled, where possible, by central control.

Some of us believe in local government, even when it makes mistakes and gets things wrong. We shall fight for local government and the sooner that the Government realise that they are undermining people in their own party as well as others and are discouraging people from going into local government by taking away its powers, the sooner they will begin to get things right.

The evidence is so clear. Not only Opposition parties oppose the Bill. The Association of District Councils, which is led by a Conservative majority, opposes the legislation and there is all-party opposition among people who know to the removal of yet more local government powers.

If the Government applied their own criterion of quality control—they say that they are intervening to achieve a better quality of service in local government—we would not have had the poor quality of argument and the pathetic quality of presentation that we had from the Secretary of State when he opened the debate. That combination is demeaning to local government. When the right hon. Gentleman mentioned clause 26, which deals with local authority publicity, only in passing, without reference to the fact that it is a major attack on local councils, he did not do his office any service.

Part I of the Bill contains the long-expected proposals to compel local authorities to put a number of services out to tender. The Secretary of State made it clear that his argument was fallacious when he said that, following the consultative paper of 1985, the majority of councils had not done what the Government are now to compel them to do. The reason is that those councils had chosen not to do that. Many of those are Conservative councils and yet the hon. Member for Thanet, North (Mr. Gale) said, "We don't believe in coercion." This Government are the most coercive ever to wear the Conservative tag.

Mr. Roger Gale (Thanet, North): Will the hon. Gentleman give way?

Mr. Hughes: No. The Government coerce people all the time and they have no national mandate to do so.

Mr. Gale: The hon. Gentleman referred to me. Will he give way?

Mr. Hughes: No. I will not give way.

It is about time that the Government realised that local authorities should be free to decide for themselves how they can provide services most effectively and efficiently. As a Liberal, I reject blinkered, ideological commitment to provision either by the municipalist establishment or by the private sector for profit. Local authorities are democratically accountable, though imperfectly so, and if private sector provisions were substantially more effective and less expensive for local authorities—and, therefore, for local voters—many of the councils that have no ideological opposition to private sector provision would have found that to be the case. Local voters would also be crying out for it. That has not happened. All the local authority associations, including the Tory-controlled Association of District Councils, are clearly opposed to this centralist, authoritarian anti-local government set of provisions. The Association of District Councils says that these measures

"will mean increased central bureaucracy and a reduced, rather than increased, likelihood of achieving greater efficiency and value for money."

The Government question the accountability of local authorities and the efficiency and effectiveness of the services that they provide. It is right to ask questions about those things, but the Government respond by imposing from the centre methods of working that increase the accountability of local authorities, not to their local electors and communities, but to the Secretary of State. When the Government say accountability they mean accountability to the Conservative party in Whitehall. That is not acceptable to many local councils.

The Government know that there is an easy solution, but year after year they run away from it. They could introduce local proportional representation. They need not even think of it nationally, but if they introduced it locally there would be none of the partisan solutions that the Government complain about so much.

I have a final point about the substantive part of the Bill. Although the Government say that it is not intended to bring about the privatisation of local authority services but only to increase competition, no one has any doubt that the motivation of many Conservative Members is to privatise. That is in the mistaken belief that the services for the profit of private employers are inherently better than the services provided by local authorities directly employing people.

As the hon. Member for Copeland said, the proposals in the Bill will not bring competition. They will not bring competition between a large number of firms in a fairly free market for contracts. They will provide opportunities for a small number of huge multinationals to extend their activities into further areas, making redundant in the process many highly trained and proficient local council

[Mr. Hughes]

employees. There are, substantially, two companies that get all the work and that is not sharing the responsibilities and the rewards.

Part II of the Bill deals with contract compliance. Not only does it go entirely in the wrong direction, but it also breaks the word of the Secretary of State. In his press release of 21 October he said:

"A special provision will be made to allow the promotion of employment prospects of local labour in the inner cities."

If the Government were interested in employment in inner-city communities such as mine, they would allow local people to have first option on inner city jobs and homes. There is no point in the Government putting in money that is then creamed off by outside developers, often against the interests of the people who most need Government initiatives.

Part IV of the Bill deals, among other things, with publicity. The hon. Member for Copeland understated how bad part IV is, because the Government have not just reinserted what in the last Parliament the House of Lords removed, but have gone further and said that anything that is a matter for political controversy and which might have the effect of influencing a party's political position will be outlawed. Presumably that means that my local authority of Southwark, for example, which is of a different political colour from mine and from that of the Government, cannot print anything to influence me to argue or vote against the Bill. That is entirely unacceptable and does not stand up to any objective assessment. We could do good things in this Bill.

Dr. Cunningham: I accept what the hon. Gentleman says, because, if anything, I understated the provisions in clause 4. Does he recognise, as we do, that not only local authorities also but the national associations of local authorities will be impeded? Over many decades, under Governments of all political persuasions, those associations have had the right to draw to the attention of Parliament and the country matters of political controversy. They would be inhibited in that activity by this legislation.

Mr. Hughes: The hon. Gentleman is right. The sort of submissions that he and I received before today's debate from the Association of Metropolitan Authorities, the Association of District Councils and the Convention of Scottish Local Authorities and others may well not be permitted. That means that the representative groupings of authorities will be subject to a Government veto and a Government gag. That is centralist, silencing Toryism. It is totally unacceptable and contrary to all that local government means. As my hon. Friend the Member for Orkney and Shetland (Mr. Wallace) has just said to me, it is the sort of Stalinism that drove one member of the Cabinet to the Back Benches.

We could have had provisions that enforced reports by local administration commissioners. We could have had provisions that allowed public land to be held for local use at a lower than market price. As the hon. Member for Plymouth, Drake (Miss Fookes) said, we could have had provisions to allow local authorities to charge for dog licences and that would have enabled them to do something about the pests that dogs often are. But instead, the Government have just steamrollered on in the fashion to which we are all so sadly accustomed.

If the Government think that they will win votes by provisions such as this, they are wrong, and the evidence confirms that. I hope that if they do not learn the lessons of recent history, the other place will, yet again, take them to task. This central Conservative Government are showing, within two weeks of the new Parliament, that they are no friends of local government, of whatever colour, anywhere in Britain. That is the surest sign of an undemocratic central Government.

9.10 pm

Mr. John Heddle (Mid-Staffordshire): I am delighted to follow my hon. Friend the Member for Isle of Wight (Mr. Field), who spoke eloquently. He referred, rightly and generously, to the record of service of his predecessor, Mr Stephen Ross. We shall miss him. In his stead, we will gain. My hon. Friend's modesty forbade his mentioning that he has considerable local government experience. We await with pleasure his contribution to local government debates. He also omitted to mention the he won his Isle of Wight county council seat from a Liberal in 1986. For reasons that one quite understands, he did not say that the Medina borough council in his constituency, heretofore controlled by the Liberal party, is now Conservative-controlled. The general election eclipsed the local elections, but that fact should be placed on record.

We have heard much about local accountability. The Bill's provisions will enhance and strengthen local accountability, not diminish it. How can Labour Members shed crocodile tears about local accountability when only 25 or 30 per cent. of the electorate vote in local elections, and when the majority of the money provided for local authorities comes from industry and commerce, which has no voice, and no vote or sanction over the way in which the local authority spends its money? Some of the Bill's provisions will enhance the strength of that voice.

In a glossy publication costing 75p, produced by the Labour party some six or nine months ago and entitled "Investing in People", the first paragraph read thus:

"Britain's most precious resource is its people. Given the right skills, the right equipment and the right opportunities, they will transform Britain into a country which is efficient and competitive."

The Bill will help to ensure that local government becomes more efficient, competitive and responsive to the needs and wishes of the local community, the ratepayers, their customers and the local work force.

The hon. Member for Brent, East (Mr. Livingstone) has left the Chamber, but he intervened in the speech of my right hon. Friend the Secretary of State with a reference to section 71 of the Race Relations Act 1976. I am opposed in principle to the use of contract compliance by local authorities to promote equal opportunity polices. Hon. Members on both sides of the Chamber are, I am sure, fully committed to equal opportunities for employment, irrespective of sex, race, colour and creed. However, contract compliance should not become accepted as the appropriate instrument for the promotion of equality, for two reasons. First, local authorities have a duty to their ratepayers to obtain value for money and should not award contracts on anything other than fair competitive considerations. Purely and simply, they should be awarded on commercial criteria. The enforcement of the law on equal opportunities has been entrusted by the House to the Commission for Racial Equality.

Mr. McKelvey: Will the hon. Gentleman give way?

Mr. Heddle: I shall finish my point and then give way

The responsibility for the enforcement of the law on equal opportunities has been devolved by the House to the Equal Opportunities Commission. It is not a matter to be interfered with or usurped by local authorities for purely partisan and party political purposes.

Mr. McKelvey: Is the hon. Gentleman aware that the Equal Opportunities Commission has been in operation for about 12 years, yet in that time it has succeeded in increasing equality in women's wages from 72 per cent. to 74 per cent. —only 2 percentage points in 12 years?

Mr. Heddle: I am grateful for the hon. Gentleman's intervention, but it adds nothing to the quality of the debate. It did not answer my point about which I thought he was intervening — that the House has devolved powers to the Equal Opportunities Commission and the Commission for Racial Equality to ensure that the will of the House and the people is carried out.

Mr. Tony Banks: That is what local authorities are doing.

Mr. Heddle: As I have said, local authorities have a duty to carry out the wishes of the ratepayers and their electors. They do not have a duty to interpret under their own terms the will and power of the House.

Contract compliance places an unacceptable administrative burden on employers. When it existed, the Greater London council's form for contractors contained 10 pages of questions on equal opportunities. The Inner London education authority, which has taken over the GLC's mantle on contract compliance, is proposing to issue a set of guidance notes nearly 60 pages long, concerned solely with equal opportunities for use in conjunction with its contract compliance activities. How can any responsible and prudent employer bother to wade through a plethora of red tape to comply with irrelevent questions when he has better things to do creating wealth and jobs in the private sector?

Mr. Tony Banks: Is the hon. Gentleman aware that the GLC's contract compliance models were based almost entirely on the American example?

Mr. Heddle: I am aware of that, but that adds nothing to the quality of the debate. We are talking about United Kingdom legislation devolving certain responsibilities and powers to local authorities to provide services for ratepayers. As a former chairman of the GLC, the hon. Member for Newham, North-West (Mr. Banks) knows that the relationship between the state, senate and local administration in the United States is completely different from the procedure here.

Such non-commercial considerations, produced entirely for overtly political reasons, are a bar to jobs and to creating local employment. Many hon. Members will be aware of councils refusing to employ contractors because they have worked on cruise missile sites or in connection with South Africa, or because directors of those companies happened to be freemasons and other wholly irrelevant considerations to do with the composition of a contractor's work force or the terms upon which it is employed. At best, non-commercial considerations increase bureaucracy and red tape and hamper economic growth. They also increase contractor's costs, and especially employment costs. As such, they destroy jobs. That trend is particularly acute in low-paid jobs, or where there is a high turnover of labour, because the cost of contract compliance is disproportionately high. At worst, some councils seek to subvert the national policy properly passed by the House.

When I introduced a ten-minute Bill before the dissolution of Parliament, entitled the Local Government (Supply of Goods and Services) Bill, I cited the examples of Peterborough and Greenwich, which banned firms for working at cruise missiles sites. Other councils have acted similarly in London, and these include Brent, Haringey, Islington and Southwark. The electorate has already pronounced on what it thinks of such posturing and on the non-nuclear policies of those local authorities. It is not local government's place to seek to determine foreign or defence policies. It is elected to provide services for the people. I am glad that the Bill makes that clear. It comes not a moment too soon and will be a source of great relief to ratepayers and business men, who are faced with horrendous rate rises of the sort that have been introduced in Ealing and Waltham Forest. These increases have been imposed by lethal Left Labour-controlled local authorities.

Many of my constituents work in the construction industry and they have been especially hard hit. I know that they are grateful for the speed with which the Bill has been introduced. I wish it godspeed in this place and in another to be sure that it appears on the statute book before too long.

9.20 pm

Mr. Alastair Darling (Edinburgh, Central): I am obliged to you, Mr. Speaker, for giving me the opportunity to make my maiden speech. Before I address the subject matter of the debate, I wish to pay tribute to my immediate predecessor, Sir Alex Fletcher, who represented the constituency for four years after the redrawing of the boundaries in 1983. Before that he had represented Edinburgh, North for some years. When I had dealings with him he was entirely courteous and during the election campaign there was no rancour. I am happy to tell the House that the campaign was conducted entirely on the issues, which is perhaps why I have the pleasure of being able to address the House this evening.

Before I address myself to the Bill I take the opportunity of paying tribute to George Willis, who represented Edinburgh, North and who sadly died during the general election campaign.

It is appropriate that in my first speech in this place I should talk about a local government Bill that affects Scotland and other parts of the United Kingdom. I shall allude briefly to the position of Scotland and of those of my right hon. and hon. Friends who are not separatists, who form the majority of Scottish Opposition Members. If we are to be part of the United Kingdom, the position of those of us in Scotland must be considered and recognised. I consider that it is bad practice to attempt to legislate by what are essentially English provisions and to foist those on Scotland without giving them separate consideration, which they so richly deserve, from a Scottish point of view.

There is a feeling abroad in Scotland that the Government do not care. That feeling will be exacerbated or will be fired if we are to see more legislation that applies to Scotland tacked onto the back of English legislation. The powers of the Secretary of State for Scotland are perhaps greater than those of any other Secretary of State

[Mr. Alastair Darling]

and that makes the case all the more for giving Scotland and Scottish legislation separate consideration. If the Government are so proud of their record, let us hear those who speak for it. Let them proclaim the advantages that they say have come to Scotland. There is a junior Scottish Minister on the Treasury Front Bench and perhaps we shall have the opportunity during the debate of hearing what he has to say about the Bill.

This is an unusual local government Bill, because it deals with Scotland and other parts of the United Kingdom. Scotland normally has separate legislation and Scottish legislation usually follows in about a year after the legislation has been introduced for the rest of the United Kingdom. That was the position until the introduction of the community charge legislation, or the legislation that imposes a poll tax on Scotland. In that instance Scotland was treated, for once, as an experiment. The poll tax has been tried out in Scotland as an experiment to see whether it will work and to see what the response is before it is tried in the rest of the United Kingdom.

In a perverse sort of way it is possible that some good may come from Scotland being used in this way. Conservative Members know how greatly their forces were diminished north of the border and I believe that the poll tax contributed possibly more than anything else to their rejection at the ballot box just one month ago. The much criticised and much talked about yuppies, if there be such creatures, turned out overwhelmingly to support Labour Members.

In Edinburgh, Central, as in the rest of the country, we have a sense of fairness and decency and of what is right and what is wrong. We believe that if a local authority is elected it should be left to get on with the job without interference from central Government. The hallmark of this Government is that they have interfered more than any other Administration in the way in which local authorities conduct their business. More than that, we value local services and we are willing to pay for a job well done. We do not want cheap and shoddy services. Instead, we want repairs that last and services that people take a pride in delivering and that others appreciate when they receive them. Cost cutting does not make for greater efficiency, and privatisation leads to cost cutting, which means in the long term that local authorities and the public sector must pick up the pieces.

Part I of the Bill is clearly designed to squeeze direct labour organisations, although in many parts of the country they are extremely efficient and win a large share of the work that has to be put out to tender. Local authority services can be efficient, because the people who provide those services take pride in doing so. They know that they are providing a service on which local people rely.

The Transport Act 1985 did more than anything else to undermine the provision of one local authority service—buses—by putting transport affairs into private hands. In the Lothian region, we had one of the best bus services in the country; now the ratepayers are paying £2 million more to subsidise a less efficient bus service. The hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) will no doubt have some sympathy with that. When I was chairman of Lothian region transportation committee, he wrote to me again and again, more than any other Member of Parliament, asking whether I could do anything to restore services in his constituency.

We must maintain and enhance DLOs, because they have to deal with emergencies and pick up the pieces when the private sector cannot meet the need. If the legislation is passed, DLOs will be weakened, jobs will be lost and it will cost us, the ratepayers and those who live locally more in the long term.

Part II of the Bill is what I might term the morality part. It seeks to strike at those local authorities that choose not to do business with certain firms. I cannot see what is wrong with deciding that we do not want to do business with a firm that conducts itself in a way that we find reprehensible. I cannot see what is wrong in deciding that I do not wish to trade with a firm that mistreats its work force by not paying them properly, or by discriminating against certain sections on grounds of race, creed or colour. I should have thought that such an attitude would be lauded by all hon. Members. However, it appears that the Government intend to strike against it.

I consider this a matter of decency. Where is the local authorities' right to choose? Coming from a Government who support the right to choose and freedom of choice, this part of the Bill is ill founded. It strikes at the very right of local authorities to make choices, not just on cost but on matters of straightforward decency.

I find part III of the Bill particularly difficult to understand. The hon. Member for Isle of Wight (Mr. Field) paid tribute to the magnificent vistas that can apparently be seen in his constituency by anyone who visits it. I invite any Conservative Member who wishes to come to Edinburgh. Indeed, I will invite the Scottish Front Bench, and will gladly pay for the two taxis that will be required to take them round the city. The Georgian facades and the historic and beautiful royal mile belie the fact that 20 per cent. of the constituents are unemployed, many of them young people. We have young bands of nomads with nowhere to live and nowhere to go. Instead of paying money to private landlords to build accommodation, we need controls over the sort of accommodation that is provided, proper supervision and proper funding. When we consider that the public purse pays private landlords some £9 million a year in Edinburgh, we realise that the money would be better spent by local authorities to provide properly supervised accommodation to suit the needs of young people—to give them a sense of pride in their accommodation, and a chance to make something of their unfortunate lives.

Much has been said about the part of the Bill that strikes at publicity. I will say only that it seems very bad practice that the Government intend to suppress dissent to the extent of saying that communications from local authorities, perhaps to Members of Parliament, are to be struck at if they are critical of the Government. Part IV demonstrates that no one can attack the Government without fear of retribution through the courts. This Government have spent a large amount of money, both directly and indirectly, on privatisation and advertisements. We were told that businesses that had been created by the state were shackled by the state, but when they were to be privatised they became, suddenly, a model of efficiency, and we were told that they ought to be purchased when the opportunity arose. Who paid for that? The taxpayers paid for it. If the Government can spend

public money on advancing what they believe to be right, democratically elected local authorities ought to have the freedom to do exactly the same.

The Bill is one of the worst examples of local authority repression. Scotland will oppose it, just as it will be opposed throughout the country. Scotland will not be pushed beyond the pale. The legislation is bad for Scotland, just as it is bad for all parts of the United Kingdom. Opposition Members who represent Scotland will not pull down the shutters. We shall advance our arguments for fairness, justice and decency.

The Government say that the economic recovery is taking a long time to come north. Similarly, Labour's argument for fairness, justice and decency is taking longer than I should like, but in the end I believe that our view will prevail. One can trample on decency and scorn consensus only for so long. This Bill illustrates what a heavy-handed, centralist approach this Government have adopted. That is why the Opposition will oppose it root and branch.

9.31 pm

Mr. David Evans (Welwyn Hatfield): I thank you, Mr. Deputy Speaker, for calling me to make my maiden speech in this important debate.

I congratulate the hon. Member for Edinburgh, Central (Mr. Darling) on his eloquence. I do not agree with his views, but he made an impressive maiden speech. I have to declare an interest. I am a non-executive director of a company in the service sector. I thank the previous member of Parliament for Welwyn Hatfield, Mr. Christopher Murphy, who served the constituency so well. He was a first-class constituency member. All the people in Welwyn Hatfield thank him for his efforts on their behalf. He contributed to making Welwyn Hatfield a constituency of which we can all be proud.

Welwyn is a garden city which began life 50 years ago, and 95 per cent. of its people are in work. Recently, BAe won from TNT an order for 72 jets. The air weapons division of BAe is also in my constituency. During the last year 150 one-man businesses have been started up. That demonstrates the entrepreneurial flair of the people of Welwyn Hatfield. Pharmaceutical industries, the Crown paint company and many other industries have come to Welwyn Hatfield. Those industries, and the fact that the people of Welwyn Hatfield were determined to make the city into something of which they could be proud, have led to high employment and high investment. With 3,000 sq ft of business space now under construction, there will soon be 100 per cent. employment in Hatfield.

There is both private housing and local government development in Welwyn Hatfield. A third of our council housing is now owner-occupied. We can be proud of that record. We have had problems over our schools, and we are discussing with the Minister the proposed closure of two schools, the Bishops Hatfield girls' school and the Wheathampstead secondary school. We have also had problems with our main hospital, the Queen Elizabeth II hospital, but by making savings and by competitiveness we have produced the money that is necessary to keep the hospital fully open. We have not gone back to the Government, or to the regional health authority or to the district health authority and asked for money. That is not the style of the people of Welwyn Hatfield.

The Local Government Bill deals with local government services. The work force benefits from privatisation, because it results in new equipment and investment in the utensils used by the work force — the clothes, the dustcarts, the lorries and the canteens, not to mention the pensions and the wages. All are improved under privatisation.

Privatisation is the answer to the problems of the work force. Through that competitiveness and freedom the work force responds, and when it does, the customers—in this case the ratepayers—receive a far better service because the work force has won back its pride. Consequently, it does the job better. When given the tools, the work force will do its job better and the ratepayers appreciate the improved services. They then appreciate what the work force is doing. As a result of such improvement, those who live in the areas that have been privatised look to the work force and the local companies to increase the services, thereby increasing jobs.

The local authority can do as it will with savings. It can improve other services and attract new investment and jobs. The failure to achieve savings is at the root of our problem. For too long the work force has been dominated by half a dozen shop stewards and bureaucratic officers who will not look at tenders fairly or release the work force. The more privatisation, the more jobs and savings there will be.

I warn the Government and the House that the administrators and bureaucracy will try to stop privatisation. We should free the work force so that it can do its job properly. Under privatisation, the work force becomes the most important part of the organisation—not the least important part, as it has been for years. The poor old dustman is suddenly the most important person. That is the answer. If we give the work force the opportunity, it will give us the service. Of that I am convinced.

I, along with all other new Conservative Members, will endeavour to maintain the traditions, protocol, honour and distinction of the House. When I leave the House, I hope that those traditions will be safeguarded by the hon. Members who remain.

9.38 pm

Mr. Roy Hughes (Newport, East): In his maiden speech, the hon. Member for Welwyn Hatfield (Mr. Evans) pointed out that he represents a garden city in a prosperous part of southern England. We in Wales are always jealous of it. I was particularly jealous of all the new industries about which the hon. Gentleman spoke, and only wish that some of them would come to us.

There was also the maiden speech of my hon. Friend the Member for Edinburgh, Central (Mr. Darling). He represents the capital city of Scotland, and in that sense has an important responsibility. He demonstrated his extensive local government experience, which is always useful in this place. My hon. Friend was certainly fluent and forthright, and I feel sure that we shall hear a good deal more from him.

Numerous Welsh Members complained that the proposals in the Queen's Speech were irrelevant to the needs of Wales. The Local Government Bill is positively detrimental to the best interests of Wales. Part I will give the Secretary of State powers to compel our local authorities to invite tenders from private contractors to carry out defined activities — refuse collection, street cleansing, cleaning buildings, catering services, school meals and meals on wheels, vehicle repair, maintenance

[Mr. Roy Hughes]

and ground maintenance. As has been said, too, the list can be extended by order and at the discretion of the Minister.

In recent years, Wales has experienced a rundown of its traditional industries—coal and steel. Thousands of jobs have been lost in the process and we are now suffering from chronic unemployment. Alongside this, Wales has developed a strong dependence on the public sector. Our Welsh authorities have been under severe pressure from central Government, with all manner of financial restraint. They have had great difficulty in maintaining local services up to anything like the standards that they know to be necessary. Despite all those difficulties and all those pressures, they have acted responsibly throughout. When they read and digest the proposals contained in the Bill their reaction must be: "What have we done to deserve this?"

No Welsh councils, including Tory-controlled councils, have opted for privatisation of services. They had a choice and they made their decision. So why should it now be made compulsory and their own considered judgment be trampled upon? If such proposals were of benefit to the people of Wales, they would have been implemented long ago. The Ridley-Walker jackboot that is an essential feature of the Bill is completely unnecessary in Wales. It should be a basic, elementary, democratic condition that local authorities should be free to make the final decision on how their services are provided. They should be made accountable to their local electorates for the extent, quality and cost of those services.

Judging by the record to date, privatisation will lead to worse standards of service together with a decline in jobs, pay and conditions, and compensation. The track record of private companies in local government and in the National Health Service is a catalogue of disasters. There are several hundred well publicised examples, and I will quote just one or two. ISS Service Systems failed to meet the cleaning contract for the Birmingham school and had to pay Birmingham £150,000 compensation in September 1984. The five-year contract to Initial Service Cleaners Ltd. for pest control awarded by Shepway district council had to be terminated after only a few months. Henley magistrates fined Pritchards for overloading offences in a south Oxfordshire refuse contract. Gloucester returned the cattle market cleaning contract to direct labour after failure of Initial Cleansing Services in 1982.

I could go on, but it would be merely a recital of the declining standards. There can be little doubt that if those proposals become law, the cowboys will move in and the power of local authorities to do anything about it will be severely reduced. Low tenders will be merely a sprat to catch a mackerel because once the market has been cornered, the price goes up. Profit, not service, will be the principal standard of judgment and local authorities will have to bear the redundancy costs of reducing the size of their direct labour force. In addition, there will be the start-up costs for setting up new departments to deal with tendering, overseeing contractors and drawing up specifications. Such developments could be costly, with only the possibility of a cheaper, let alone better, service.

Aneurin Bevan once asked why we should look into the crystal ball when we can read the book. Experience tells us that privatisation invariably ends with the ratepayer paying more for poorer services. Privatisation has a chequered history in local government. Early in the century private contractors for services to the public were plentiful and standards of service were poor and corrupt practices were a legendary feature. Eventually, decisions were taken to make those services a part of municipal government. Therefore, we have been through it all before.

In the private sector of industry, despite all the marketing drives, the majority of United Kingdom companies continue to use directly employed staff for cleaning, catering and maintenance. That tendency is most marked among larger companies which are more comparable in size to the average local authority.

The Government claim that competition in the market place will ensure higher standards and services that are cheaper to run. They turn a blind eye to the monopolistic trends that are already developing. Following mergers, the council services market, as my hon. Friend the Member for Copeland (Dr. Cunningham) pointed out, is being effectively divided between two contractors, Hawley and BET. So much for competition. Councils will lose democratic control over local services and service standards are bound to decline. Matters such as equal opportunities, training and health and safety will take a back seat. Councils will be banned from imposing non-commercial conditions; by that I mean decent pay and conditions for working people. They will not be able to crack down on labour-only sub-contractors or ban companies with South African links. All those are important social considerations about which local authorities should be able to hold a view.

I have dealt essentially with part I of the Bill but I feel equally critical of clause 26, which is yet another Government attempt to suppress local authority publicity on matters of public controversy. It is a thoroughly undemocratic proposal and will be a means of suppressing sincerely held opinions that should be vented.

The Government have the audacity to say that local people should look after the interests of the local community but they are putting forward proposals that could spell the end of local democracy. Overall, the Government's proposals mean that central Government will control about 80 per cent. of local government income. Those moves towards centralisation are essentially a Stalinist concept. That is the way in which the Government function as was movingly revealed over the weekend by the right hon. Member for Shropshire, North (Mr. Biffen). The centralisation tendency is to be deprecated in every way. Democracy thrives on diversification of decision making.

In the recent general election, Conservative candidates in Wales managed to survive in only eight out of 38 constituencies. A decade ago, many leading figures in local government in Wales were opposed to devolution, but the same people are now calling for a Welsh Assembly. The proposals in the Bill are completely unnecessary for Wales. We do not want them and we do not need them. Why should they be forced upon us?

9.50 pm

Mr. David Atkinson (Bournemouth, East): I am delighted to be the first on the Conservative Benches to follow my hon. Friend the Member for Welwyn Hatfield (Mr. Evans) and to congratulate him on his maiden speech, which lived up to the expectations of those of us who have known him for some time. My hon. Friend could not have selected a better debate in which to make his

speech, as he represents one of the best examples of enterprise and experience of which this Bill is all about. We all join in my hon. Friend's tribute to Christopher Murphy, who in addition to being such an active Member of this House was also an active representative for this country at the Council of Europe.

Unfortunately, no proper tribute has been paid from the Conservative Benches to the hon. Member for Tottenham (Mr. Grant) on his maiden speech. I am sorry that he is not present in the Chamber just now, but I am pleased to congratulate him on his speech.

I shared in the tribute that the hon. Member for Tottenham paid to his predecessor, who was my namesake. He was also the Labour party treasurer. Indeed, I once received in my post the paying-in book of the Labour party. The stubs made extremely interesting reading until I realised it was meant for Norman and not for me. I promised that I would not divulge anything that I had read.

I congratulate my right hon. Friend the Secretary of State on bringing forward this Bill. I know that he accepts that it is long overdue. Indeed, hon. Friends and I have long campaigned for it. I believe that if we had introduced this Bill, together with the community charge, during our first term in office, we would have avoided all the time-wasting in this place and all the aggravation with local authorities over rate capping, holdbacks, penalties, limitations, surcharges, clawbacks and all the other contortions in the rate support grant system in the attempts to control excessive local government expenditure.

If such legislation had been introduced earlier I believe that we could have avoided some of the problems now faced in our inner cities. Indeed, the Labour party might wish to speculate on whether the winter of discontent would have taken place if local services had been contracted out.

I am amazed that there should be any opposition to this Bill and its proposals. The sheer common sense——

Mr. Maxton: Will the hon. Gentleman give way?

Mr. Atkinson: No; plenty of the hon. Gentleman's colleagues wish to speak tonight and I would not wish his intervention to be at their expense.

The sheer common sense of the proposals—putting public and municipal services to the test of competition just as a check that both ratepayers and consumers are getting value for money—must be evident to anyone. When one considers the record of those councils, all Conservative, that have had the guts to pioneer this policy, the case becomes overwhelming. We have seen that competitive tendering works. It saves, and it benefits not only the consumer but those who carry out those services when taken into the private sector.

We could have no better proof than the experience of Southend which, in 1981, was the first local authority to put refuse collection, together with street cleaning and public lavatory maintenance, out to private tender. That policy saved £500,000 a year, which is about a 2p in the pound rate. The winning tender purchased most of the waste disposal vehicles, employed most of the collectors, gave a good deal to those who opted to leave and left the council with a profit on the deal. The service is better and more efficient than it was before, with a happier and more contented work force. My hon. Friend the Member for Welwyn Hatfield was able to tell the House that, because it is his work force. As a former resident of Southend and a former member of the county borough council there, I can bear out exactly what my hon. Friend told the House.

Others have followed Southend's lead. At least 140 councils have contracted out nearly 60 different services, saving over £22 million a year, but that is nothing compared with the potential savings, as my right hon. Friend the Secretary of State said. As the Audit Commission has estimated, over £500 million could be saved if all the councils followed the privatising practices of the best. With such savings, we could all enjoy better services, lower rates and probably both. It is a scandal that the majority of local authorities, including, regrettably, Conservative authorities, continue to ignore the benefits and refuse to apply the competitive test.

The reasons of all four of the local authority associations for opposing the Bill do not stand up to analysis. They complain about the compulsion element. That is pathetic. They are "compelled" to do what is obviously common sense, which is just to check whether they are getting value for money. They still have doubts about whether it will work. That is pathetic. They just need to look at the record of the Conservative-controlled councils that have had the guts to do it, and at the report of the Audit Commission.

The associations complain about the limitations of the market. Of course there will be limitations. They have been maintaining a monopoly of services for so long that there will be few companies in some of those services with that experience, but, given time, private enterprise will deliver. The real reason for the opposition is, of course, that the test of competition strikes at the heart of local empire-building and bureaucracy, and the vested interest of the trade unions, which regard local councils——

Mr. Tony Banks: Will the hon. Gentleman give way?

Mr. Maxton: Will the hon. Gentleman give way?

Mr. Atkinson: —more as a provider of jobs than as a provider of services to the public——

Mr. Allan Rogers (Rhondda): Will the hon. Gentleman give way?

Mr. Atkinson: Some of those councils will do their best——

Mr. Rogers *rose*——

Mr. Speaker: Order.

Mr. Atkinson: Those councils will do their best to ensure that the Bill will not be effectively implemented. That is the reason why clause 7 is so necessary, to prevent the methods that have already been used to sabotage the privatisation of direct labour organisations and the privatisation of some of the non-medical services of local health authorities, such as putting out tenders all at once so that the private market cannot cope——

Mr. Rogers: On a point of order, Mr. Speaker.

Mr. Atkinson: —such as producing tender documents full of unnecessary conditions, breaking down jobs into small units to escape putting them out to tender and ignoring the advice of the district auditors and the ombudsman.

Mr. Rogers: On a point of order, Mr. Speaker.

Mr. Speaker: I hope that it is a point of order, not an intervention.

Mr. Rogers: No, Mr. Speaker. Some days ago my hon. Friend the Member for Bolsover (Mr. Skinner) drew to your attention the fact that if hon. Members were involved in debates in which they might have a pecuniary interest, they should declare that interest over and above what is contained in the Register of Members' Interests. I notice that the hon. Member for Bournemouth, East (Mr. Atkinson) states in "Dod's Parliamentary Companion" that he has a special interest in NHS and local government privatisation. The Register of Members' Interests says that he is parliamentary adviser for Good Relations Ltd. and Grayling Ltd. I understand that those companies are specifically interested in these matters. In view of what is contained in those different books, I wonder whether the hon. Gentleman would like to explain to the House his interest in privatisation.

Mr. Atkinson: I have no special interest to declare, and I am no longer retained by the two companies to which the hon. Gentleman refers.

My disappointment with the Bill is that it restricts the services to go out to tender to six manual services, which are listed in the Bill. Other services are already available on the free market, such as architectural services, refuse disposal, printing, local authority transport, public relations, and, especially today, computer services, where there should be no problem of definition for the purposes of legislation. They could be included in the Bill.

I appreciate that the Bill provides for additional services to be included by order. All these are services that can be put to the competitive test today and I hope that my hon. Friend will consider including them in the Bill Committee. I hope, too, that he will not ignore the scope that exists for some of the larger services for which local authorities are responsible, and to which my right hon. Friend has referred—the fire fighting services, libraries and aspects of social services such as community care—to be put out to tender as happens in other countries. I look forward to some confirmation that we are studying the experience of other countries in these areas.

I welcome clause 32, which abolishes dog licences. They have been a nonsense for too long. A choice had to be made: either the licence was to be a source of revenue—a tax on dogs, which would outrage practically every other person in the country—or it was to finance an effective means of controlling dog nuisance, which the licence scheme was never meant to do; or it could be abolished, which was exactly right. However, my right hon. Friend cannot ignore the problems of dog control that exist, not least in areas such as my constituency.

There is nothing so off-putting for visitors as parks, recreational areas and beaches which are littered with dog dirt. That is what my hon. Friend the Under-Secretary of State for Employment had in mind during the last Friday's debate on tourism, when he spoke of seeking a spotless Britain. Responsibility for the control of dogs must be that of the owners. Now that the licensing system has been abolished, I hope that my right hon. Friend, together with the Home Office, will continue to give sympathetic consideration to those local authorities that will now undoubtedly come forward with their own byelaws, powers and orders to control dogs. I look forward to hearing what my hon. and learned Friend the Minister has to say about local authorities introducing their own licensing schemes for that purpose.

10.2 pm

Mr. John Battle (Leeds, West): I begin with a word of tribute to all those who worked so hard in recent months and weeks to return a Labour Member of Parliament for Leeds, West. As is customary, I acknowledge the work of my predecessors, Charles Pannell, Joe Dean and, most recently, the Liberal Member Michael Meadowcroft. Michael Meadowcroft was well known for his local activism and used every opportunity to have a go at the Labour party. In his own maiden speech he cited Rebecca West's comment that

"to be wiped out by the Liberal party is a more inglorious end than to be run over by a hearse".

In the light of the recent result in Leeds, West and the current national debate, perhaps the remark that immediately preceded that statement seems uncannily apposite:

"At its best the Liberal party is a jelly fish. Sometimes the milk of human kindness which flows through it (instead of blood), gets heated and then it flops about and tries to do good. This warm—milk—enthusiasm soon evaporates and it lies inert."

On a more personal note, Michael Meadowcroft, as some hon. Members will know, played the jazz clarinet and rather fancied himself as the Benny Goodman of the House in the tea shop across the road. I wish him well in his life outside the House.

My earlier predecessor, Joe Dean, had a reputation for addressing himself in the House to the problems of the large northern cities and local government issues, and had a particular concern for providing decent homes for everyone, regardless of their ability to pay. Those concerns are still central to the agenda of the people of Leeds, West and I intend to try to match his dilligence in pursuing them in the House.

Last week I called in at the Bramley jobcentre in the heart of Leeds, West to see what was on offer. In the window there were six jobs on offer. All were part-time or temporary, and all were low-paid. There were two posts for part-time cleaners, one offering the derisory sum of £2·20 per hour, the other an office cleaning job-offering £2 an hour. A temporary cleaner's job offered £2·28 an hour and there was a vacancy for bar staff and one for a part-time canvasser, which offered commission only.

Therefore, it is not that there are no jobs available. Inside the centre there were cards for cleaners, bar staff, counter and sales assistants and even a few in the traditional manufacturing and industrial sectors — engineering and textiles — which in the past have provided the majority of work opportunities in my constituency. However, the only jobs on offer are low-paid — £2·80 an hour for an experienced lathe setter and £2·95 for an experienced trained miller. The only jobs advertised in the clothing industry are piecework jobs.

The Bramley jobcentre provides a microcosm of what is going on in our economy. The structural shift is not simply from employment to unemployment or from manufacturing to the service sector. It is in the direction of the development of a part-time, temporary and low-paid economy as the only alternative to work in the traditional manufacturing industries.

Conservative Members have the nerve to talk about freeing the workers. In my constituency it seems that the

workers are being freed into poverty, and that is the sort of freedom that sets language on its head. The intentional creation of a low-wage economy, fuelled by the undermining of the social security system and the suppression of the public service sector, is breeding hopelessness and resentment among the potential work force that I represent.

I respectfully invite the Chancellor of the Exchequer, who referred in a speech to the CBI during the general election campaign to "the exhilarating 80s," to speak at the Bramley jobcentre about the booming economy. His words will return with a hollow ring.

During the debate on the Loyal Address the righ hon. and learned Member for Richmond, Yorks (Mr. Brittan) said that the economy was hitting a

"glorious summer in the home counties" [*Official Report*, 25 June 1987; Vol. 118, c. 68.]

and developing into a "long-delayed spring" in the midlands. The myth of a creeping economic boom, moving up the country, cuts no ice in northern cities and towns.

One of the most disturbing passages in the Queen's Speech refers to legislation being introduced to enable benefits to be withheld from those who refuse a place on the youth training scheme. There are 35 YTS vacancies for young people in Bramley, with well over 2,000 youngsters chasing them. Nearly half the teenagers in the north cannot find a job after YTS. The Government have accepted that taking up benefits is the worst start in life that a youngster can have, but after a brief spell on the YTS that is all that our young people have to return to, with a consequent further reduction in their income.

Penalising the young for not taking up places, forcing them to leave their families, but not allowing them to stay where they are forced to go, and the new poll tax proposals form a compound that will breed pessimism and resentment within families. Young people should be encouraged to develop as the future of our society and not be kept down and treated as though they were a burden and a problem to us. Our young people are not alone in feeling rejected. More than 200,000 people in Leeds are effectively locked into the inner city, prevented by poverty from moving out. The majority of the unemployed, the elderly living alone and people from ethnic minority groups live in inner cities and in the worst housing, both public and private. They face a vicious downward spiral of poverty and feel increasingly marginalised and written off by Government policies. They will not warm to the Secretary of State for the Environment's efforts to undermine the potential for employment in the service sector of local authorities.

The Social Security Act 1986, which was passed by the House on the day of the royal wedding, reduced housing benefits. When compounded with the introduction of the poll tax, it will bite hard in the inner cities, yet the Government seem determined to press on with the poll tax, regardless of critical opposition. Indeed, if clause 26 goes through, local authorities will be prevented from spelling out the impact of the poll tax on the areas that they represent. I emphasise that even according to the Chartered Institute of Public Finance and Accountancy calculations the domestic ratepayers of Leeds city council would face an increase of approximately £20 million a year as a result of the community charge.

We have yet to hear about the administration of the community charge. Last week *The Daily Telegraph* carried the headline:

"Big brother checks will trap poll tax dodgers"

The story said:

"Those who use any local service from education to taking out a library book will be cross-checked automatically against the Town Hall's list of poll tax payers. So will those who ask for help with council housing or apply for any locally administered grant and schemes. It will apply to 18 year olds signing on for evening classes and pensioners attending council run day centres. Poll tax evasion will carry penalties including fines, property confiscation and in extremes imprisonment."

What is this but the pricing of people out of their right to vote? In future only those who can pay will be able to afford to register their vote. It is hard not to draw the inference that the true purpose of the proposal is narrowly political. It is a measure targeted at the Labour vote. Is this what the Prime Minister really means when she says that she has to get into the inner cities, and when she declares that she wants them the next time? Is she really out to get us? Is the real future role proposed for local government simply a punitive one?

Already we have seen the shift to local government of the administration of housing benefit, but councils not been given adequate back-up facilities. We have seen a reduction in the tax contribution for the rate support grant from 60 to 40 per cent. and an insistence on an increased rate contribution of exactly that proportion.

What we are witnessing is the inability of local authorities adequately to respond to local needs in employment, housing and resources. Teaspoonfuls of urban aid to local authorities are being offered as palliatives, while the Treasury has imposed for the last eight years a tight grip on the windpipe of the main programme of spending on housing, social services and education. Leeds alone needs about £70 million to improve and repair housing in both the public and the private sector and to tackle the backlog of defects in system-built homes in which many people are now trapped because they are blighted by the mortgage lenders, yet the city council's housing investment programme has had imposed on it incredible reductions over eight years.

Local authorities are now to be reduced to adopting a punitive role of poll tax collection, and that is coupled with the determination to dismantle local authorities by way of an obsessive privatisation drive. Although the Secretary of State spoke of increasing efficiency, in practice the proposals in the Bill will push forward a low-wage economy. Contrary to the view of the hon. Member for Welwyn Hatfield (Mr. Evans), it will mean wage cuts for already low-paid workers. It will mean a deterioration in conditions of employment and the weakening of statutory employment rights. It will mean that there will be no provision for equal opportunities policies and no provision to ensure that contractors in inner city areas employ local labour.

On Thames Television on 1 July the Secretary of State for Trade and Industry said that he and his right hon. Friend the Secretary of State for the Environment were totally committed to the policy of using local labour and of getting development to generate more local employment. The 1986 Treasury report said:

"Most of the savings from contracting out arise because contractors offer poorer conditions of employment."

As Lord Stockton, then Mr. Harold Macmillan, said in 1946:

[Mr. John Battle]

"It was the Treasury . . . who were always scraping to see whether they could obtain some small advantage by placing their contracts at some slightly lower price with second or third rate contractors."

Have the Government learnt nothing in the past 40 years? The Widdicombe report said that John Stuart Mill saw the principal value of local self-government as raising the political capabilities of the people. We on this side of the House believe that there is a real danger in the proposals of the Bill that locally elected government will be reduced to local administration directed from the centre. That will mean that people are even further cut off from political engagement. The only outcome will be deepening political cynicism and a further unacceptable build-up of power at the centre.

Restrictions on the publicity functions of local councils strike at the heart of the founding intentions of local government. If clause 26 were enacted, it would be an instrument of most serious attack on our democratic system. The definition of political controversy opens the door to widespread suppression. A proper prohibition of party political publicity would be supportable, and section 2 of the Local Government Act 1986 already sets this out. But are the Government seriously proposing that local authority publicity designed to promote racial equality is to be curtailed because it could be identified as opposed to the policies of the National Front?

In Leeds, even Conservative councillors argue that people should be encouraged to take up their full welfare benefit entitlement, but under clause 26 such publicity would be outlawed. The Government have already gone much further in their plans to restrict local government publicity than was proposed, even in the recommendations of the inquiry conducted by David Widdicombe.

Surely local councils must be left to exercise their own judgment about the information and publicity that they issue for the benefit of the communities that they serve, without unnecessary and democratic restraints being imposed by the Government. All that we are asking is that the same rules apply to local government as apply to central Government.

One of the first letters that I received as a Member of Parliament was from a major advertising company based in my constituency. It did not criticise the rate level of the local council as a great burden but urged me to do all that I could to argue against the unified business rate, on the ground that it would have to pay three times as much and would end up going out of business. It is not only the domestic ratepayers who oppose the poll tax. Criticism is building up from all quarters. I urge the Government to heed that criticism and not force through legislation on this, as they forced through legislation on social security, without spelling out in detail who will pay the price or taking into account the most universal criticisms.

In the heart of my constituency is the ruin of a monastery, Kirkstall abbey, one of the earliest communities in west Leeds. That community lived according to the rule of St. Benedict, the first word of which is, "Listen". The message from my constituency, as from other inner city constituencies, from many in the north, from many areas represented by democratically elected Labour councils and from those communities that now make up "Poor Britain" is the strongest possible plea to the Government to listen attentively to what we have to say inside and outside the House before proceeding. The Government must allow themselves to be persuaded by the evidence and the arguments and to act for justice for all the people in Britain. We appeal to the Government not to tread roughshod over the people with legislation that will breed resentment. Outside the House, like elsewhere in the world among downtrodden communities, the Opposition have a moral duty to join popular campaigns for the defiance of unjust laws when Governments choose to use their large majorities to push through Parliament such measures regardless.

10.18 pm

Mr. David Wilshire (Spelthorne): I congratulate the hon. Member for Leeds, West (Mr. Battle) on coping so admirably with the ordeal that now faces me.

I start my maiden speech with the customary words of thanks to my predecessor, not because tradition demands that I do so but because it is richly deserved. Sir Humphrey Atkins was a Member of this place for 30 years, during which time he represented two separate constituencies. Over the past year I have seen at first hand how hard he worked for all local people. Sir Humphrey Atkins also served his party with great distinction, particularly as Chief Whip. He also served the nation with much skill and great integrity inside and outside Cabinet.

Rather than recite career details that we all know well, may I just single out one part of Sir Humphrey's distinguished career—his period as Secretary of State for Northern Ireland? I single that part of his career out not just for the work that he performed but for the personal sacrifice that such service demands. As I have discovered in the year that I spent as a prospective candidate, all Secretaries of State for Northern Ireland pay a terrible price for the rest of their lives for serving the nation and this place so well. Sir Humphrey Atkins had a distinguished career in this place. His many friends from all political parties wish him and his wife well and hope that he can have a new career in another place.

I am glad that tradition goes on to say that I must talk about my constituency because Spelthorne is not a name on everyone's lips. As this is only the fourth maiden speech from the hon. Member for Spelthorne in 60 years, the whereabouts of Spelthorne is not widely known in this House. To say that it is in Surrey does not help much, as most of us prefer to believe that it is still in Middlesex. However, it includes part of Heathrow airport and all of Stanwell, Staines, Ashford, Laleham, Shepperton and Sunbury on Thames. Everyone will therefore have a mental picture of the constituency, complete with sound effects.

However, that is as far as I want to take tradition tonight. Instead of enthusing about Spelthorne's many attractions, I want to draw the attention of the House to some of Spelthorne's less attractive aspects, such as the Perry Oakes sewerage works. That is not a pleasant place, but we want to keep it, because its replacement would be Heathrow's terminal five, which none of us wants. Another of the less attractive parts covers the gravel pits with their heavy lorries. They are not particularly photogenic, but they are preferable to the houses that would swallow up the last of the open spaces that are left. The remand centre at Ashford is not a pretty place, but it is far better than the proposed new prison that the powers that be want to foist upon us, which I believe should be sited somewhere else.

It is not a coincidence that I make this maiden speech during a debate on local government. I have spent the past 11 years involved in local affairs. My experience in local government has taught me that the Bill deserves the wholehearted support of us all. If it has a fault, it is that the schedule listing those services for competitive tendering confines those services to a list of six. Will the Secretary of State tell us why not 16? Why not 26, or indeed all the services?

I welcome the Secretary of State's reference to the possibility of extra services being added to the list. When the time comes, I urge him to give special thought and priority to the administrative and financial services at the heart of local government, such as the payment of salaries and wages, internal audit and legal and estate management services. The direct services to the public and the manual workers in local government have been the subject of review after review. I contend that it is now high time that that bureaucracy was sorted out. If that is sorted out, dramatic improvements will follow. The local authority that I represented until last May tackled that central problem and in doing so managed to switch 10 per cent. of the general rate fund expenditure away from paper-pushing to real services to local people at no extra cost to anyone.

Predictably, this Bill has come under fierce attack from vested interests, empire-builders and the inefficient. The same old claims are being trotted out. Some claim that it is undemocratic, others claim that services will be worse. Those and all the other claims are utter nonsense. The Bill is not an attack upon local democracy. Councillors will still decide what services they need. The Bill will simply insist that those services are provided efficiently. The Bill is not an attack upon the level of services. Surely council staff can write detailed tender documents if they turn their minds to it. If they cannot, it is the councils that are to blame for the services that are suffered by the electorate and not the Government. I am not the least impressed by those who trot out lists of private enterprise failures, because they are seeking to suggest that the public sector never makes a mistake, which is nonsense.

Above all else, the Bill is not about privatisation. It is directed to competitive tendering, and provided that the in-house work force is efficient and enthusiastic, its knowledge and ability could mean that it wins every contract. If it does not, it does not deserve the work.

If this were not my maiden speech, I would wish to say a great deal more about local government, but tonight I shall content myself with congratulating the Government on their past achievements and on the progress that they have made in sorting out local government. I give my support to all parts of the Bill and encourage the Government to make the earliest possible progress with the community charge and the other proposals that they have further to sort out local government.

I count it as a great privilege to be here. I am honoured to succeed Sir Humphrey Atkins and I look forward to doing my best for many years to come to repay the trust placed in me by the electors of Spelthorne.

10.27 pm

Mr. Tony Banks (Newham, North-West): First, I congratulate the hon. Member for Spelthorne (Mr. Wilshire) on his first speech in this place. He started by showing that he intends to be an independent minded Member, and that is always welcomed by Opposition Members. However, I watched the face of the Government Chief Whip visibly draw when he realised that as well. Eventually the all-pervading influence of the Government Whips spread its way backwards from the Government Front Bench and the hon. Gentleman became orthodox, which means that we know the sort of contributions that we shall be hearing from him in future.

In an impressive first speech my hon. Friend the Member for Leeds, West (Mr. Battle) demonstrated that he knows his constituency extremely well. I know that Leeds, West will be well served by its new Member. My hon. Friend mentioned his predecessor, Mr. Michael Meadowcroft. It must be said by Opposition Members that he was an amiable Member. He had many talents, some of which were far more controversial and newsworthy than others. I am naturally more than delighted to see Michael Meadowcroft replaced by my hon. Friend, but I am sure that all of us would wish our former colleague well. We know that he probably will do well because if all else fails he can do some busking outside Leeds town hall to earn an honest copper.

Before turning to the Bill, I wish to add my congratulations to the many that will be coming to my hon. Friend the Member for Tottenham (Mr. Grant) on what was a superb maiden speech. I say in all sincerity that my hon. Friend will make many distinctive and distinguished speeches in this place. He is the authentic and authoritative voice that we knew he would be. I welcome him to the House as warmly as I welcome any of my hon. Friends.

There were many vital reasons why we wanted to defeat the Tory party at the general election. We wished to heal the social divisions and deal with economic injustices. Another factor is that had we won the general election we would not have had to endure the almost weekly local government Bills that we have come to know, but not love, since 1979.

Environment Ministers come and go and the present Secretary of State comes quickly and goes quickly. It is fair to say that he has now returned to the Chamber. I have been told that he leaves the Chamber for a quick drag of his fag. He must be the only one of us who smokes 16 ft fags. He has been out of the Chamber for a long time and consequently has missed speeches that might have taught him a little. As I have said, Environment Ministers come and go rather like presidents of banana republics, but central Government have become obsessed with local government matters.

I listened carefully to the Gracious Speech. It was, as ever, graciously delivered; but the legislative programme enunciated in it was full of bile and venom, mostly directed at local government. As you can imagine Mr. Deputy Speaker, I am no imperialist. However, I understand that there was a time when the speech at the opening of Parliament actually meant something, not only to the country but to the rest of the world. That is clearly no longer the case. Under this Conservative Government, Britain is steadily being reduced to the status of a street-corner shop, and the content of the Gracious Speech has become as relevant to the rest of the world as the menu in the Members' Dining Room.

Of all the economic and social problems facing the country that we could be discussing tonight, what do the Government give us? They give us another Local Government Bill. There is no doubt about it: Opposition Members are now convinced that the Government are deliberately bent on destroying local democracy. That obsession with local democracy and local government originates in the paranoia of the Prime Minister. To her, all opposition, whether inside or outside her party, amounts to treachery and must be eliminated. In her fevered mind, as she sits in her bunker in No. 10 Downing street, the right hon. Lady manages to lump Labour councils and trade unions together with international terrorism. It is clear to us that the Government do not believe in local democracy, in civil rights or in free speech if any of those are used to express opposition to their increasingly Fascist leanings.

I was proud to be a member of a local authority—the Greater London Council—for 17 years, until the Government ungraciously abolished it. Local councils, under the most difficult circumstances, have done their best to defend services, and in return for their efforts they are being taken apart piece by piece.

What, today, is the point of being an elected councillor in this totalitarian country — attacked by central Government, vilified by the right-wing press, abused by much of the electorate and dictated to by civil servants? What a dismal prospect faces a newly-elected local councillor. We shall probably reach a point at which many of my local government colleagues will contemplate mass withdrawal from local office, so that the people can see who is really to blame for the ever-accumulating problems in local government.

This morning two of my hon. Friends from Newham and I had our usual weekly meeting with Newham's council leaders and senior officers. Our meeting was about cuts: cuts in education, cuts in building, cuts in maintenance and cuts in repairs. We talked about homelessness, which is growing faster in Newham than in any other part of the country. We now have 420 families in bed-and-breakfast accommodation, much of which is not even located in the borough; we have 650 people in temporary accommodation; 33,000 people are on supplementary benefit; and 47,000 of our houses in the borough are in urgent need of repair. We are now selling more council homes than we are able to build.

I ask Ministers and other Conservative Members to come to boroughs such as Newham, Hackney and Tower Hamlets, and see the scale of the problems—problems that are being exacerbated by central Government policies.

Mr. Andrew Hunter (Basingstoke) *rose*——

Mr. Banks: If the hon. Gentleman had been in the House a little longer, I might have sat down at that point. But if he prefers dinners to speeches, he should sit there with a little more patience and burp his way through a few more speeches before he tries to intervene.

We need homes in the inner cities, we need jobs and we need hope. But all that we get from the Government are divisive Local Government Bills, cheap gimmicks and common abuse from Ministers. What will this Bill do to

solve any of the problems of the London borough of Newham, or any of the problems of the inner cities in London or elsewhere?

Conservative Members talk of putting services out to tender. We have heard many wild and exaggerated claims from the Front and Back Benches about efficiency and cost savings, yet figures cannot be produced to substantiate those claims. We know what privatisation and putting services out to tender will mean. It will mean that some of the lowest-paid workers in council activity will find their wages and conditions squeezed even more as rapacious contractors come in many of whom give money to the Conservative party and are advised by Conservative Members. That is a form of political corruption that the Government have brought to the House. Privatisation is about ideology. It is nothing to do with efficiency. If people think that it is to do with efficiency, they should look at the recent survey of people's views about the service provided by British Telecom after privatisation. The great majority say that services are now less efficient.

The last part of the Bill concerns amendment of the Local Government, Planning and Land Act 1980. It is a continuation of the Government's relentless attack on direct labour organisations. Has the Secretary of State any idea how many times direct labour organisations have had to step in when private contractors have gone bust or because the standard of service were not high enough? Local authorities have had to bale out hundreds of firms which have proved incapable of dealing with the problems that they were prepared to take on when they made their first tender.

In the southern part of the borough of Newham, Ronan Point and the Taylor Woodrow Anglian tower blocks are now being taken down, thus adding to the borough's already great housing problems. They were built by a private company which gave generously to the Conservative party. Jerry-built tower blocks, that is what we got from a private contractor, yet the Secretary of State could in a mumbling shambles of a speech, before he cleared off for an early fag, suggest that we will get more efficient building from private contractors. That is nonsense. Only on the most narrow definition is it economically efficient.

The Bill has nothing to do with local government efficiency and need. It is all about the Government's pernicious ideology. It is about dismantling local democracy and handing responsibility for local services over to appointed business men and friends of the Conservative party, who are unelected by the local community and unaccountable to it. It is about commercial favours to spivs and racketeers such as dominate today's Conservative party. It is cheap and nasty. It is thoroughly typical of the Government and their Ministers.

10.37 pm

Mr. Roger Gale (Thanet, North): I shall return to that shadow cabinet election speech in a moment.

It gives me great pleasure to welcome my hon. Friend the Member for Spelthorne (Mr. Wilshire) and to be the first on this side of the House to congratulate him on his maiden speech. He paid a generous tribute to his predecessor, Sir Humphrey Atkins, and I wish him as illustrious a career in the House. He referred to some of the less attractive parts of his constituency—a sewage works, gravel pits and a remand home—and made it plain that he has his own views about the future of them and his constituency.

I am sure that my hon. Friend's experience as leader of a west country local authority will be of great value to the House. I have personal reasons for saying how genuinely pleased I am to see him here at last. I know how hard he has fought to be here and how much he has sacrificed on the way, but I hope that he will be happy here for many years.

I wished to speak only to clause 32, but having heard the hon. Member for Copeland (Dr. Cunningham) and the hon. Member for Southwark and Bermondsey (Mr. Hughes), who declined to give way to me, mention me, I feel compelled to comment on the substantive part of the Bill. The hon. Members for Copeland and for Southwark and Bermondsey have failed to grasp the difference between genuine coercion and the coercion that they claim this Bill embodies. Equal rights, good race relations and equality for homosexuals will be brought about not by coercion but by education. The hon. Members are unable to grasp the difference between coercion and a legislative framework that is designed to promote free enterprise and genuine competitive tendering.

I have an interest to declare. When I lived in London I lived in the London borough of Hammersmith and Fulham. When I stay in London, I still live in Fulham. When I lived in London, Hammersmith and Fulham were under Conservative control and the rates were modest. Under Socialist control the rates in that borough have gone through the roof. That is probably why the Opposition lost the seat that they had taken at the by-election and why the Conservative party represents Fulham again. It is highly likely that the seat of Brent, East —won by such a narrow margin—and the Newham seats will soon go the same way.

Clause 32 was referred to earlier in the debate by my hon. Friend the Member for Plymouth, Drake (Miss Fookes). It seems almost churlish to refer to what some may consider to be a trivial item in a Bill that otherwise deserves support. However, for many people dog licences are not a trivial matter. I am privileged to have been re-elected to represent the people of Thanet, North. It is a pleasant seaside constituency, with many miles of beaches and seaside lawns. It is a source of genuine concern to my constituents and to the many holidaymakers who are attracted to Thanet that those beaches and lawns are fouled by dog dirt.

I also have in my constituency a fair amount of agricultural land. Opposition Members may make light of this, but one only has to speak to shepherds whose flocks have been savaged by wild dogs to realise that they take it very seriously. *[Interruption.]* There is a shepherd in my constituency to whom that has happened fairly recently. The man was distraught. Those on both sides of the House who seek to make light of this ought to think of the misery that is caused to families, particularly to children, when an animal is lost.

A registration scheme is needed. In this throw-away clause at the end of the Bill, we are missing an opportunity for reform. Instead of abolishing the dog licence fee we should increase it. We should introduce not a local government regulation—yet another quango mish-mash —but a national, computerised dogs register, to be paid for by an increase in the dog licence fee. A national dog

[Mr. Roger Gale]

warden scheme would also prevent the kind of abuse and misuse of animals that my hon. Friend the Member for Drake and I wish to be terminated.

I shall not vote against the Bill; there is far too much in it that is good for me—*[Interruption]*—but I urge my right hon. and hon. Friends to look again in Committee at this clause and to seize the opportunity that it presents for reform.

10.45 pm

Ms. Joan Walley (Stoke-on-Trent, North): The discretion referred to by the hon. Member for Thanet, North (Mr. Gale), is a discretion that we on the Labour Benches would like to see given to all local authorities.

In my first speech to the House, I must express my pride at representing the constituency of Stoke-on-Trent, North. I am proud because it is the area that I come from, and because it has consistently returned Labour MPs.

I pay tribute to my predecessor, John Forrester, who worked in the House for 21 years. I and my constituents wish him well. I also pay tribute to the previous Member, Harriet Slater, who was one of the first women Labour Whips. She was concerned about many issues that are dear to my heart and which I shall be taking up in this Parliament.

The people of Stoke-on-Trent, North are the finest in the country. Furthermore, they make the finest pottery in the world. They deserve the best local government. That is why it gives me particular pleasure to speak on this Bill.

I invite hon. Members to look at what has happened to people in my constituency over the past eight years. Thousands of jobs in the pottery industry have been lost. Only last week I heard that more than 2,000 jobs had been reported to the Staffordshire Development Association as having gone. My constituency needs investment, yet that is precisely what it is not getting from this Government. My constituents want jobs. In parts of Stoke-on-Trent, North as many as 70 per cent. of the people are unemployed. As well as jobs and investment, people there want a healthy, safe and clean environment. They are looking to Staffordshire county council, Stoke-on-Trent city council and Newcastle-under-Lyme borough council to provide that environment and the staff to do that work and to monitor the way in which the work is done.

They are looking to local government workers to do a good job, but I submit that the provisions in this Bill will not provide that. Competitive tendering will mean more low-paid workers, more workers who are not concerned about the job they do, and more workers who are unable to do a good job. That is not what we want.

The constituency has many housing problems. Money is needed so that many older terraced dwellings can be properly modernised, yet that money has not been made available by central Government to the local authority. Endless numbers of elderly people want to move into bungalows, but again the necessary money has been denied to local councils by the Government.

In the borough of Newcastle-under-Lyme, the coal board promised elderly miners that they would be looked after, yet their homes have either been sold off or starved of the money needed to bring them up to standard. In other homes in which people have become the victims of absentee landlords, much-needed repairs are not being done.

The North Staffordshire district health authority is one of the most under-funded in one of the most under-funded regions of the country—the West Midlands regional health authority. Even according to the Government's own statistics we need more money.

Furthermore, inside the Health Service I have seen at first hand the results of competitive tendering. I have seen nurses taking over shifts in the moring unable to sort out who should have done the previous night's work. The reason is simply that so much stress and strain is put on the low-paid workers in the Health Service. I certainly do not want to see that kind of system applied in local authorities on refuse collection and street cleaning. I am afraid that if the Bill goes through, that is what is in store for us.

The most important thing is that this legislation, concerned as it is with local government, is just one more example of how local democracy is being undermined. Local councillors are elected by local people to do the job that local people know needs doing, and local councillors can do it best. The Government should enable those local councils' elected members to go ahead and do that job. They must be given the resources with which to do it. If they are not allowed to function I shall be unable to do my job properly in the House. So many people need proper services, and my fear is that the local councils will be unable to provide them. People want a say in what services will be provided. This legislation will not give it to them. With all the other local government legislation, the Bill will constitute one more step backwards.

Health and safety should be given priority. I want to see that people are able to live in a healthy, safe and clean environment. I only wish that in my first speech I was taking part in a debate on a Bill which was to provide that kind of service for local people. However, we are not.

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Deputy Speaker. Your attention will no doubt have been drawn to the fact that the Bill involves a good deal of privatisation proposals. Clause 2 of the Bill refers to and defines a number of activities. You are probably aware that a number of Tory members have been lining their pockets in the past through parliamentary adviserships to various companies which undertake the sort of defined activities set out in clause 2 of the Bill.

Erskine May on page 436 says:

"So far as voting in the House or a committee is concerned, and for this purpose only, the recording of an interest in the Register of Members' interests is by itself regarded as sufficient disclosure since the House on 12 June 1975 resolved:

'That, for the purposes of the Resolution of the House of 22 May 1974 in relation to disclosures of interests in any proceeding of the House or its Committees, any interests disclosed in the copy of the Register of Members' interests shall be regarded as sufficient disclosure for the purpose of taking part in any division in the House or in any of its Committees'."

You will be aware, Mr. Deputy Speaker, that that Register of Members' interests is not compiled and that, therefore, the resolution cannot be adhered to. There are members who have been on the earlier Register who have been taking money from agencies involved in the sort of activities that have been provided by private organisations under clause 2 of the Bill. Therefore, as *Erskine May* cannot possibly be followed, I ask you to make it clear to those greedy Tories who are lining their pockets and who have no doubt fixed up various parliamentary adviserships

—some are continuing their old parliamentary adviserships, their parliamentary salaries not, apparently, being sufficient for them to live on—that if they have got any of those parliamentary adviserships they should not vote because, if they do vote in the Division, they will be in breach of the rules of the House.

Mr. Deputy Speaker (Sir Paul Dean): Until the hon. Member for Bradford, South (Mr. Cryer) came to his last point he accurately described the position. There will, of course, be a Register of Members' Interests, which will be produced in due course—I should imagine very soon—but the hon. Gentleman also made the point that it is customary for any hon. Member who has an interest to declare to do so when he addresses the House. So there are, as it were, the two safeguards there. The hon. Gentleman dealt with the point about voting early on in his point of order. There is no bar to an hon. Member exercising his vote in the House.

Mr. Rogers: Further to that point of order, Mr. Deputy Speaker. You were not in the Chair earlier when the hon. Member for Bournemouth, East (Mr. Atkinson) was mentioned. The Register of Members' Interests showed that he was a parliamentary representative for a company called Grayling Ltd. and another called Good Relations Ltd. His description in *Dod's, Parliamentary Companion* which I assume is the one he submitted, says that he had a special interest in NHS and local government privatisation. We have reached a point in the debate where it is obvious, since my hon. Friend the hon. Member for Bradford, South (Mr. Cryer) raised the matter, that there are some Tory Members speaking who have obvious pecuniary interests in the legislation. We ought to have a ruling as to whether the Conservative Members who are directors of companies such as office cleaning services and others involved in privatisation have a moral obligation to declare their interests and perhaps whether they have the right to vote at all.

Mr. Deputy Speaker: Every hon. Member is entitled to exercise his vote in the way in which he thinks appropriate. However, I repeat that it is customary for hon. Members who have an interest to declare it when they speak. That is a well-established convention in the House which I think is well known on both sides of the House.

Mr. D. N. Campbell-Savours (Workington) *rose*—

Mr. Deputy Speaker: I will listen to the hon. Gentleman, but I remind him that time is moving on. Many hon. Members still wish to speak, including some who wish to make their maiden speeches. I sense that the House does not want to be too long before it comes to a conclusion.

Mr. Campbell-Savours: Further to that point of order, Mr. Deputy Speaker. You said that it was custom and practice for hon. Members to declare to the House prior to speaking that they have an interest. During the course of the debate how many hon. Members have made such a declaration? If they have spoken and have not declared their interest, would you say that they should not vote insofar as they are in default of what you described as "practice".

Mr. Deputy Speaker: That must be for the discretion of the hon. Members concerned.

Mr. Cryer: Further to my point of order, Mr. Deputy Speaker. I emphasised the question of voting. The resolution of the House makes it clear that for the purpose of voting, an entry into the Register of business interests is sufficient. The point, which no doubt you were about to answer, Mr. Deputy Speaker, is that since there is no Register, there can be no adequacy of declaration to satisfy the resolution of 22 May 1974, a resolution duly passed and accepted by hon. Members. Therefore, it falls upon you, Mr. Deputy Speaker, to declare that those who have any pecuniary interest in this, since they cannot declare their interest in the Register, and have not spoken—as my hon. Friend the member for Workington (Mr. Campbell-Savours) said, nobody has made a declaration tonight, anyway—cannot vote.

Mr. Deputy Speaker: That is certainly not correct. We are all honourable Members in the House and any hon. Member who is called to speak should declare any interest during the course of his speech. In due course there will be a Register of Members' Interests which will be on public display. It has never been the practice in the House that an hon. Member who has a interest to declare is barred from voting. Every hon. Member is perfectly entitled to vote at the conclusion of the debate. That is the long and well-established practice in the House.

Mr. Jack Straw (Blackburn): Further to that point of order, Mr. Deputy Speaker. I wonder whether you could reconsider your ruling, because it is in the recollection of this House that, in 1981, when we were debating the Lloyd's Bill, Mr. Speaker advised right hon. and hon. Members who were members of Lloyd's—approximately 50—that it would be inadvisable for them to vote on the passage of the Bill because they had a direct and pecuniary interest in the matter of Lloyd's.

I imagine that the Clerk is saying that the Lloyd's Bill was a private Bill. However, if it is true that the interests of non-underwriting members of Lloyd's was sufficient to disbar them from voting in the Lloyd's Bill, is it not equally true, because of the direct and pecuniary interests of Members of this House who are paid consultants and advisers to firms such as BET, Pritchards or Hawley, which plainly stand to gain—as do the hon. Members involved—from the passage of the Bill, that they too must be advised that they should not vote, in accordance with the rules of the House?

Mr. Deputy Speaker: The distinction to which the hon. Gentleman has drawn attention is between a private Bill and a public Bill. The Lloyd's Bill was a private Bill. There are different rules and customs with regard to private Bills. What we are dealing with this evening is a public Bill and I merely repeat that the well-established practice of this House is that every hon. Member is entitled to exercise his vote on a public Bill.

Mr. David Winnick (Walsall, North): Further to that point of order, Mr. Deputy Speaker. Is not the integrity of the House in question tonight? If hon. Members on the Conservative Benches vote later tonight on a measure from which they will gain financially, is that not unacceptable both to the standards of this House and public opinion outside?

Arising from the point of order raised by my hon. Friend the Member for Bradford, South (Mr. Cryer) in the absence of a Register—it has yet to come about, but we have all been asked to supply details—I ask you, Mr. Deputy Speaker, to reconsider what you have just said. I

[Mr. David Winnick]

strongly believe that it is the integrity of Parliament that is at stake and in a new Parliament I believe that it is most unacceptable that hon. Members should vote for a measure from which they will clearly gain financially.

Mr. Deputy Speaker: If we were to follow the logic of the argument of the hon. Member for Walsall, North (Mr. Winnick) I do not believe that there would be many hon. Members voting on anything in this place. I merely repeat the ruling that I have given and which is well-established in this House. We are now getting repetitive and I am anxious that we get on with the debate.

Mr. Campbell-Savours: Further to that point of order, Mr. Deputy Speaker. I am sure that you would be most interested to read the paragraph that has been quoted by my hon. Friend the Member for Bradford, South (Mr. Cryer). That paragraph implies that the House has been at fault in failing to produce a Register at the beginning of this Parliament. It is not necessarily the case that hon. Members involved, who may wish to vote and who have interests to declare, have made any error. It may be that they have complied with our rules in every way. It may be that the Select Committee on Members' Interests in failing to meet and in failing to approve a Register has inadvertently prevented hon. Members who wish to vote from having the right to vote tonight.

This is a matter that you, Mr. Deputy Speaker, should look into. It may be that our rules are wrong and not that hon. Members are wrong. Hon. Members may well be correct. Perhaps you should suspend the House for 15 minutes to examine this important matter. It is an important matter because the ruling that you are making is an important one insofar as you are overriding a resolution of the House — the resolution that was identified by my hon. Friend the Member for Bradford, South on page 437 of "Erskine May".

Mr. Rogers: Further to that point of order, Mr. Deputy Speaker. I am sure that you will accept. We are extremely confused as to how we can proceed, especially when we are faced with the evidence of the previous Register of Members' Interests. For example, in the Register of Members' Interests, the list of directorships under the name of the hon. Member for Shipley (Sir M. Fox) is as follows:

"Westminster (Communications) Ltd.
Care Services Group
Rigidized Metals Ltd.
Harvard Securities Group P.L.C.
Harvard Securities P.L.C.
Ceema Group and companies
Tele-Stage Associates Ltd."

Under the heading "Employment or Office" are listed:

"Consultant:
3M (UK) Ltd.
Shepherd (Construction) Ltd.
McCarthy & Stone Ltd.
Alcrafield Ltd.
Marples International Ltd."

Almost every one of those companies has a direct interest in local government privatisation. If we then go to the hon. Member for Surrey, North-West (Mr. Grylls) and his directorships

Mr. Deputy Speaker: Order. What is the hon. Gentleman's point of order? I do not want to have the Register of Members' Interests read out.

Mr. Rogers: I am saying that even when a Register of Members' Interests is not extant, on the previous declaration of Members' interests there are hon. Members who will vote who are contravening the rules of the House. They have a direct financial interest in local government privatisation. That is not only immoral but we suggest that it is illegal and improper according to the rules of the House.

Mr. Alan Williams (Swansea, West): Further to that point of order, Mr. Deputy Speaker. To facilitate progress, may I make a suggestion that I hope will be acceptable to the Chair? We have a genuine problem, that when the Register was created, the House inadvertently created a vacuum for the period during which the Register does not exist. I accept that the matter has not been addressed properly before. We all recognise that we want to make progress in the debate, and hon. Members want to make their maiden speeches. Rather than getting involved in the current circular discussion, will you or Mr. Speaker give us a ruling in, say, half an hour on how to deal with the situation in the interim because there is a gap in our procedures?

Mr. Deputy Speaker: I am grateful to the right hon. Gentleman for his helpful comments. I will, of course, discuss the matter with Mr. Speaker, particularly the point that he made that there is not at the moment a Register of Members' Interests. In the practical nature of things, it takes some time for it to be compiled. But I remind the right hon. Gentleman and the House that the convention about declaring interests and voting is long established. It existed long before the Register of Members' Interests. This evening we are following normal practice and customs in the House.

I am not prepared to accede to the right hon. Gentleman's request to ask Mr. Speaker to come and give a ruling in half an hour, but I am prepared to say to him and the House that I shall discuss with Mr. Speaker the proceedings that have been taking place during the past quarter of an hour or so.

Mr. Williams: I am grateful, and I hope that my hon. Friends will allow a little time for consideration. The basic question is whether the resolution of the House superseded or supplemented the original procedures of the House. It is on that that we need a ruling. We should be grateful if we could have it before the crucial vote at midnight.

Mr. Deputy Speaker: All that I need to do is repeat the ruling that I have given on several occasions. Every hon. Member is entitled to vote on a public Bill. Tonight we are dealing with a public Bill.

11.8 pm

Mr. Michael Brown (Brigg and Cleethorpes): In spite of that interlude, the House should not lose sight of the excellent maiden speech by the hon. Member for Stoke-on-Trent, North (Ms. Walley). It is hard to believe that I am following a maiden speech, because the hon. Lady spoke with such fluency, knowledge and understanding of the problems in her constituency that I felt that she had been in the House for a long time. I wish her all the best in the House. She is a worthy successor to her predecessor.

I very much welcome the Bill. It has been a long time coming, but it is the better for finally arriving in the House. I have an interest to declare — the interest of my constituents as ratepayers. My constituents, as ratepayers,

have paid unnecessarily high rates because, in the absence of legislation, services that could have been put out to competitive tender by local authorities have not been so dealt with. It is this legislation that will enable my constituents and those of every hon. Member to have, in the future, services provided at a lower cost.

I speak with a certain amount of knowledge on this matter because my mother is the leader of the Arun district council. She has been able successfully to privatise not only street cleaning but refuse collection in her area, thus saving ratepayers and the Arun district council an annual sum of more than £300,000. When she and her colleagues submitted themselves for re-election a few weeks ago at the district council elections, 51 members of a council of some 56 members were Conservatives and the rest were opposition members. That is living proof that competitive tendering can deliver value for money to the ratepayer, who benefits and votes Conservative as a result.

The Bill will offer every prospect of improvements to all ratepayers in the United Kingdom. They will, as a result of it, receive services at much lower cost. There are enough examples of district councils voluntarily introducing an element of competitive tendering into their services over the past few years. Nearly every local authority that has done that has been able to deliver to its ratepayers and the residents of its boroughs services at a lower cost, but of the same, or higher, standards than existed before. I welcome every aspect of the Bill.

11.12 pm

Mr. Andrew Welsh (Angus, East): It is normally the custom to mention one's predecessor. Unfortunately, in view of the repercussions from the general election, I shall not in the meantime follow that custom tonight.

The Bill advances various buzz words among its objectives which betray its purely political intentions. It seeks to introduce what it calls "competitive tendering". It seeks to stop what the Government call

"party politics on the rates."

The Bill wants to make direct labour organisations, in its own words, "competitive" and to

"improve the economy, efficiency and effectiveness of local authorities".

I can agree with some of those objectives, but they are not necessarily delivered by the Bill. They are sought by the Government in a manner that will diminish local government powers and reduce the standing, status and staff of local authorities. Whatever these short-term measures may mean, the long-term proposals are quite obvious—a reduction in staff, status and standing of local government in Scotland and throughout the United Kingdom.

The great irony for the Scots is that, in trying to protect our institutions, we find that this measure for Scotland is being tacked on to the end of an English piece of legislation. We know why. It is because there are too few Tories properly to man the Scottish Committees.

The Government have no mandate for these measures. Indeed, the opposite is true. They were specifically rejected by the Scottish electorate. I hope, therefore, that this is not the start of a trend in Scottish legislation, because it is not good enough. I hope that the powers that be in the House will take on board the strength of feeling in Scotland about the practice of tacking on Scottish legislation to English Bills, rather than properly considering them in the context of Scotland.

We have Scottish local government institutions, we have a separate judicial system and now, apparently, we have a separate political system. Scottish legislation needs to be given proper scrutiny by Scots Members, in its proper context.

The Bill contains massive problems in its details. Competitive tendering is in it, not because of "efficiency", but as part of a general attack on local authorities. This is another step along the Government's path to reducing the power of local government. Central Government already control capital spending. The Government have taken on extra powers over revenue, to which they are now adding extra powers that are steps down the road to centralisation.

The accusation of inefficiency in local government, which is implied throughout the Bill, is an insult to local government and to local authority professionalism and its traditions of public service and accountability. It is a great cheek for the Government to tell others that they should increase their efficiency. The system at Westminister separates budgets from spending, passes Bills that are not linked with the Government's overall income and has no way of monitoring its current spending.

Parliament must be one of the most inefficient organisations known to mankind. How can an organisation that cannot even register its own Members without something resembling a rugby scrum and provides those Members with working conditions that would be regarded as a disgrace by junior management in any self-respecting company accuse local authorities of being inefficient and force on them tendering arrangements that they would not otherwise introduce?

The COSLA critique points out that local government produces good value for money and that local authority budgeting gets within plus or minus 1 per cent. of its targets. No Government have ever achieved that. Conservative Governments looking for efficiency have regularly produced budget overshoots of tens of billions of pounds. It is not local government, but central Government that is financially inefficient.

After 11 years of constant cuts in revenue, local authorities have had to be more efficient. They cannot afford to miss tendering opportunities. Therefore, I disagree strongly with the assumption that local government cannot put its own house in order and must be forced to follow the supposed improvements in the Bill.

I am opposed to institutionalised graffiti. I have never seen sense in one political grouping putting up signs at public expense, merely to find that, in the normality of politics, it is replaced by another group that puts up different signs which people find equally offensive. However, decisions on such matters should be made locally by locally elected councillors and the local electorate, not by central Government sledgehammer methods such as those proposed in the Bill. What difference is there between local government slogans and taxpayers' money being spent on partisan party politics such as council house sales, privatisation or other issues? The local electorate, and not a politically biased Secretary of State, should decide such matters.

The measures in the Bill against direct labour organisations show the Government's true intent. Of course, there are examples of grossly inefficient DLOs, but there are many other examples of the effective use of permanent local authority staff in providing continuity of work and quality of standards. In their desire to reduce the

[Mr. Andrew Welsh]

local government work force the Government are unnecessarily throwing away the dependability of a local government system, merely to satisfy a political theory. That is entirely wrong, and will be seen to be wrong.

By abolishing the dog licence the Government have abdicated their responsibility in a matter that is a serious problem for local authorities in terms of health and the environment. Only a long-term system involving dog wardens and dog pounds, allied to a properly priced licence, with safeguards for owners of guide dogs and for pensioners and the unemployed, will solve the problem. Someone has to take responsibility, but instead of grasping the nettle or instead of lumbering local authorities, the Government merely abdicate all responsibility.

It is equally typical of central Government consistently to starve local authorities of housing support grant and financial assistance for housing. They then ask local authorities to spread what little they have left even further into the private sector. Central Government again appear to be giving new powers, but not the new money that is required to meet the new responsibilities. That is one of the banes of local authority work that I have had to face for the past three years in my own local authority. If the Government wish local authorities to do extra work, they should give them the resources to do it.

On the plus side, I welcome the extension of the powers of the ombudsman. It is a small part of the jigsaw that will eventually lead us to give our omnbudsman the same kind of powers as ombudsmen expect and use in Scandanavia, New Zealand and even in Quebec. It is a small step in the right direction, and I hope that it will be on the road to a proper system of administrative justice in Britain. However, I am afraid that that is a long way off.

Alarmingly, the Bill contains a clause that gives open-ended powers to the Secretary of State, and those powers presage further encroachment on the local government system. Parliament dictates local authority powers, and this Government are forever eroding what little autonomy remains with local authorities. I should like to see a different approach, one that gives maximum self-determination to local authorities. It should be an approach that clearly defines their powers and adequately funds them, allowing them to provide adequate services for their ratepayers.

Local authorities are a crucial part of our democratic system, and that is especially true in what is becoming a faceless age of centralisation. The Bill does not help at all. It contains some good elements, but, on balance, I have no hesitation in saying that I shall vote against it. I shall be joined in my opposition by my hon. Members in Plaid Cymru, who are equally concerned about the implications of this measure for Wales.

Mr. Deputy Speaker: Mr. James Marshall.

Hon. Members: Hear, hear.

11.23 pm

Mr. James Marshall (Leicester, South): I gather from those cheers that hon. Members are getting restless about coming to a decision. I can assure the House that I shall not detain it too long. After an absence of four years I am again pleased to represent the constituents of Leicester, South. As the House will remember, I have in the past extolled the virtues of Leicester, South, which is a microcosm of Britain. In the city of Leicester we have the social, economic and political divisions that are to be found throughout the country.

In my constituency there is a large inner city area with massive social and economic deprivation, while in the suburbs there is private affluence. I assure the House and warn the Government that throughout the life of this Parliament I shall judge the Government's policies and actions in terms of how they will affect my constituents. Before moving on, I should like to comment on my predecessor, Mr. Derek Spencer. I understand that he was diligent in handling constituents' problems and was held in some esteem by his hon. Friends on the Conservative Benches. I can only say that I wish him well in the career that he will pursue.

Unfortunately, one of the legacies that Mr. Spencer has left in the House and in the city of Leicester is the pernicious image that he and Mr. Peter Bruinvels, the former Member for Leicester, East, fostered — that Leicester city council is extremely silly. He has done a great disservice to the city of Leicester, and all the people who live there. It is a curious distortion of the political process that a city council that seeks to protect its services, enhance both its private and public housing and encourage local enterprise should be labelled extremist. Both those individuals were assisted on many occasions by glib comments and remarks from Ministers. I hope that we do not have a recurrence of such behaviour.

I know that *The Sun*, the *Daily Mirror* and *The Mail* would love to see Mr. Bruinvels return here, but as the electorate of Leicester, East showed in the election that they had had enough of him, I am delighted that my hon. Friend the Member for Leicester, East (Mr. Vaz) now represents that constituency. Mr. Bruinvels may be back, but he will not be back to represent the city of Leicester.

Unfortunately, local authorities like Leicester have to face every day the human consequences of the Government's social and economic policies. I find it abhorrent that in clause 26, the Government seek to gag local authorities by denying them the right to criticise the central Government actions and policies that bring about human disasters and miseries.

The Bill represents a further attack on the independence of local government. I have said before that there is a difficult relationship between central and local government. There will always be tensions in such a relationship, but one does not resolve the problem or remove the tension by gagging one of the parties to the debate, as clause 26 seeks to do. It will reduce the rights of local authorities to voice opposition and put forward the views of those whom they represent.

Increasingly, in their contacts with local authorities the Government appear to be telling them that they must accept Government policy or lose the right to dissent. Clause 26 imposes restrictions on local authorities that are not placed on other public or private bodies. They will continue to have the right to comment on controversial issues while the new legislation will deny that right to local authorities or to national associations of local authorities. It represents a unique repression of local councils.

I ask the Minister three specific questions, on which I should like answers. Clause 26 includes subjective judgments. My first question is, who is to decide what is the likely effect of publicity? Secondly, who is to determine what is a question of political controversy? Thirdly, who

will define a campaign? We already have strict controls against party political publicity, so why do we need those extra restrictions?

It appears to me that the Government are seeking to repress democratic debate by preventing local authorities from acting as the local voice of the people and denying them the right to express local issues and views in opposition to those views put forward by central Government. That represents a further step down the road towards the tyranny of the centre over local democracy. I for one shall vote vigorously in opposition to the Bill.

11.30 pm

Mr. Elliot Morley (Glanford and Scunthorpe): I thank you, Mr. Deputy Speaker, for allowing me to speak as the new hon. Member for Glanford and Scunthorpe. I believe that it is customary in maiden speeches to mention one's predecessor. My predecessor was Richard Hickmet. Although we had fundamental differences in policy, he carried out his duties as an hon. Member conscientiously, and I wish him well in his continuing career as a barrister.

The constituency of Glanford and Scunthorpe has been through traumatic changes in recent years with the reduction of its original base of steel workers. There has been a reduction from 20,000 steel workers eight years ago to about 7,500 today. The fact that I am standing here at all is a tribute to all those who campaigned so hard in the Labour party and to our success in attracting support from the voters who are reasonably well off home owners with high aspirations for themselves and their families. They rejected the appeal to narrow self-interest and instead voted for decency, justice, caring for our community, the quality of life and good local services. That is why I am particularly grateful to speak in a debate on local government and the services that it provides.

I have a local government background. I believe that local government is the very grassroots of democracy and local accountability. I serve two councils in my constituency — the Labour-controlled council of Scunthorpe and the Conservative-controlled council of Glanford. I may have differences with those councils, but I support their right to make decisions on the basis of local democracy and choice; decisions that affect their people, based on the priorities as the councils consider them and how they will affect their people.

My constituents want efficiency and value for money from their services. However, there is nothing efficient about undercutting council services and simply sacking the work force, re-employing fewer of them on lower wages and under poorer conditions and using the whip hand of high unemployment to force those workers down.

Already a very good refuse collection in the borough has been undermined because it has had to be reformed to get it ready to compete. That has led to complaints and a deterioration in service. Scunthorpe has traditionally always provided a high level of services, community and leisure centres, and has one of the highest percentages of urban areas of parklands and playing fields. That must be paid for. We do not get anything for nothing. However, it is significant that Scunthorpe has had a higher success rate in attracting new industry to the borough than has its neighbouring Conservative-controlled council, even though they both have the same kind of grants and facilities to attract industry. It is also significant that local councils are seen as more important in many ways than central Government in helping industries to set up and in providing the services that industries need.

The Bill goes farther than simply attacking the jobs and conditions of those working in local government. In clause 26 it attacks the basic freedoms of local councils to campaign on behalf of their people. An example would be Humberside county council which led the campaign against the dumping of low and intermediate-level nuclear waste at South Killingholme. That campaign could well have been ruled illegal under clause 26.

In terms of local accountability, Scunthorpe holds elections every year and puts its policies to the test. What tests has local authority privatisation have? There had been spectacular failures, and industries such as British Telecom have been shown in a report published today to have reduced the quality of services. Service to people has deteriorated since privatisation.

As a former teacher, I know only too well the excellent work of council employees such as school cleaners and dinner staff, most of whom are women and are on low pay. Such jobs are particularly at risk, and it is women who will suffer especially if the jobs are contracted out.

I am glad that the Secretary of State said that core services such as teaching will not be contracted out, but it seems that some schools will be allowed to contract themselves out. Education was an issue at the general election, because parents want stability and an end to unrest. The Government's interference with local authorities has already threatened teachers' jobs in my constituency through their insistence on using falling rolls as a way of saving money rather than reducing class sizes. The Government have talked of improving education standards and seeking co-operation with teachers. Over-ruling local authority agreements with teachers and denying their basic human rights in negotiations will be as successful in obtaining their co-operation as soaking someone's house in petrol and then asking him to pass the matches.

Another example of privatisation is bus deregulation. I am sorry that the Secretary of State is not in his place, but he may remember, if and when he reads the report of my speech, that I met him some years ago to argue about deregulation. I did not think much of his ideas then, and I do not think much of them now. Time has demonstrated that everything that we warned about deregulation was right. In my constituency, Lincolnshire Road Car has been placed in an impossible position. Jobs are being lost and wages are being cut. Fares have not been cut and services have not been improved.

I am glad that the privatisation of steel did not feature in the Gracious Speech. Scunthorpe's steel workers have already suffered from back-door privatisation. There has been contracting out of many production and maintenance jobs and this has threatened job security, conditions and pensions. Scunthorpe's steel workers have broken all production, quality and productivity records and they deserve a better reward than the insecurity of privatisation.

Steel influences the local council in my consituency to such an extent that even the reflection of the furnaces on the night clouds is incorporated in the council's moto, which is

"The heavens reflect our labours."

I want that glow in the sky to continue to raise my spirits as I travel home to Scunthorpe. I want the glow to remain,

[Mr. Elliot Morley]

as I want the steel jobs to remain. I want the steel workers and their families, along with every other constituent, to enjoy the excellent local services that are provided by Scunthorpe. I do not want to see services slashed and the jobs and wages of those who serve in their communities slashed with them.

11.37 pm

Mr. Jack Straw (Blackburn): In this debate we have heard maiden speeches from 10 hon. Members; one from the Scottish Nationalist party, three from the Conservative party and six from the official Opposition. I congratulate the hon. Members for Isle of Wight (Mr. Field), for Welwyn, Hatfield (Mr. Evans) and for Spelthorne (Mr. Wilshire) on their maiden speeches. I can do that with a spirit of more than usual generosity, as in each instance the seat was not taken from the Labour party. I congratulate the hon. Member for Angus, East (Mr. Welsh) on his maiden speech, in which he spoke with some eloquence about the inability of the Government and the House to organise their own affairs. That led the hon. Gentleman to wonder why the Government are so willing to lecture others on their organisations.

We heard an eloquent and powerful speech from my hon. Friend the Member for Tottenham (Mr. Grant), in which he explained his experience as a councillor and a good leader of the London borough of Haringey. My hon. Friend is concerned that the Government's inner city policies, which have a great deal more tinsel than reality about them, are leading to more deprivation of the people who live in the inner cities, and will continue to do so.

We heard an articulate, witty and forensic speech from my hon. Friend the Member for Edinburgh, Central (Mr. Darling), in which he explained his opposition to having an omnibus Bill that seeks to foist on the Scottish system of local government provisions that are wholly alien to its traditions.

My hon. Friend the Member for Leeds, West (Mr. Battle) paid an eloquent tribute to the former Labour Member, Joe Dean as he was then, and to the former Liberal Member, Michael Meadowcroft. He showed great generosity in paying tribute to Michael Meadowcroft, whom we all remember, and to the work that he did in this place. Labour Members have a special pleasure in welcoming my hon. Friend, because his was the only victory in England where we took a seat from the Liberal party.

My hon. Friend the Member for Stoke-on-Trent, North (Ms Walley) made a powerful speech about the importance of local government in the provision of jobs in Stoke-on-Trent, and about the central importance of local government in the operation of democracy.

Opposition Members welcome back to the House my good and hon. Friend the Member for Leicester, South (Mr. Marshall), whose presence was as sorely missed in the last Parliament as the absence of Mr. Peter Bruinvels will be celebrated in this one, on both sides of the House. [Hon. Members: "Oh."] — I think that hon. Members doth protest too much.

We heard a fine maiden speech—all the finer for its brevity — from my hon. Friend the Member for Glanford and Scunthorpe (Mr. Morley), who as someone else remarked to me, made a not only generous but very charitable reference to his predecessor, Mr. Richard Hickmet, whom many of us remember. However, he also spoke powerfully in support of the right of councils of both persuasions to make their own decisions about how their own local communities should be run.

As my hon. Friend the Member for Copeland (Dr. Cunningham) said in his opening speech, there is always a Local Government Bill under the present Administration. The last Local Government Bill 1987 only completed its passage through the House on the last day of the last Parliament. This Bill was published within a day of the opening of the new Parliament, and has its Second Reading today, the first available day in this Parliament. For those of us on both Front and Back Benches who have been dealing with local government legislation these last four years, the norm is to be stuck upstairs in Committee with Environment Ministers; the exception is to be able to devote some time to one's constituents and the world outside local Government.

I see the Parliamentary Under-Secretary smiling. The only consolation for my hon. Friends and myself is that in four years we have seen off two Secretaries of State, two Ministers of State and innumerable Parliamentary Under-Secretaries. We congratulate the new Minister for Local Government on his elevation and appointment. He is, it has been said, the only man reckless enough to wager his ambition upon the passage of the poll tax legislation. The Secretary of State should beware the smile on the face of his Minister: it was, after all, the last Minister of State but one — the right hon. Member for Mole Valley (Mr. Baker)—who ended up with his master's job.

This is the 44th Local Government Bill from a Government who, in ancient times—I speak of 1970 or thereabouts—were committed to such dangerous, not to say revolutionary, propositions as trust in the people, rolling back the frontiers of the state and transferring power from Whitehall and Westminster to local communities and their town and county halls. But, in each of those 44 Bills, the Government have removed themselves from what were once key tenets of Conservative philosophy. In their place is not a philosophy, but a collection of crude, short-sighted prejudices by which it is asserted that Parliament is sovereign in the country, the Conservative party is dominant in Parliament and No. 10 and the Whips control the Conservative party, and that therefore No. 10 and the Whips should control the country. Nowhere is that attitude more obvious—as my hon. Friend the Member for Edinburgh, Central pointed out — than in the Government's approach to dissent.

Dissent is at the core of democracy: it is about the right to do and say things differently from those who hold power. Yet the Government's approach and reaction to dissent is to see it not as an occasion for celebration but as a threat, and then to seek to crush it. Even from within the Cabinet — as my hon. Friend the Member for Copeland reminded us — we are now told by the right hon. Member for Shropshire, North (Mr. Biffen) that the Prime Minister's approach is to run a Stalinist regime. What, above all, characterised Joseph Stalin's approach was the crushing of dissent and the centralisation of power, which is a necessary consequence of that approach.

Mr. David Ashby (Leicester, North-West): This is over the top.

Mr. Straw: The hon. Gentleman had better direct that remark to the right hon. Member for Shropshire, North.

who said that he looks forward to the time when we no longer have a Stalinist regime. That was in the *Sunday Telegraph* yesterday, so it must be true.

The Bill is all of a piece with the Stalinism of which the right hon. Member for Shropshire, North spoke yesterday. It tries to say that there is only one way—the Prime Minister's way—in which the efficient delivery of local government services can be achieved. That is by what is laughingly called competition, but which is in practice the forced transfer of public services to just two multinational corporations which happen to have a number of Conservative Members in tow and which have made substantial contributions to the Conservative party or its front organisations.

We are told that the Government are about the restoration of Victorian values. These, however, are not the values of Conservatives such as Disraeli, Lord Shaftesbury or even Lord Salisbury. They are the Benthamite values of the Gradgrind of "Hard Times" and those early Victorians who believed that any regulation of factory organisation or any imposition of statutory improvement of conditions of labour were bound to damage enterprise and undermine the moral fibre of the nation.

In part II, we see the Government taking extraordinary powers at the request, this time, of their paymasters in the building and construction industry, to exclude from contractual conditions anything which is euphemistically described as non-commercial. It was in 1891, under the Government formed by Lord Salisbury, when the Conservative party—the old, traditional Conservative party—first decided that it should lay down regulations concerning fair wages among contractors who contracted with the public sector. What was the argument advanced at that time? I shall quote the Treasury Bench of Lord Salisbury's Government, which said

"It is the duty of the Government in all Government contracts to make provision against the evils recently disclosed before the Sweating Committee, to insert such conditions as may prevent the abuse arising from subletting"

—

subcontracting today—

"and to make every effort to secure the payment of such wages as are generally accepted as current in each trade for competent workmen."

That is the stance that the Conservative party took 96 years ago. In 1945, the Conservative party joined hands with the Labour Government in strengthening the fair wages resolution to ensure that fair wages and trade union rights were recognised wherever public sector contracts were let. Now we have, in clause 17, a Government who sweep aside the respective histories of the Labour party and the Conservative party.

The lump—the abuse of labour only subcontracting—to which even the Heath Government of the early 1970's took exception, is now protected by subsection 5*(b)*. Most astonishing of all, local authorities are now to be expressly prohibited by law from providing minimum conditions of employment and the fair wages that, 96 years ago, the Government formed by a hardly revolutionary Lord Salisbury tried to provide through their fair wages resolution.

Local authorities are prohibited even from laying down provisos about the training of people employed by private firms. Because of part I, such firms will take increasing responsibility for providing local authority services. Local authorities will be unable to insist on minimum levels of training for the staff of private firms who are providing a catering service, when knowledge of and adherence to the public health regulations is critical.

There was extensive discussion in Committee of the contract compliance provisions in the Bill that was passed at the end of the last Parliament. I spelt out the Labour party's approach, and the right hon. Member for Brent, North (Sir R. Boyson) accepted that there was some common ground between us. He referred to the Race Relations Act 1976 and also said:

"Health and safety legislation is also part of the law of the land, as is equal opportunities legislation. That legislation is applicable throughout the country and it is expected that local authorities will enforce it." — [*Official Report, Standing Committee B*, 2 April 1987, c. 242.]

I ask his successor, the new Minister for Local Government, to say where provision is made in this Bill for the enforcement by local authorities of the health and safety legislation. And where is provision made for the enforcement of the equal opportunities legislation? Is it not a fact that since the departure of the right hon. Member for Brent, North the Government have watered down even further their adherence to even the minimum level of contract compliance?

I press the Minister again on the well publicised difference of opinion between the Chancellor of the Duchy of Lancaster and the Secretary of State. In his elegant fashion, the Minister suggested that there was no disagreement between the Department of Employment and the Department of the Environment. Why is it, then, that the press officers of the Department of Employment have been briefing us so heavily against the Secretary of State for the Environment, and vice versa?

In a television programme on 1 July, Mr. Jonathan Dimbleby said that if firms came to the inner cities the Chancellor of the Duchy of Lancaster should guarantee that a certain proportion of the jobs went to the people who live in the inner cities. The right hon. and learned Gentleman said that he was very keen upon doing that. In his own inimitable fashion, he was saying, yes. If the Chancellor of the Duchy of Lancaster is very keen that firms coming into the inner cities should both provide jobs for those who live there and give a guarantee that jobs will be provided for them, how will the Minister of State achieve that if, according to the Bill, it is not possible for a local authority to insist that the guarantee should be written into the contract between a local authority and an outside firm? I offer to the Minister yet another opportunity to explain how this Bill can be squared with what was said by the Chancellor of the Duchy of Lancaster. He does not take the opportunity that I offer to him, so we know now that he has had second thoughts and that what the Secretary of State for the Environment says and what the Chancellor of the Duchy of Lancaster says is not a seamless robe.

How on earth can the Minister justify this Government's opposition to contract compliance when even the Reagan Government in the United States has used contract compliance to ensure equal opportunities in race relations and equal opportunities for women? The Republican federal contract compliance programme applies to 300,000 companies and 41 million employees. So unacceptable is all this that the Government have been unable to find support for their actions, even among Conservative local government. That is apparent from the words of the Conservative-dominated Association of

[Mr. Straw]

District Councils. Indeed, the latest survey in the *Local Government Chronicle* shows that Conservative authorities are voting with their feet when it comes to privatisation, with a sharp fall in the number of authorities contracting out services and a rise in the number of authorities that have abandoned that practice.

We do not deny that local authorities may be able to achieve some savings by privatisation, but we object to the means by which they will do so. The only way in which to do so is by cutting the wages of those who are already very poorly paid indeed.

It was the Conservative Gillingham borough council which in the latest edition of the *Local Government Chronicle* set its face against any further privatisation and said that it would not consider any further privatisation "unless the Government so dictates".

Dictate is indeed the word. No longer are this Government even willing to trust the experience of their own supporters in local government and to accept their dissenting voice that there are better ways of delivering efficiency than through enforced privatisation.

Eighteen months and two Ministers of State ago we went through in great detail the restrictions then proposed on local authority publicity. The Government went too far on that occasion and were defeated in the Lords. Even so, that Bill as enacted contained far reaching restrictions on local government publicity—ones that local government has observed. Not once to the best of my recollection since the enactment of that Bill has any Minister been able to point to what he would describe as an abuse of that legislation. The Secretary of State certainly failed to do so.

All hon. Members should weigh the words of clause 26, which states:

"In determining whether material falls within the prohibition regard shall be had to . . . whether the material . . . promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another".

I venture to suggest that there is not another Western nation—unless by definition we include Pinochet's Chile or the current regime in South Korea—that would even contemplate such a provision, let alone put it into law.

But there is a bigger question of the goose and gander variety. As dissent has been closed down in local government, there has been a vast expansion of central Government expenditure on publicity. Just before the election scarcely a day went past before there was yet another publication of another "glossy" on education, defence, "Action for Jobs", or the reform of social security. There was one aspect of Conservative propaganda after another, all of which was paid for by the British taxpayer. There were leaflets, posters and carefully timed advertisements, and all were on questions of political controversy that was identifiable as a view of one political party and not of another.

I therefore ask the Minister two questions. Does he remotely suggest that the Government's expenditure on all that publicity is consistent with the prohibition in clause 26, and is he willing to practise what he preaches? Will he accept amendments to ensure that these provisions have the same force on Ministers as they have on local authorities?

This Bill is not about competition, the efficient delivery of services or the encouragement of enterprise. It is about the arrogance of power. So lacking in the art of persuasion are these Ministers that they cannot even persuade their own colleagues in local government of the wisdom of what they propose. Instead of appreciating the moral in this rejection—that perhaps the propositions they make are so wrong-headed that even their own supporters cannot subscribe to them—they blithely believe that the whole world is out of step but themselves. To comfort themselves in that belief, to ensure that the world is only as they think it is, in true Stalinist fashion they seek to silence all dissent about their proposals. this is a bad Bill from a bad Government. We shall oppose it in the Lobby tonight.

12 midnight

The Minister for Local Government (Mr. Michael Howard): It is a privilege to wind up in the first debate on the Second Reading of a Bill that we have debated in the Parliament. We have heard a notable number of maiden speeches, and I congratulate the hon. Members for Tottenham (Mr. Grant), for Leeds, West (Mr. Battle), for Edinburgh, Central (Mr. Darling), for Stoke-on-Trent, North (Ms. Walley), and for Glanford and Scunthorpe (Mr. Morley) and the hon. Gentleman the retread for Leicester, South (Mr. Marshall), all of whom made distinguished speeches and all of whom paid tribute to their predecessors. As for the speech of the other retread, the hon. Member for Angus, East (Mr. Welsh), all that was notable about his speech was the fact that he was unable to bring himself to say a word about his predecessor. I relish the opportunity to make good that omission. Peter Fraser was a Member of the House who was regarded with a great deal of affection on both sides of the House. We miss him greatly.

Mr. Andrew Welsh *rose*——

Mr. Howard: The hon. Gentleman had his chance to say what he should have said and he conspicuously failed to use it at the appropriate time.

Mr. Welsh *rose*——

Mr. Deputy Speaker: Order. The hon. Member must not persist if the Minister is not giving way.

Mr. Howard: I turn to the speeches of my hon. Friends——

Mr. Welsh: Mr. Deputy Speaker, on a point of order. I would be happy to explain to the Minister why I did not do that. There is no personal animosity whatsoever, nor should there be. He will find in due course what the repercussions were from that election campaign—it was through the courts of law.

Mr. Howard: It is a bit late now, Mr. Deputy Speaker.

I turn to the maiden speeches of my hon. Friends. My hon. Friend the Member for Isle of Wight (Mr. Field) made a distinguished maiden speech in which he drew on the experiences in his past which are relevant to the debate. My hon. Friend the Member for Welwyn Hatfield (Mr. Evans), in a mature, powerful speech, similarly drew on the knowledge which he has of those matters which are at the heart of the debate. My hon. Friend the Member for Spelthorne (Mr. Wilshire) tellingly drew on his experience in local government to give the House the benefit of the wisdom and knowledge that he brings to our deliberations on those matters.

This has been a debate which has told us a great deal about the attitudes of the two sides of the House to some very fundamental questions about the nature of local

government. Not surprisingly, the debate has concentrated on parts I and II of the Bill. From this side of the House we have had a series of speeches supporting some very simple propositions. The first was that local government exists not to serve the interests of sectional trade unionists, but to serve the interests of the people for whom it provides services. The second was that these services, in common with other services in other areas of economic life, will be provided more efficiently if they are subjected to competition. The third was that the people who will benefit from the more efficient provision of those services are the very people whose interests local government exists to serve.

Those propositions should not be controversial. Indeed, I have deliberately, in setting out the first and most fundamental, used the identical language used by Councillor Margaret Hodge, the Leader of Islington borough council, as reported in the *Local Government Chronicle* of 3 July. She is reported as saying:

"A clear message has got to go out from us, which is the reason we are there is not to service the interests of sectional trade unionists, but to serve the interests of the people for whom we provide services."

It is a message that has yet to reach the Opposition Benches. Speaker after speaker from those benches has risen to defend sectional interests, vested interests. For all we heard of them from the Opposition Benches, the people for whom the services are provided might as well not exist.

It should come as no surprise that the words of councillor Hodge have not reached her colleagues on the Opposition Benches. She can hardly be said to practice what she preaches. Islington council's spending record is so appalling that its rate has had to be capped each year since the Rates Act 1984 came into force.

Mr. Straw: Since the Minister is talking about sectional interests, does he defend the interests of a number of Conservative Members in BET and the Hawley group, and the fact that those two groups, sectional interests if ever there were any, are to dominate the privatisation of cleaning and other services?

Mr. Howard: Generalised slurs of that sort deserve to be treated with the utmost contempt. If the hon. Gentleman wishes to make specific allegations against specific hon. Members, he should do that in the proper way and those specific Members will respond. To engage in that sort of blanket character assassination, although it is the sort of behaviour we have come to expect from the Opposition Members, deserves to be treated with the utmost contempt.

I want to return to the subject of the debate; the record of the councillors whose conduct will be controlled by the legislation currently before the House.

Islington, like so many Socialist-controlled councils, has used creative accounting devices to put off the evil day when its ratepayers have to bear the costs of its profligacy. Mrs. Hodge fully understood the risk that she was taking. She was reported last year as having written to her Labour colleagues

"This is a high risk strategy, because not only does it depend on a change of Government, but it also depends on a commitment by the Labour Front Bench to bail us out when they return to power".

She now knows how high that risk was.

Her council had rent arrears of £6·2 million and rate arrears of £11·4 million. Both figures are well above the average for its class. In November last year it owned 227 vacant dwellings – 5·8 per cent. of its total stock. In those circumstances it invested £250,000 from its employees' pension fund in the ill-fated *News on Sunday*. Once again, ratepayers will have to pick up the costs of that investment.

The council has also made sure that its building maintenance direct labour organisation is protected from fair competition. In 1984-85 it put all its housing maintenance work out to tender as a single contract with conditions which were so onerous that no private contractors bothered to tender. Since then it has introduced a ban on contracts with companies with South African links. Both those practices will be stopped by this Bill.

Councillor Hodge may have belatedly recognised in her words this weekend the truth about the essential purpose of local government. However, the actions of Islington council fall a very long way short of matching her words. However, it is precisely her message, that local authorities are there to serve the interests of the people for whom they provide services, that lies at the heart of the Bill. It is the people for whom the services are provided who will benefit if those services are provided efficiently and economically. It is the people for whom the services are provided who will lose and suffer if they are not.

We have had many examples during the course of the debate of savings which have been achieved from the competitive tendering process. In opening the debate my right hon. Friend the Secretary of State referred to Wandsworth's savings now running at £6 million each year. There are many other examples. The London borough of Merton has reported annual savings approaching £2·5 million on the services that it has contracted out. Independent bodies are in no doubt of the savings available. The Institute for Fiscal Studies and the London Business School said in an article last year that where local authorities had exposed their refuse collection operations to competition, costs had been reduced by between 17 and 22 per cent. The authors said that applying this to those authorities which had not so far done this would mean savings of a further £80 million in England and Wales as a whole.

The Audit Commission in its recent paper on competitiveness and contracting out concluded that lack of sufficient effective competition was costing authorities some £510 million in forgone value improvements on just three services – house maintenance, refuse collection and vehicle maintenance. It even went so far as to say:

"On average DLOs are more expensive to ratepayers than private suppliers. That is, most DLOs are not cost-competitive."

It is the people who gain from such savings. It is the people who are able to take advantage of the extra services that those savings can be used to provide or the lowering of rates to which such savings can lead.

In this debate my right hon. and hon. Friends have once again shown themselves to be the champions of the people; the Labour party has once again shown itself to be the champion of narrow, sectional interests.

Mr. Maxton: I cannot see how the Minister can possibly talk for the people of Scotland. At local government level, regional and district level and at national level the people of Scotland have clearly rejected the Minister and his Government. Therefore nothing in this Bill should have anything to do with Scotland because the Scottish people do not want it.

Mr. Howard: The people of Scotland will benefit from the provisions of this Bill in exactly the same way as the rest of the people of the United Kingdom. We shall not allow the actions of Opposition Members to prevent us from bringing the benefits of our policies to the people of Scotland in this legislation as in so many other respects.

I shall now deal with some points that were raised by right hon. and hon. Members during the course of the debate. The hon. Member for Copeland (Dr. Cunningham) asked about the draft code of practice on publicity arrangements and asked what the Government's intentions were on the code of practice. There is nothing sinister about it. The period of consultation in relation to that code of practice expired on 3 July. We shall consider the responses to that code of practice. On the face of it we see no reason to change the draft simply because of its change of status as proposed in the Bill. The hon. Gentleman also asked, as did the hon. Member for Leicester, South who would be the judge of those provisions and how they will be enforced. They will be enforced in the way in which we believe all provisions of this nature should be enforced, through the courts. The judges will be the courts and the courts will determine what interpretation should be applied to those provisions.

I must deal with one particular matter which, although it was not mentioned by any of the Opposition, was mentioned by three of my hon. Friends. My hon. Friend the Member for Plymouth, Drake (Miss Foulkes) expressed her reservations about the abolition of the dog licence. She was joined in that by my hon. Friend the Member for Thanet, North (Mr. Gale). It is an important matter about which many people feel strongly and it is something with which I must deal.

I hope that I can at least go some way towards allaying the reservations of my hon. Friends. I assure them that the abolition of the licence will not, in any way, affect the legislation to control dogs. There are powers available to local authorities to deal with the problem of dog fouling, to ban dogs from certain beaches or parks or to require dogs to be kept on a lead. Local authorities are also able to employ dog wardens. The local authorities in Scotland and some in England and Wales have powers similar to those of the police to deal with strays.

My hon. Friend the Member for Drake, raised the particular problem of livestock worrying. That is of great concern to farmers and I assure my hon. Friend that the legislation to deal with that problem will remain. Powers to deal with dogs that are not under control or which attack people are also unchanged. I hope that those assurances will go some way to allay the concerns expressed by my hon. Friends.

We have heard a good deal during the debate about the relationship between central Government and local government. In his speech, the hon. Member for Blackburn (Mr. Straw) went back to 1891, to put some thoughts to us. I should like to remind the House of some much more recent observations by the hon. Member himself. In one of the last debates on these matters in the previous Parliament—the debate on the Second Reading of the Bills's predecessor on 3 March — the hon. Gentleman, with his customary ingenuity, put forward a novel constitutional doctrine, the doctrine of the most recent mandate. He reminded the House that

"all the local councils in this country have a mandate that is far more recent than that of the Government."

The hon. Gentleman went on to talk about the accountability that was available through the ballot box, adding rather boldly:

"The Labour party is not afraid of that test, although the Government may be." — [*Official Report*, 3 March 1987; Vol. 111, c. 781.]

Mr. D. E. Thomas (Meirionnydd Nant Conwy): As a fellow countryman from Llanelli, may I ask the Minister to address himself to whether, in view of the election result, the Government have a mandate to impose policies on the nations of Scotland and Wales?

Mr. Howard: The Government have a mandate for their policies for the United Kingdom as a whole. We shall carry out that mandate with relish because we know of the benefits that it will bring to the people of the United Kingdom as a whole.

I return to the constitutional doctrines of the hon. Member for Blackburn. It is characteristic of his ingenuity that no sooner does he invent those novel doctrines than he abandons them. We have not heard anything this evening from the hon. Gentleman about the doctrine of the most recent mandate. I wonder why.

It is a fact that the passages in the Bill that have been the subject of the most vociferous attack from the Opposition were spelled out clearly in our manifesto for the general election. They were placed fairly and squarely before the people, and we shall do what we told the people we would do.

I must admit that I came to the House today with a certain amount of anticipation. Over the weekend the world was led to believe by the hon. Member for Dagenham (Mr. Gould), with whom I had so many enjoyable tussles during the Committee stage of the Financial Services Bill, that the Labour party was to be dragged kicking and screaming into the first half of the 20th century. In future, he said, the Labour party would make the popular appeal of policy a prime consideration, not an afterthought. Indeed, we understand that the Leader of the Opposition himself has been giving vent to similar thoughts today. I had expected to see signs of that during today's debate. After all, if the Labour party was minded to take the hon. Gentleman's advice, what better occasion could there be than the Bill?

We know about the popularity of the policies enshrined in the Bill not only from the result of the general election but from a more precisely targeted source, some opinion poll research carried out by the National and Local Government Officers Association. To the great discomfort of NALGO, as was pointed out by my right hon. Friend the Secretary of State in the debate on the Address last Wednesday, its research showed that:

"Researchers find such strong feelings that privatisation is an extremely good idea that they advised that, though it is an issue of great importance to NALGO, it should probably be avoided in the campaign to defend public services." — [*Official Report*, 1 July 1987; Vol. 118, c. 539.]

Sadly, the advice of the hon. Member for Dagenham has fallen on stony ground. His party has learnt nothing from its defeat. The debate has shown that it is the same old Labour party with the same old shibboleths and the same old Socialism. I warn Opposition Members that the way they are going, at the next election it will be the same old result.

It is perfectly clear that Labour will continue to oppose the popular policies that the Government will bring forward. It will continue to defend sectional vested

interests while we promote the interests of the people. The Bill does nothing for the sectional interests to whom councillor Margaret Hodge referred in her weekend statement. It does much for the people whom local authorities exist to serve. It is in that spirit that I commend it to the House.

Question put, That the Bill be now read a Second time—

The House divided: Ayes 286, Noes 212.

Division No. 7] **[12.20 am**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl'ts)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Simon *(Swindon)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Gale, Roger
Garel-Jones, Tristan
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, John *(Rydale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Timothy
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Richard Ryder.

NOES

Abbott, Ms Diane
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Ms Hilary
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boothroyd, Miss Betty
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Dunnachie, James
Dunwoody, Hon Mrs Gwyneth
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Fookes, Miss Janet
Foster, Derek
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Douglas
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, James
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Tom
McCartney, Ian
Macdonald, Calum
McFall, John
McKay, Allen *(Penistone)*
McLeish, Henry
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Morris, Rt Hon J *(Aberavon)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Parry, Robert
Pendry, Tom
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerald
Stott, Roger
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dafydd Elis
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James

Tellers for the Noes:
Mr. Chris Smith and
Mr. Frank Haynes.

Question accordingly agreed to.

Motion made, and Question proposed, That the Bill be committed to a Committee of the whole House.—*[Mr. Dewar.]*

Question put:—

The House divided: Ayes 209, Noes 243.

Division No. 8] **[12.30 am**

AYES

Abbott, Ms Diane
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Ms Hilary
Ashley, Rt Hon Jack
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Dunnachie, James
Dunwoody, Hon Mrs Gwyneth
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foster, Derek
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Garrett, John *(Norwich South)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin

Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Douglas
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, James
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Tom
McCartney, Ian
Macdonald, Calum
McFall, John
McKay, Allen *(Penistone)*
McLeish, Henry
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Morris, Rt Hon J *(Aberavon)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Parry, Robert
Pendry, Tom
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerald
Stott, Roger
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dafydd Elis
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James

Tellers for the Ayes:
Mr. Chris Smith and
Mr. Frank Haynes.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Gale, Roger
Garel-Jones, Tristan
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, John *(Rydale)*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Harris, David
Haselhurst, Alan
Hayes, Jerry
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Janman, Timothy
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pawsey, James
Porter, David *(Waveney)*
Portillo, Michael
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*

Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Spicer, Jim *(Dorset W)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, Teddy *(S'end E)*
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. David Lightbown and
Mr. Richard Ryder.

Question accordingiy negatived.

Bill committed to a Standing Committee pursuant to Standing Order No. 61 (Committal of Bills).

Local Government Bill *[Money]*

Queen's Recommendation having been signified—

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Local Government Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(*a*) any expenses of the Secretary of State incurred in consequence of that Act;

(*b*) any increase attributable to that Act in the sums payable out of money so provided under any other enactment,—*[Mr. Lennox-Boyd.]*

12.42 am

Mr. Donald Dewar (Glasgow, Garscadden): There was a brief exchange at the beginning of the Second Reading debate which I am sure that the Minister witnessed, during which a number of points were raised about the handling of this legislation as far as it related to Scotland. It would be improper for me to rehearse those arguments now and I refer to them only in passing. However, there is undoubtedly a strong feeling in the House—as I am sure that you are aware, Mr. Deputy Speaker—that this is an unsatisfactory way of dealing with the different local traditions that we have in Scotland with its different local government structure.

I will not spend any time discussing the difficulties involved in our picking our way through this legislation. That will be a matter for the Committee. I hope that there will be a strong Scottish input on that Committee and I look forward to the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) leading his no doubt small task force in that stage of the Bill's proceedings.

I have for the Minister one or two questions, although I realise that a number of other hon. Members wish to take part in this debate. First, the Money Resolution refers to "any expenses of the Secretary of State incurred in consequence of that Act".

Perhaps my question reveals my inexperience in this kind of debate. However, does the "Secretary of State" referred to in the resolution include other Secretaries of State, including the Secretaries of States for Scotland and for Wales? I cannot see any definition of Secretary of State in the Bill. Such a definition may not be necessary. However, no doubt the Minister will deal with that question—I would normally have said with his courteous manner, but perhaps tonight that description is strained—when he replies.

Secondly, I want to ask about the financial implications of part I for Scotland. The Minister knows that there is a reference in the financial effects of the Bill to the fact that the Government expect some increase in costs largely because of redundancy payments. Clearly the Government will have split those between Scotland and England and will have some idea of the likely redundancy impact in Scotland and the financial impact that will flow from that. I want the Minister to say a word or two more about that especially as, in the introductory memoranda dealing with the effect on public service manpower, there is a reference to the fact that the provision of services is to be transferred leading to substantial reductions in public service manpower.

Presumably the advice of Scottish Office Ministers has been taken on how the substantial reduction that is anticipated—that is the number of people who will be sacked as a result of the Bill reaching the statute book—will be split between England and Scotland. The Government will remember that, despite the best efforts of

the Government in Scotland, very little privatisation took place in the Health Service because the health boards revolted against the proposition. I suspect that there will be stern resistance in Scotland to the provisions that are set out in the Bill, but I want to know what the Government's financial calculations are in Scottish terms.

Clause 23 refers to privately let housing accommodation. I ask the Minister to tell us what that accommodation is likely to be in Scotland. It is something that will have an effect on the financial implications of the Bill. The financial memorandum states:

"The costs of financial support under Clause 23 are expected to be offset by a reduced call on expenditure on local authority housing."

There is a different local authority housing structure in Scotland from that in England, there being a substantial public sector. I should like to know how the Minister calculates the effects of clause 23 in Scottish terms, bearing in mind that housing accommodation and leases, for example, which are defined in subsection (6) for England, are not defined in Scottish terms. It seems that the financial implications are difficult to calculate in Scotland. I hope that we shall hear something about that.

Public service manpower implications are interesting, as are the comments in part III, where there is a reference to local authorities using their power under clause 23, which may result in a small increase in their manpower. It seems that this may lead to a small increase also in the manpower of the Department of the Environment and that of the Welsh Office. There is an interesting exclusion which I presume is not an accident. The implication is that there will be no increase in Scottish Office manpower, and I take it that the Government do not expect clause 23 to have much impact in Scotland. Perhaps the Minister will comment on the fact that there is no reference to the Scottish Office in the relevant section of the financial and explanatory memorandum and explain why it has been omitted. I should like to know whether I am right in assuming that the clause will not have much impact in Scotland. This is a matter of importance.

The memorandum states that the effect of clause 27

"may be to increase expenditure".

Clause 27 refers to schedule 3 and only paragraphs 11 to 17 of the schedule apply to Scotland. Perhaps the Minister will say something about the implications for Scotland. Is an increase in expenditure expected in Scotland as well?

Clause 29 refers to schedule 5, and only paragraph 12 refers to Scotland. That paragraph refers in turn to schedule 3 of the Local Government (Scotland) Act 1975. Will the Minister give an assurance that that covers the Scottish position, is parallel to the English provision and that the financial implications that are referred to in the financial memorandum can be taken to apply to Scotland as well as England? As this part of the Bill is dealing with the United Kingdom structure, presumably the Minister has considered the Scottish position in some detail and will be able to help on the issue that that I have raised.

I move on to clause 32, and in passing I pay tribute to the hon. Member for Plymouth, Drake (Miss Fookes), who took her opposition to the logical extreme of joining the Opposition in the Division. She did so because of her objection to the clause. The Minister may be aware that there was a spirited debate not so long ago during the passage of the Civic Government (Scotland) Act 1982 when dog licences were debated seriously. At that stage the Government — I think that the Minister, the hon. Member for Edinburgh, West was a member of the Committee — resisted strongly the abolition of dog licences and the increase of the licence fee and re-enacted the status quo. It is clear that minds have been altered as a result of the pressure that has been brought to bear by the Department of the Environment.

May I ask him about the financial savings that are expected in Scotland? I start by referring him again to the section in the explanatory and financial memorandum on the Bill's effect on public service manpower, which states:

"Clause 32 will yield small manpower savings for London borough, district and island councils, as they will no longer be required to keep registers of licence holders."

Is it anticipated that that will apply in Scotland? It is slightly ambiguous. It might refer to London boroughs, and then to district and island councils in other parts of the country, including Scotland. But it is not clear to me, and, as it has finance implications, perhaps the Minister will clear up the ambiguity.

I think that that point is particularly important, because at the top of that page of the explanatory and financial memorandum there is another reference to the abolition of dog licences and its likely reduction of central Government expenditure. The last, triumphant sentence of that section—on the financial effects of the Bill—states:

"In England and Wales, London borough and district councils will cease to receive the duty on dog licences."

That is a specific reference to what is happening in England and Wales, and, in particular, to London borough and district councils in England and Wales. As Scotland has been specifically excluded from that reference, presumably at the behest of the hon. Member for Edinburgh, West—and presumably the exclusion is intended to have some significance—I assume that we can infer that the same financial effect will not apply in Scotland.

It is important that we clear the matter up and know exactly why Scotland has been omitted, and whether I am right in my deduction. If I am right, it is very puzzling, and needs an explanation in the terms of the Act; if I am wrong, it seems careless and—if I may say so—slighting to exclude Scotland from the calculations. I hope that the Minister will deal with my question adequately and in some detail.

There are many other points to be made. However, I am very conscious of the pressure of time. The debate can last for only 45 minutes, and many of my hon. Friends wish to speak. I am also conscious of the fact that we must give the Minister time to reply, and to deal with specific Scottish points. I hope that he will not think them nit-picking—[HON. MEMBERS: "Oh."] I am glad to have the approbation and support of Conservative Members. It gives me some consolation, because I do not always receive such a service.

All I can say in my plea in mitigation is that a debate of this kind is very narrow in its terms, and that I have tried rigorously to keep within the rules of the House. That has inevitably meant picking up fairly detailed points from the explanatory and financial memorandum, and from the related manpower implication statement in the preamble to the Bill. It seems to me, however, that at least the two omissions of any reference to Scotland must have some significance. I feel that the other detailed points that I have raised about clauses 23, 27 and 29 should certainly be tidied up by the Minister, and I hope that he will do exactly that when his hon. Friend comes back with the answer.

12.52 am

Mr. Eric Martlew (Carlisle): I am grateful to you, Mr. Deputy Speaker, for allowing me to make my maiden speech this morning—although I did not realise that I would be making it this morning.

I understand that we are now on the money resolution debate following the Second Reading of the Local Government Bill. Forgive me if I am wrong, but the procedures are rather different from those that I am used to. It has already been mentioned in the House that many of the new Members of Parliament had an apprenticeship in local government, and I am no exception to that rule, having served 15 years as a councillor. I was a member of Cumbria county council for 13 years, and had the privilege of being its chairman for two years.

Serving in local government before coming to the House is nothing new. My predecessor Ron Lewis, to whom I should now like to pay tribute, had a very distinguished career in local government in Derbyshire before being elected as Member of Parliament for Carlisle in 1964. From the outset, Ron Lewis had one ambition: to serve the people of Carlisle well. In that, he excelled — so much so that the constituency, which had a reputation for being marginal, returned him on no fewer than seven separate occasions. On the last occasion, in 1983, there is no doubt that it was only through the personal vote for Ron Lewis that Labour held the seat. That was a personal tribute to him, and he will deservedly enter the record books as the longest-serving Member for Carlisle.

Ron Lewis was much more than a fine constituency Member of Parliament. He is always a gentleman in the finest sense of the word. His sincerity, Socialism and trade union beliefs come from his deep and sincere belief in Christianity. When he spoke in the House, he was listened to. When he took up a cause on behalf of his constituents, he did so with tremendous vigour and skill. I remember him in the early 1970s and the effort that he made to save the State Brewery in Carlisle—ironically the first of the privatisations — despite the fact that he was a strict teetotaller and a leading member of the temperance movement, a cause for which I do not seem to have met many supporters in the House. I am sure that the House will miss him and join me in wishing him a long and happy retirement.

I should like to express my appreciation of the help and advice that Ron Lewis gave me during the recent election campaign. Mine was a tough election, because Carlisle was the most marginal Labour-held seat in the country. It was the number one target Tory seat. Despite that, we came out with a 1,200 per cent. increase in our majority. I mention that to remind Conservative Members that they did worse than in 1983—in some areas they did a great deal worse.

I should like to get my constituency's geographical position correct. It is a fine city in the north of England, nine miles south of the Scottish border. I say that as there may be some confusion among hon. Members about the appointment of the hon. Member for Penrith and The Border (Mr. Maclean), my neighbour, as a Scottish Whip. I am assured that that is to do with the Government's poor showing in Scotland and nothing to do with a plan to move the border south. I should like to take this opportunity to congratulate the hon. Member on his appointment.

I am filled with pride at Carlisle and its people, because they are friendly, hard working and compassionate, and I am privileged to serve them. I am proud of the effort being made by councils, especially the Labour-controlled city council, to improve Carlisle. I get angry at the Bill, because there is nothing in it which will encourage and strengthen local government and local democracy. It also is designed to reduce even further the influence of local people over their own lives.

The Government should be complimenting Carlisle city council which, in the past decade, has transformed the city. It is now the most improved city in Britain. One has only to see the international award-winning Lane's shopping centre, the much acclaimed Sands centre and the many improvements in leisure facilities, of which the new running track is only the latest example, to appreciate the improvement.

Last week, the city council passed a resolution announcing plans for a major new museum complex to rival that in York. It will show the colourful heritage of Carlisle to its full advantage. We have done much else. We have improved our old council estates and still have the second lowest rents in the country. We have a peace garden and are a nuclear-free zone — and proud of it. Rates bear comparison with those found anywhere else. For six years, we held the rate in the city and reduced it by 2p last year. All this has been achieved in spite of the Government, not because of them. I am proud to pay tribute to local government as I know it.

The Bill would massively increase contracting out. Do the Government intend to do to our good refuse collection services what they have already done to domestic services in our hospitals? Staff morale there has been reduced. Cleaning standards have been lowered to such an extent that there has been a 120 per cent. labour turnover, and absence due to sickness accounts for 20 per cent. of the staff. That is what privatisation of the hospital services has done. Any fool can reduce costs by cutting wages, but it takes a clever man to improve productivity and still look after his employees.

Instead of pushing through this worthless Bill the Government should help councils such as mine to rid the cities of the despair of unemployment, which stands at 14 per cent. in Carlisle. Many of the young people of Carlisle have not worked since they left school three or four years ago, and they are unlikely ever to get work. There is despair over the decline of once great industries — for example, over Cavans and Sheldons, once the greatest crane manufacturers in the world. It was recently closed by NEI so that it could sell the land, probably for use as yet another superstore.

There is despair in my constituency over the railways. Only 10 years ago that industry employed over 4,000 in my city. Today it employs only 1,000, and there are more redundancies to come. That is without the possible closure of the Carlisle to Settle railway line. We hope that there will soon be a favourable announcement by the Minister about the Carlisle to Settle railway line, but I have my doubts.

I despair about the decline of the health and education services and about the ever-increasing levels of crime in Cumbria, including Carlisle. Recently the chief constable called Carlisle the crime capital of the county. Old people are still struggling to exist on meagre pensions. There is despair about the poll tax. A recent independent survey

suggests that the people in my constituency will pay 41 per cent. more than they are paying now. Many of them will be unable to pay.

The Bill will only make matters worse. I do not plead for compassion from the Government Benches. Even after so short a time as a Member of Parliament, I realise that that is in short supply. Carlisle will survive, and even prosper, despite the Tory Government, but would it not be better if they helped councils to tackle the regeneration of our cities instead of hindering them?

1.2 pm

Mr. Tam Dalyell (Linlithgow): In normal circumstances the House should not be kept up until 1 o'clock, but these are not normal circumstances. We are discussing the mechanics of the poll tax. The Minister has been landed with a brief that cannot be implemented. I refer to clause 26, which relates to what local authorities can and cannot do.

On 28 June the ad hoc chairman of the Scottish finance directors, David Chynowith, was interviewed for the BBC's "World at One" programme. He was asked about the mechanics of the poll tax and he said:

"Well, the main difficulties at the moment are trying to analyse the various systems which we'll need to set up before 1989 . . . we've only got until April 1989 to get everything up and running, and the first major job of course is that the assessor has to set up the community charge register and once he's done that, we've then got to sort out the means of collection from the very many more people that we'll have to collect from as compared to the domestic charge rate."

Clough then asked:

"Now what about this business of setting up the community charge register because . . . that isn't exactly the same"——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I hope that the hon. Gentleman can help me by pointing to that part of clause 26 to which he is addressing himself. I see nothing in clause 26 that remotely relates to what he is saying to the House.

Mr. Dalyell: I am giving an example of clause 26 that raises the question whether material that relates, or can be construed as relating, to the benefit of a political party and an opposite point of view can be put. I am asking the question in some detail about whether an interview of the kind that took place last Sunday is or is not in order. With respect, Mr. Deputy Speaker, on this occasion I am bang in order and am giving a concrete, specific example.

Clough said:

"Now what about this business of setting up the community charge register because that isn't exactly the same as . . . the electoral register,"

to which the director of finance replied:

"No indeed it isn't and it's a running register as compared with the electoral register which is set on one day in the year. It has to be kept up-to-date continuously and must at all times record all the people who are aged over 18 who are staying in this area".

Clough said:

"Well that's to say that it's got to be updated pretty well monthly, has it, because you have to collect in 12 monthly instalments".

The director of finance replied:

"That's correct. It has to be updated continuously, yes and so each month it must be correct for . . . each of the residents in the area".

Will local authorities be allowed to say precisely what the costs of collection are?

Mr. Neil Hamilton (Tatton): On a point of order, Mr. Deputy Speaker. The Bill's financial and explanatory memorandum does not mention clause 26. As this is a debate on a money resolution, is the hon. Gentleman not out of order by confining his speech to a clause that is not in it?

Mr. Dalyell *rose*

Mr. Deputy Speaker: Order. Let me deal with the point of order before the hon. Member for Linlithgow (Mr. Dalyell) continues. In the light of the firm way in which the hon. Gentleman said that he was on good ground, I was looking carefully to see how his remarks related to the money resolution, and I found great difficulty in doing so.

Mr. Jeremy Hanley (Richmond and Barnes): Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. I have just dealt with it.

Mr. Hanley: On a further point of order, Mr. Deputy Speaker. Is it not normal courtesy in the House, when following a maiden speech, to pay at least some form of tribute to the hon. Member who made it?

Mr. Dalyell: The one thing that I would not like to do is to trespass on the time of the House and fail to congratulate my hon. Friend — indeed my personal friend — the Member for Carlisle (Mr. Martlew), for whom I have spoken in Carlisle. It was a great pleasure, and I know the high regard in which he is held by his constituency party and the people who elected him.

I do not want to trespass on time, but Ministers had better take cognisance of what the directors of finance—who have the immediacy of the problem—are doing. Does the House realise that there are 90 separate issues on which there could be statutory instruments for the implementation of the poll tax? The Minister may shake his head, but that is the view of the careful accountant who has to do the work. We Scots have the immediacy of the problem.

As I discovered when speaking in marginal constituencies in England, it is a remote problem here, because it has not yet arrived, but it has come to us, and our officials know what it is all about. Already they have had to grapple with the problem. In fact, in a relatively small region, 70 or 80 people will have to be full-time canvassers. Who will pay for them?

Mr. Bill Walker (Tayside, North): On a point of order, Mr. Deputy Speaker. I followed closely what the hon. Member for Glasgow, Garscadden (Mr. Dewar) said about the money resolution, and I clearly understood everything that he said. He explained clearly the relationship between the Bill and the financial arrangements as they affect Scotland. I thought that his questions required answering. I am having great difficulty in the context of the Bill, in understanding or following what the hon. Member for Linlithgow (Mr. Dalyell) is saying. I ask for your guidance, Mr. Deputy Speaker, because it is important, on money matters, that we get it right.

Mr. Deputy Speaker: I share the anxieties of the hon. Gentleman.

Mr. Dalyell: I shall——

Mr. Deputy Speaker: Order. The hon. Gentleman knows that he ought not to be on his feet when I am on

[Mr. Deputy Speaker]

mine. I hope that he will either address his remarks to the financial effects of the Bill or resume his seat. Can he do so?

Mr. Dalyell: Very briefly, there is not much point taking part in the debate other than to warn the Government of the mire that they are getting into. It is easy to be frivolous about it, but we will see who is in difficulty in nine months' time—the Government or us.

1.11 am

Mr. Tom Clarke (Monklands, West): I join my hon. Friend the Member for Linlithgow (Mr. Dalyell) in congratulating my hon. Friend for Carlisle (Mr. Martlew), who made an excellent maiden speech. He spoke with conviction as well as knowledge and experience of local government. I trust that those Conservative Members who, rightly, are so keen to join us in our congratulations will also join us in listening to what my hon. Friend had to say, because he spoke for local government and, like the rest of us, he is deeply worried about the trends that are indicated in the Bill, and is deeply worried, as are we who speak for Scotland. Ron Lewis would have been extremely proud to have heard my hon. Friend's maiden speech. We recall Ron Lewis's charm and commitment and sheer honesty with great affection and we wish him and my hon. Friend well in the future.

Earlier on this evening a number of us raised points of order on the importance of the Bill to Scotland and about the absurd way it has been presented to the House in the hope that it will be acceptable to Parliament, notwithstanding that there has not even been minimal consultation with local authorities in Scotland. So far as I am aware there has been none. It is an insult to the House that, as we discuss this money resolution, which has considerable implications for local government, including the regions, districts and the islands in Scotland, we have not even heard from the Secretary of State for Scotland.

The Parliamentary Under-Secretary of State, the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton), honoured us with his presence, but so far as I know he has not said a word this evening. The other Under-Secretary, the hon. Member for Stirling (Mr. Forsyth), joined us towards the end. I do not think that anybody on the Labour side is complaining that he has not said anything, either. Nevertheless, it is a totally unsatisfactory way to conduct Scottish affairs. It is a completely unsatisfactory way to approach Scottish local government. It does not represent the wishes of the people of Scotland and it indicates that, if the Government are attempting to work with and negotiate with COSLA—for the benefit of the Minister, that is the Convention of Scottish Local Authorities—they will find that what they and the Secretary of State, who has disappeared, have done tonight, is to do a great deal of harm to the relationship between the House and local government, especially between the House and Scottish local authorities.

Dr. Norman A. Godman (Greenock and Port Glasgow): I point out to my hon. Friend that not all Government Members would appear to be hostile to what he is saying. The right hon. Member for Shropshire, North (Mr. Biffen) had this to say the other day:

"It would be no bad thing, just a gesture . . . to ask the Procedure Committee when it is established to take a comprehensive view of how we manage Scottish affairs in the House both in terms of general business and of legislation."

[*Official Report*, 30 June 1987; Vol. 118, c. 398.]

Would my hon. Friend agree that that is a sensible statement coming from the Government side of the House?

Mr. Clarke: I agree entirely with my hon. Friend and I am glad that he made that point.

We are being asked to accept the Government's ill-thought out proposals, which, as I have said, show no evidence of consultation, which are certainly not before us at the request of the local authorities, or the electors or ratepayers that they represent and will not be in the interests of our people. The Government are telling us that their views on compulsory tendering will be helpful to local government but they have not produced the evidence. The people that I know in local government would utterly oppose any suggestion that it will be helpful in the provision of services.

The Government have prattled on about information. They use all the machinery available to them, whether it be in the Ministry of Defence or the Scottish Office, to promote their views. It is appalling that they should try to restrict elected local authorities as they attempt to explain to their own ratepayers the policies that they are attempting to pursue.

We are told in the measure about the restrictions on direct labour. In the recent elections I heard absolutely nothing from anybody about compulsory tendering or the provision of information or about the end of contract compliance. I certainly heard a great deal of criticism of direct labour authorities and in most cases that was not the fault of those departments of the councils. It arose because those departments are being starved of resources.

Mr. John Redwood (Wokingham): On a point of order, Mr. Deputy Speaker. What does this have to do with the money resolution? I cannot see that it is in order.

Mr. Deputy Speaker: It is just about in order.

Mr. Clarke: I would not have expected the hon. Member for Wokingham (Mr. Redwood) to have understood anything about local government, far less Scottish issues. Therefore, I am not surprised at his bewilderment. I understand that his predecessor, Sir William van Straubenzee was banished to the Scottish Grand Committee because his name rhymed with Mackenzie. If the hon. Gentleman is not careful he might meet the same fate. However, it will not stop me from speaking for the people of Monklands, West and the people of Scotland. I had no request from electors for the sort of policies that the money resolution would allow the Government to pursue were it introduced. Because of that I am opposed to it.

I say to the Minister and the House that as the Bill is debated it will become more and more clear that it is an absolute irrelevance in terms of the services that people want to see. I have concentrated on Scotland, but I know perfectly well that my hon. Friends from other parts of the United Kingdom feel just as strongly. I worry about Scotland because already the Secretary of State and his very small band of Members are showing a disgraceful arrogance about the views of the Scottish people.

I know that the Secretary of State for Scotland is not going to be very helpful to us in explaining his views. He does not meet hon. Members when there are major

closures in their constituencies. If he takes part in a debate he does not really address himself, as I do, to the real issues and to matters of order. Therefore, for an indication of what he really thinks I had to refer to the famous election diarist, Mr. Brian Meek who, writing in the *Glasgow Herald*, told us something of the Secretary of State's real thinking during those dreadful moments in the campaign when opinion polls after opinion poll showed that the Conservative party was not going to do too well in Scotland. After another opinion poll had appeared and the Secretary of State was quite distressed Mr. Meek wrote:

"The full implication is now sinking in"—

I must point out that memories are rather short.

"I try to be cheerful and mouth all the right things about how this hardly tallies with the sort of reception we have been receiving."

As we reach his home he replies a little wearily

"You are a professional. You know there is something wrong."

Of course, Mr. Meek is a professional. Those who advise local government in Scotland on financial and other matters are also professionals and not one of them would agree with the Government's approach. I hope that even this Government, dominated as they are by the arrogance of intellect and the brutality of power, will think again because this Bill is not in the interests of local government and not in the interests of the people of this country.

1.20 am

Mr. Bill Walker (Tayside, North): I welcome the opportunity to speak on this money resolution. I believe that it is right and proper in this United Kingdom Parliament that we should have Bills that cover England, Wales and Scotland and those Bills should be linked together because it is efficient to do so and it is best use of the resources that we have available. *[Interruption.]* It is, and I make no apology for that. The Opposition may well find that amusing, but the Opposition may find it difficult to man all the Committees on English business. There is no question but that when it comes to matters affecting the greater London area they may also find themselves in some difficulty.

Bills should be linked because it is a sensible and efficient use of our resources. We are setting an example to local government by showing clearly that we are making the best use of the resources and time that we have in this House. It shows that issues will be debated properly and that there will be Scots voices heard. Scots will deal with money matters as they are affected by the Bill.

It is clear that the financial aspects of the Bill will be studied carefully as will all the clauses that will be affected by the financial implications of the Bill. We shall see that we get value both in the way we run things in this House and in our use of taxpayers' funds. We shall also ensure that the funds of local authorities will be used wisely and sensibly.

There are other advantages for Scotland in the money resolution in that we shall be able to link the way we do things in Scotland more closely with the way things are done in England. That must be good for both England and for Scotland. We Scots are often happy to tell everyone how well we do things and how efficient we are. Therefore, there must be considerable value to Scotland from the money resolution. The same can be said of other Bills which have had similar money resolutions — for example, the Trade Union Bills. In the Committees discussing those Bills there has always been a statutory Scot and I have been the statutory Scot on most of them. I was present because of the way that such matters affected Scotland. It is only right that, with regard to the Local Government Bill, there should be a Scottish voice speaking on financial matters.

I listened to the voices on the Opposition Benches, some of which I could not follow very clearly because I could not see how they related to the various clauses in the Bill. Although I enjoyed the maiden speech of the hon. Member for Carlisle (Mr. Martlew) who spoke extremely well, and who had a lot of interesting and worthwhile things to say about his constituency, I found it difficult to relate it to the money resolution. Nevertheless, the hon. Member for Carlisle made a valuable contribution. Now, I shall sit down to give the Front Bench the opportunity to reply.

1.23 am

The Minister for Local Government (Mr. Michael Howard): I begin by congratulating the hon. Member for Carlisle (Mr Martlew) on his unusual—

Mr. John Home Robertson (East Lothian): On a point of order, Mr. Deputy Speaker. I refrained from rising in the hope that I might be able to hear a maiden speech from the Treasury Bench from my constituent, the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton), but if we are to hear another English Minister I am not particularly interested.

Mr. Howard: I congratulate the hon. Member for Carlisle on his unusual achievement of making his maiden speech on the money resolution of this important Bill. We listened to him with great care and interest. We remember his predecessor with affection and we wish the hon. Gentleman well in the House.

The hon. Member for Glasgow, Garscadden (Mr. Dewar) went through the large number of detailed points that he raised in his characteristically languid fashion. Therefore, it may be that I did not quite make an adequate note of absolutely all of them as he went through them. However, I shall do my best to reply to them. in the time that is now available.

The hon. Gentleman and other Opposition Members approach the matter on the basis of a fundamental misapprehension. They seem to be suggesting that the approach that we have adopted on the Bill as it affects Scotland is in some way novel, but nothing could be further from the truth. There is the most direct precedent in point — the Local Government, Planning and Land Act 1980, which applied competition to local authority building and maintenance direct labour organisations. It is in a real sense the precursor of the Bill, and it applied to all three countries of England, Scotland and Wales. Of course, we accept now, as we did then, that the system of law differs between Scotland on the one hand and England and Wales on the other, but the principles on which the Bill is based, just as the principles on which the 1980 Act was based, apply equally in each country, so to suggest that there is anything remotely novel about the approach that we have adopted in this legislation—

It being three quarters of an hour after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question forthwith pursuant to Standing Order No. 14 (Exempted Business).*

Question agreed to.

Resolved,

[Mr. Howard]

That, for the purposes of any Act resulting from the Local Government Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenses of the Secretary of State incurred in consequence of that Act;

(b) any increase attributable to that Act in the sums payable out of money so provided under any other enactment.

Ministerial Accountability

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Ryder.]*

1.28 am

Mr. Graham Allen (Nottingham, North): In my speech, I hope to illustrate much that is inadequate in our parliamentary system. I could not have wished for a more appropriate example than this Adjournment debate. This debate on reforming Parliament to make it more effective in holding Ministers to account begins at the ridiculous hour of 1.30 in the morning, with what is now a handful of insomniac Members of Parliament staying on, while at the other end of the day hon. Members wishing to start work before 9 in the morning cannot even get a cup of coffee.

I thank the Minister for being here this evening. I do not necessarily believe that it is the best preparation for a day's work in a busy Government Department to be here at 1.30 am. Nor is it a good thing for any hon. Member —myself included—to discuss matters of this sort with a heavy day coming tomorrow. Key decisions will be made tomorrow, and the public would be perfectly justified in asking whether we are all the better for having been up at this hour discussing this, or any other business.

In addition, several hon. Members will start their work tomorrow, without even the comfort and privilege of an office in the House, almost a month after the election. In my experience, no trade unionist would put up with such conditions; no local authority or councillor would put up with making decisions in such a framework; and certainly no constituency organisation of either party would be prepared to make decisions in such conditions and under such constraints. It is no way to run a business, and no way to run a country or to hold to account those who run it.

I make no apology for trading on my naivety as a parliamentary new boy—or, perhaps, my objectivity as an outsider—and say that, if we have a parliamentary democracy, parliament is not pulling its weight. Ordinary people in my constituency are staggered when I tell them about the way in which Parliament operates. They expect and deserve better. Even as a rubber stamp, Parliament is stamping so lightly as to be almost illegible. If we care for the ideal of Parliamentary democracy, the Government —this one or the next one—must at some point do the unthinkable in politics and repatriate some power and authority to Parliament. The only alternative—an even wilder flight of fancy—is that hon. Members themselves should wrench back the ability effectively to hold Government to account.

If I cannot secure the Government's consent to change tonight, at the very least I hope that my parliamentary party will commit itself to a package of reforms that it will enact before the seduction of Government overpowers its will to rebuild our democracy. Philosophically, that is crucial to my party. Crudely, if we are not revolutionary socialists, we must be parliamentary socialists. Hence the need to ensure that Parliament—our chosen means of social transition—is capable of performing the tasks that we wish to set it. By almost any practical test, the Government escape effective scrutiny by our elected representatives. If that is to be remedied, four key areas must be dramatically reshaped as a priority. They are:

hon. Member's facilities; Parliament's procedures; public expenditure accountability; and investigative Committees. I shall touch briefly on——

Mr. Deputy Speaker (Mr. Harold Walker): I am sorry to interrupt the hon. Gentleman, but the question of the services provided by the House for hon. Members is not a matter for the Minister to answer tonight, nor is it the subject of the hon. Gentleman's debate. I suggest that the last two points that he mentioned might be more appropriate to the debate.

Mr. Allen: Thank you for your guidance, Mr. Deputy Speaker. I shall only refer to hon. Members' facilities as they affect their ability to hold Ministers to account. As a new hon. Member, I am staggered by the inadequacy of the facilities and resources that are available to enable them to carry out that task. At the best of times, the scrutiny of Government is a David and Goliath job—yet it is only one of the tasks that we are expected to perform.

In my experience in local government and trade unions, facilities and staffing were never lavish, but they always measured up to the job that the public or members expected to be done. Congressional casts of thousands are not necessary, but hon. Members should feel no embarrassment at continuing to demand adequate facilities and staffing, both in Parliament and in their constituencies, as of right rather than as half-baked gentlemen's allowances. We should turn the shame back on the Government and their machine which, despite holding all the high cards of secrecy and delay, still exposes its lack of confidence by seeking to debilitate the hon. Members who take their job seriously enough to do it full time.

Parliamentary procedures are even more of a self-inflicted wound. The fear that has gripped the majority of the electorate in this decade—we might not have much, but it is all that we have—afflicts hon. Members, too. They prefer to retain individual perks and practices rather than risk a strong Parliament.

Government goes on while the democratically elected Members are safe in the parliamentary playpen, with early-day motions that are never debated, potential laws that are safe from timetabled examination, a daily agenda which is neither discussed by a party caucus nor understandable to the layman, and parliamentary bingo, with questions to Ministers and hon. Member's rights to promote laws as the prizes. Sublime and ridiculous are the hours of work and the holidays which deny the freedom to speak to those whose very duty is to speak up for others.

My hope is that either the hardened cons—if I may use that word — will organise a breakout from the parliamentary pen, or that hon. Members, fed on a diet of frustration and perhaps a new party discipline, will outgrow the current procedural toys. Nowhere is that more necessary than in the control of public expenditure. Parliament's analysis of the £160 billion of Government spending that is carried out in its name is obscure, complicated and ineffective—a watchdog that yelps at its own flea bites as the burglar passes by with, some might say, the family silver. Essentially, the reporting and debating cycle needs to be unified, the points of parliamentary decision and intervention clarified, and the objectives of any given expenditure formulated and subjected to performance review. To do that, with or without the prompting of the National Audit Office, is surely as essential for parties, in framing their priorities, as it is for hon. Members in keeping their self-respect.

Once, financial accountability was an unfashionable subject, certainly in my party, but we have learnt that without an understanding of where the money comes from and where it goes our political objectives disconnect from implementation and become mere slogans. The priorities of parliamentary Socialism will be met only by a Parliament and Government that examine, free and redirect finance. In real terms, that means more hospitals or teachers, more homes and carers. I was fortunate as a local government officer to be involved in pioneering the execution of that principle at the Greater London council and, in a more limited sense, within the trade union movement.

Improved financial scrutiny would be an aid to Parliament and, just as significantly, to the elected part of government — the hon. Members who form the Government but who often lack a working grip on the spending programmes of their Departments. Ninety per cent. of those Department's programmes roll on untouched by, and unknown to, Ministers. The more motivated radical and experienced the Government, the higher is the degree of real financial control exercised, but even this Government, who have lessons to teach my party on all three counts, still rate only as a minority shareholder in the control of departmental expenditure. By de-blinkering MPs and enabling them to examine spending, Ministers would be next for liberation. Parliamentary scrutiny would rightly extend to the unaccountable and the unelected, the ultimate quarry being the senior civil servants who really run the spending machines. That target is a long way down the road, but only at that point will real political control over spending be achieved.

The final key weakness that I wish to highlight relates to the investigatory Committees of the House. The Select Committees could be the engines for change in the struggle for accountable government. Cynics might say that that is why the Committees are unlikely to be allowed to meet for another three or four months. To be effective, they must be free of Government and shadow Government influence and interference. They need to have a life of their own, an independence that can be guaranteed only by their direct election by hon. Members. They need to be empowered to order the attendance of Ministers and civil servants and to have a review or cooling-off period during which Government Bills could be examined for perhaps one month before they went to a Committee of the whole House.

Clearly, many other areas could be mentioned and, while I and my party remain committed to the abolition of the House of Lords, it needs to be made clear that our key priority for review must be the effective working of the Commons. A reconstructed and effective Commons would render irrelevant the question of the abolition of the Lords. I have had to skate quickly over some of the issues of Government accountability to Parliament. However, I hope that more considered representations from new Members, Back Benchers and the Procedure Committee will be treated in such a way that the tenure of the Leader of the House will be seen as a period of reform rather than containment.

The electorate currently regard parliamentary democracy with such apathy that 25 per cent. do not register or do not vote. Most of the rest view Parliament with a large

[Mr. Allen]

degree of cynicism, reinforced by the low-fibre diet of Prime Minister's Question Time. Disillusioned individuals ineffectually represented in a Parliament inadequate to challenge Government, will lead to people pursuing their challenge and finding their voice elsewhere. There is much of which to be proud in our representative democracy, but its continued ossification at parliamentary level may exact a terrible price. With care, we could build a bridge between parliamentary practice and constitutional theory that could reinvigorate our democracy, make for a stronger Parliament and better Government and, in my view and, I hope, in the view of my hon. Friends, lay the foundations for a democratic Socialist society.

1.43 am

The Minister of State, Privy Council Office (Mr. Richard Luce): I congratulate the hon. Member for Nottingham, North (Mr. Allen) on his success in securing an Adjournment debate so early in his parliamentary career. I suppose I ought to congratulate him too on holding the debate so late at night. I am not sure whether this constitutes a record, but it is certainly an impressive and bold achievement on the part of the hon. Gentleman. He has expressed some very clear views even though he has been in the House only two or three weeks. That does not mean that they should not be treated seriously. However, I should be interested to meet the hon. Gentleman again in a year. I shall not invite him to have another Adjournment debate in the middle of the night, but perhaps we could meet and compare notes and see whether he still retains the strong views that he has expressed.

I also congratulate the hon. Gentleman on the choice of subject. No one can deny that ministerial accountability to the House is a singularly important issue and that it is healthy that it should be debated regularly. I should tell the House that in the dying months of the last Parliament much parliamentary time was given to this issue. I welcome that. The hon. Gentleman identified a number of facets of this topic and they formed the main thrust of his contribution. I shall reply to some of his points, but if he feels that I have not done justice to all of them I shall write him a letter, with a more extensive reply. He will appreciate that some of the points cover the responsibilities of my right hon. Friend the Leader of the House, and I can give brief answers on his behalf.

The principle that Ministers are accountable to Parliament is fundamental to our system of parliamentary democracy and I am happy to have this opportunity to restate, in the early weeks of the new Parliament, the Government's unambiguous commitment to upholding this principle.

This is a matter on which our policy is plain. As my right hon. Friend the Member for Shropshire, North (Mr. Biffen) explained to the House during a debate on 29 October last year, two basic principles govern the relationship between the Executive and Parliament:

"The first of these is that each Minister is responsible to Parliament for the conduct of his Department and for the actions carried out by his Department in pursuit of Government policies or in the discharge of responsibilities laid upon him as a Minister. He has the duty to explain in Parliament the extent of his powers and duties and to give an account to Parliament of what is done by him in his capacity as a Minister . . . The second principle is that civil servants, in turn, are responsible to their Ministers for their actions and conduct." — [*Official Report*, 29 October 1986; Vol. 103, c. 410-11.]

As I am sure the hon. Gentleman will know, these key principles of the relationship between Ministers and Parliament and the duties and responsibilities of civil servants to Ministers then became the subject of several Select Committee inquiries. These culminated in the reports by the Treasury and Civil Service Committee and the Liaison Committee in December last year. The Government's response to these reports was published in February this year. This dialogue centred on the accountability and answerability of Ministers and civil servants in relation to Select Committees, but in the process of considering this relationship it was necessary to clarify the basic principles of accountability which underpin our Select Committee system.

The Government's reply, Cm. 78 to which I have just referred, opened by saying:

"the Government recognises and welcomes the common ground which exists between it and the Committees on the basic principles underlying accountability . . . With these basic principles agreed, the Government is confident that understandings can be established which will enable the work of Select Committees to be carried on in a way which conforms with those principles and meets the needs both of Parliament and of Government".

This has been the subject of considerable exchanges between the Government and Parliament over the past few months, and the opening of the new Parliament is a good opportunity to restate that position.

The hon. Gentleman spoke about public expenditure, which is a singularly important aspect of accountability. This is a matter primarily for my right hon. and hon. Friends in the Treasury, but I am sure hon. Members will agree that there have been several developments in this sector in recent years which have helped improve Parliament's ability to scrutinise and examine public expenditure more effectively. For example, the preamble to the National Audit Act 1983 makes it clear that the purpose of establishing the National Audit Office and changing the status of the Comptroller and Auditor General to make him an Officer of the House was expressly to strengthen parliamentary control and supervision of expenditure of public money. The work of those bodies in support of the Public Accounts Committee has certainly enabled the House to perform this function more effectively.

Other changes which I believe have strengthened parliamentary accountability in this sector include the improvements to the public expenditure White Paper and the Supply Estimates. These have improved the read-across from the plans set out in the White Paper to the detailed request for supply in the Estimates. Public expenditure is now presented in terms of who plans it, what it is spent on, and by whom.

We should not forget, too, that Select Committees are able to examine departmental expenditure and many take advantage of this opportunity to a greater or lesser extent. It is, of course, for the Liaison Committee to recommend any specific Estimates to the House for debate following the deliberations of the Departmental Select Committees, and three days are set aside in each Session for this purpose. In addition, Government Departments make much more financial information available now, both to Select Committees, and more generally. All of this enables the House to examine Government expenditure much more rigorously than in the past.

Mr. Allen: As a newcomer to the House, it appears to me that the Government are not exactly drawn kicking and screaming to change, but they express reluctance and must be heavily pressed on the Procedure Committee or through some other organ of the House. Would it not be helpful for the Government to take the initiative, particularly on the public expenditure reviews and the various documents that come before the House, so that the process could be clarified before the House begins to scream, rather than after?

Mr. Luce: That is a matter for continuous dialogue between the Government and the Parliament of the day. The hon. Member may recall that after the general election in 1979 the Government were very responsive to the recommendations of the Select Committee on Procedure about the establishment of full blown Departmental Select Committees—if I may describe them as "full blown". I was a member of the Select Committee on Procedure then and I held very strong views about the role of Select Committees. I shall come to that point and respond to his other points about Select Committees.

This system has now been in operation for eight years and we must now, I think, cease to call it the "new" Select Committee system. I recall what an earlier Leader of the House, Mr. Norman St. John-Stevas, said in the 1979 debate on the motion to set up our current Select Committee system:

"It has been increasingly felt that the twentieth century Parliament is not effectively supervising the Executive, and that while the power and effectiveness of Whitehall has grown, that of Westminster has diminished.

The proposals that the Government are placing before the House are intended to redress the balance of power to enable the House of Commons to do more effectively the job it has been elected to do." [*Official Report*, 25 June 1979; Vol. 967; c. 36.]

I believe that that has indeed been the case. That is a clear sign of the Government's willingness to make changes where that is the clear desire of the House and where that has been clearly and constructively expressed. The quotation from the former Leader of the House is the best possible example of that and shows that the Government have a very open mind on the issue and that we attach great importance to it.

Both civil servants and Ministers now see appearance before a Select Committee as a basic part of their duties. Select Committees in their turn have proved effective in discharging the role that Parliament has assigned to them of inquiry into the expenditure by the Administration and the policies of Government Departments. Of course, as I have already said, there are opportunities from time to time to debate the Select Committee reports.

I have tried to answer at least the main points raised by the hon. Member for Nottingham, North in his important speech. I share his concern that we should ensure that the House of Commons is able to fulfil its role as effectively as possible. I am sure that the House will continue to listen with interest to the hon. Gentleman. Perhaps he will change his mind on some of these issues as time passes. If I have not replied fully to all his points, I shall answer more fully by letter.

Question put and agreed to.

Adjourned accordingly at seven minutes to Two o'clock.

House of Commons

Tuesday 7 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGE FROM THE QUEEN

QUEEN'S SPEECH (ANSWER TO ADDRESS)

THE VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address as follows:

I have received with great satisfaction the loyal and dutiful expression of your thanks for the Speech with which I opened the present Session of Parliament.

PRIVATE BUSINESS

BRITISH RAILWAYS BILL

Read the Third time, and passed.

HARWICH PARKESTON QUAY BILL

To be considered upon Thursday.

NATIONAL PROVIDENT INSTITUTION BILL *[Lords]*

Read a Second time, and committed.

KEBLE COLLEGE OXFORD BILL *[Lords]*

SELWYN COLLEGE CAMBRIDGE BILL *[Lords]*

To be read a Second time upon Thursday.

Oral Answers to Questions

EDUCATION AND SCIENCE

Academic Medical Staff

1. **Sir David Price** asked the Secretary of State for Education and Science if he is satisfied that, in view of the increasing clinical demands of the National Health Service, academic medical staff have adequate time to pursue their research work as well as their teaching duties.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Jackson): The Government are aware of the pressures on senior clinical staff in the universities, who have a threefold commitment to teaching, research and patient care. In our guidance to universities and to the National Health Service we have urged close co-operation in the planning of staffing and other resources.

Sir David Price: I congratulate my hon. Friend on his first appearance at the Dispatch Box, where he so clearly belongs. May I draw his attention to recommendation No. 11 of the Select Committee on Social Services, which looked into the problem of AIDS? In that recommendation we invited my right hon. Friend the Secretary of State to take a much firmer line in ensuring that moneys allocated from his budget for clinical, academic research are not abrogated for the purpose of providing clinical care by default.

Mr. Jackson: This matter has been raised by the Select Committee on Social Services in its report on AIDS. The Government are considering their recommendation on that report and will reply as soon as possible.

Mr. George Howarth: Does the Minister accept that it is high time that we stopped the pretence? Many of the academic appointments that are being made are hardly being used for academic work or research at all, but are being used to cut down waiting lists.

Mr. Jackson: It is difficult to strike a balance to try to ensure that the tripod of responsibilities for teaching, research and patient care is maintained. The Government are concerned to ensure that each of the different legs of the tripod is sustained.

Mr. Colvin: It is good to see my hon. Friend continuing the tradition of fellows of All Souls in the Department of Education and Science. Following the question of my hon. Friend the Member for Eastleigh (Sir D. Price), is my hon. Friend aware that the 4,000 students studying medical practice who are seconded to general practice as part of their studies are now facing under-funding? As there is no equivalent of the NHS support scheme known as SIFT —Special Increment for Teaching—will he talk to his counterpart at the Department of Health and Social Security to ensure that, between them, the two Departments cover this responsibility?

Mr. Jackson I will certainly talk to my counterpart at the DHSS. I thank my hon. Friend for drawing my attention to the MacKenzie report. I shall have to write to him further about the matter.

Student Grants

2. **Mr. Andrew F. Bennett** asked the Secretary of State for Education and Science if he will make a statement about when he expects the review of student grants to be completed.

Mr. Jackson: The Government hope to publish proposals for consideration early in 1988.

Mr. Bennett: I wish the Minister well in his new appointment. Is he an enthusiast for loans or for partial loans? Is a bid being put into next year's public expenditure consideration so that the outcome of the review can be implemented a year next September?

Mr. Jackson: The review is being conducted with an open mind. It will take account of all the arguments that are for and against loans and of the experience in other countries. Whether provision must be made next year will depend upon the review group's findings.

Mr. Hunter: Will my hon. Friend take this opportunity to comment on the charge that the introduction of a students' loans scheme might deter potential students from higher education?

Mr. Jackson: That is an important aspect of the inquiries that are being conducted by the review group.

Rev. Martin Smyth: Will the Minister comment on the impact in the coming year of the growing number of EEC students coming here and our requirement to provide tuition for them? How does that affect outgoing students and the availability of funds to give higher grants to our students?

Mr. Jackson: It is essential that we observe the provisions of the EC law that we have accepted. That is being done, and we will have to take care of the consequences in terms of the allocation of resources for higher education.

Dr. Hampson: Is my hon. Friend aware that although there has been a significant increase in the number of part-time students, they have great problems because no financial aid is available to them? Is the review group considering a loan scheme for part-time students? If not, why not?

Mr. Jackson: My hon. Friend will have noticed the important commitment in the Conservative party's election manifesto to increase higher education places by 50,000 by 1990. One aspect of that is part-time students, and that will be an important part of the work of the review committee.

Mr. Fatchett: While the review is taking place, what steps will the Minister take to restore the level of student grant in real terms to that of 1979?

Mr. Jackson: The hon. Gentleman will know that that matter is reviewed every year in the public expenditure arrangements. I cannot anticipate the conclusions of that review.

Education Bill

3. **Mr. Madel** asked the Secretary of State for Education and Science when he expects to publish the Education Bill; and if he will make a statement.

The Secretary of State for Education and Science (Mr. Kenneth Baker): The Education Bill, which will provide the legislative base for important improvements in the quality and efficiency of education at all levels, will be introduced as soon as possible following the summer adjournment.

Mr. Madel: In relation to the part of the Bill that will deal with schools opting out of local authority control, will there be a postal ballot of parents with children at that school, will it include parents whose children are about to go to that school, and will those parents have the benefit of an inspector's report on the school before they make the fundamental decision as to whether my right hon. Friend or the local authority should fund the school?

Mr. Baker: On my hon. Friend's first question, we envisage a secret postal ballot of the parents who have children at the school. An inspector's report may be available, depending upon whether an inspector has recently visited the school. But other records will be available, because nowadays schools publish a great deal of information about their performance.

Mrs. Ann Taylor: Will examinations at ages 7, 11 and 14 form part of the Bill? If so, who will set the examinations?

Mr. Baker: I shall be issuing a consultative document in the next two to three weeks on the arrangements for establishing a national curriculum, and I shall want to consult widely on that. I shall include in that consultative document the procedures——

Mr. Andrew F. Bennett: Before the House rises for the recess?

Mr. Baker: I would hope so. I shall include in that consultative document the procedures for the determination of assessments and tests and programmes of work. Later this week, or early next week, I hope to appoint two working parties of experts in mathematics and science, which will be asked to report within the next few months on those two subjects.

Sir Bernard Braine: Will the Bill make provision for children to go to the school of their parents' choice where the headmaster is willing now to take them in?

Mr. Baker: I assure my right hon. Friend that the Bill will introduce a system known as open enrolment to allow much greater choice for parents. In my talks yesterday with the Education Secretary from the United States, where the system has been tried in some of the most depressed and rundown inner cities, I discovered that it has led to a distinct improvement in the quality of schools by involving the voice of the parents. Parents know which are the good schools.

Mr. Ashdown: With respect to the opting out proposals, will the Minister say whether, apart from an occasional group of parents who may want to take advantage of those proposals, some for good reasons and others for bad, there is any other respected voice in education — head teachers, the Confederation of Parents, teachers, administrators, experts or any group—that supports his proposal? Is it not the case that all those who have commented on it, including many Conservatives, recognise these crackpot proposals as damaging, divisive and dangerous?

Mr. Baker: The proposals to which the hon. Gentleman refers are designed to break up the producer domination in the education service. Therefore, I am not in the least surprised that the spokesmen for the producer groups want to keep the status quo. I assure him that pressure for change does not come from above; it comes from below. It comes from individual governors, individual heads, individual teachers and individual parents.

Mr. Haselhurst: In view of the likelihood that schools will have an opportunity to opt out of local education authority control, what will be the approach of my right hon. Friend to section 12 cases where a local education authority may be seeking to amalgamate two schools, and where one of those schools might wish to remain independent?

Mr. Baker: This will be set out in the consultative document that I shall be issuing on grant-maintained schools. It will set out the arrangements that we envisage and the arrangements that will be operating after the full statutory powers exist, which I hope will be in the summer of next year.

Mr. Radice: Will the Secretary of State tell the House how the new opt-out schools will be able to choose their pupils? In particular, will they be able to use the new national test at ages 7, 11 and 14 to select the pupils that they want?

Mr. Baker: I have made this clear in the past. When schools decide to opt out they will retain the character and status that they had when they were within the maintained system. If a grammar school decides to opt out, it will remain a selective school — a grammar school. If a comprehensive school decides to opt out, it will remain a comprehensive school, with the same range of ability. I would not envisage that they would be able to use the new national tests as a process of selection. The House should be aware that schools have to make selections today. Where a school is over-subscribed, as in the case I quoted of a comprehensive in Birmingham, the authority and the head have to select now.

Mr. Bill Walker: When my right hon. Friend brings forward his Bill, will he make it quite clear that it refers only to England and Wales, because during the general election my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) came to Scotland and made a speech on education, which caused enormous confusion as it had no relevance whatever to the Scottish scene?

Mr. Baker: My hon. Friend is correct. I, with my right hon. Friend the Secretary of State for Wales, am responsible for the education system in England and Wales. I am not responsible for education in Scotland, but I have a very high regard for it.

University of Wales

4. **Mr. Wigley** asked the Secretary of State for Education and Science what representations he has received concerning the future of the University of Wales or of its constituent colleges.

Mr. Jackson: Since the autumn Ministers have held three meetings with deputations from the university and its colleges. My predecessor, my hon. Friend the Member for Buckingham (Mr. Walden), visited University college, Swansea, on 30 April. Letters have been received in the Department from individuals and groups in each of the colleges.

Mr. Wigley: Is the Minister aware that considerable damage has been done to the University of Wales over uncertainty about its future, so much so that students who want to do clinical medicine in Cardiff may be farmed out to other colleges or even other universities and that those who want to do education in Bangor have a big question mark over them? Will he ensure that in future the University of Wales is treated as one unit for classification purposes, thereby enabling it to get a class 1 status? Will he also ensure that there are adequate resources to enable colleges to link up so that a wide spectrum of courses can be offered throughout the Univesity of Wales as a whole?

Mr. Jackson: Rationalisation between courses and between colleges is for the colleges to make proposals about. There is a national university system, with a national policy of allocation of resources between institutions, which is handled by the University Grants Committee. I am sure that it will have noted the points made by the hon. Gentleman.

Mr. Morgan: Will the Secretary of State undertake to speak to Sir Peter Swinnerton-Dyer, the chairman of the University Grants Committee, before the committee next meets on Thursday of this week and ask him to withdraw the unprecedented threat that he made two months ago to discourage students from undertaking courses at University college, Cardiff? I ask him to do this in the light of the acceptance last week by the council of University college, Cardiff, and of the University of Wales Institute of Science and Technology to agree to the merger proposals in the new plan.

Mr. Jackson: The negotiations that are taking place surrounding the future of University college, Cardiff, and UWIST are at a delicate stage. The hon. Gentleman referred to the meeting that is to take place on Thursday, and I think that it would be unwise of me to anticipate the course of that meeting.

General Certificate of Secondary Education

5. **Mr. Baldry** asked the Secretary of State for Education and Science what is the total amount of extra funding that has been provided for the GCSE to date.

The Minister of State, Department of Education and Science (Mrs. Angela Rumbold): The Government have provided for expenditure on GCSE non-teaching costs and in-service training of over £145 million in the financial years 1986-87 and 1987-88. Of this, some £55 million is supported by earmarked grants for books, equipment and in-service training. In addition, continuing improvement in the planned pupil-teacher ratio is allowing more teacher time for the GCSE.

Mr. Baldry: Is it correct that more new money from the Government has been made available for the GCSE than perhaps for any other like initiative, and that the schools and teachers who have been working hard on the GCSE are now starting to produce good and exciting results? Does my hon. Friend agree that much of the bad press about the GCSE has been peddled by some teachers and some teachers' unions which are never prepared to accept that anything good can happen in our state schools?

Mrs. Rumbold: My hon. Friend is correct to say that the GCSE is the most generously funded examination ever to be produced. In addition to the £100 million planned expenditure for non-teaching costs, an additional £15 million has been earmarked this year for in-service training. That is on top of the £10 million that was earmarked last year for in-service training. As it was the teaching profession that urged and argued most vehemently for the introduction of the GCSE — the urging and arguing continued for about 10 years — it seems a pity that some of the teachers' unions are carping slightly about it now. This important examination has been wlecomed by teachers, pupils, potential employers and parents, and I hope that it gets off to a good start.

Mr. Flannery: Does the Minister accept that although the entire education world agreed with the Government and wanted the GCSE examination, a vast section of it is deeply worried that it came about a year too soon? The National Confederation of Parent-Teacher Associations has engaged in research and has recently stated that only 3 per cent. of schools which welcomed the examination have received the necessary equipment to conduct it properly.

Mrs. Rumbold: The hon. Gentleman will know that local authorities have received the moneys for which they asked in this year's planned expenditure. The hon. Gentleman says that a part of the education world

considers that the GCSE was introduced a year too soon, but I suspect that it would have been a year too soon whenever it was introduced.

Mr. Rathbone: I welcome the Government's support for the GCSE and the vast amounts of money that have been made available for the examination. Does my hon. Friend accept, however, that there are ways in which the funding can go astray on its route from the Department to the schools and that individual schools are facing considerable administrative difficulties, even after cutting and paring, to meet the added cost of the introduction of the new syllabus?

Mrs. Rumbold: It is true that there has been some delay in some authorities. That is due partly to schools being uncertain about the amount of money that they require. It is not entirely the fault of authorities. We shall be conducting a survey of how GCSE moneys are reaching the schools, and we hope to publish the results by the beginning of next year.

Mr. Steinberg: Is the Minister aware that, despite what she says, many parents are having to purchase equipment and books out of their own pockets because of the lack of funding for the GCSE?

Mrs. Rumbold: The examination has been extremely well funded in terms of equipment and books. It is still possible to use much of the equipment and books for the examination that were in the schools previously. For example, 1066 remains the same date and Shakespeare remains the author of the Shakespearean plays.

Mr. Rowe: Does my hon. Friend accept that the examination has not only been welcomed but welcomed with a considerable degree of excitement within the education system? Will she give an assurance that employers, who are frequently extremely confused by the meaning of various examinations, are actually prepared to evaluate what the examination result tells them about potential employees?

Mrs. Rumbold: I hope that my hon. Friend will be greatly reassured by the fact that we are carrying out a number of regional conferences which are specifically designed to reassure employers and to explain to them the content of the GCSE and how it works. I trust that that will allay many of their fears.

Education Charges

6. **Mr. Nicholas Brown** asked the Secretary of State for Education and Science if he will make a statement on his policy on education charges in schools.

7. **Mr. Janner** asked the Secretary of State for Education and Science what representations he has received about payments by parents in relation to the education of their children in state schools.

Mr. Kenneth Baker: A number of parents, local education authorities, and the local authority associations have asked my Department for clarification of the present law. It is important to proceed in a way which will not threaten the principle of free education, but will preserve the valued provision made possible only by authorities' current charging practices. I shall be consulting in due course on how this might best be achieved

Mr. Brown: How will the Government's declared aim of achieving freedom of choice be realised if pupils are debarred from undertaking courses because they cannot afford the cost?

Mr. Baker: I ask the hon. Member, who follows these matters, and followed them closely during the election, to bear in mind that many authorities — by no means Conservative authorities — and his own authority make some charge, as I understand it, for accommodation on field study trips. I emphasise the fact and assure him that it is no part of the Government's policy to impose charges. In consultation with local government, we want to preserve its freedom to continue with long-standing practice.

Mr. Janner: Does the Minister understand that local authorities are forced into imposing charges when the Government do not provide basic essential education resources and that it is a travesty and a disgrace, especially for disadvantaged schools and areas, that parents should have to pay for books, sports, visits, music and for what well-off people regard as normal essentials of education? That is the great divide that the Government are forcing upon our school system.

Mr. Baker: The hon. and learned Gentleman should appreciate that the issue first arose as soon as the Education Act 1944 was on the statute book. The first circular on charging was issued then to try to clarify what were extra curriculum charges. This has not cropped up in the past two or three years. In fact, the practice of charging for certain extras has been established between many authorities for 20 or 30 years.

Mr. Pawsey: On the broader matter of charges and costs, will my right hon. Friend tell the House whether he has any proposals to transfer costs, particularly teacher salaries, from LEAs to the Exchequer?

Mr. Baker: I see massive difficulties in moving the cost of all or a substantial part of local education authorities' expenditure to my Department. If, for example, the amount of teachers' salaries, which local authorities provide, were moved to my Department, it would be at a cost of about £3·9 billion. It would certainly totally distort the relationships between central and local government and education. That money would have to be found from the national Exchequer. That amount of money roughly represents 3p on income tax or 3·5 per cent. on VAT.

Mr. Harry Greenway: Is my right hon. Friend aware that for years pupils have paid for activities which many times they have initiated, such as field trips and the rest, but that all schools have always covered children who, for any reason at all, were unable to pay? The problem was that charging fees was illegal, and many excellent activities that were suggested by staff and children could not take place. My right hon. Friend's Bill will put that right.

Mr. Baker: I confirm what my hon. Friend has said. These are long-established practices and in some cases go back to the 1944 Act. I assure the House that in no way will I lay down a compulsory national system for charges.

Mr. Ashdown: Will the Minister say what steps he will take to impose controls on charging in opted-out centrally controlled schools to ensure that the practice of charging does not develop into de facto fee paying which some parents cannot afford?

Mr. Baker: I want to make it clear, as I have made it clear several times recently, that the grant-maintained schools will not be allowed to charge fees. As a result of the consultation process on charges which I shall launch, the grant-maintained schools will have to abide by the general principles laid down for the state-maintained schools.

Mr. Forman: To put this matter in perspective, can my right hon. Friend say what proportion of existing schools' expenditure is now met from charging and by how much he estimates this might go up under his proposal?

Mr. Baker: I cannot give the precise figure, but I shall seek it out and either reply in answer to a question or write to my hon. Friend. In our first discussions with local authorities we have discovered that there is a wide variety of practice between authorities and depends on the political complexion of the authorities. It appears that in one way or another all authorities charge for some extra activities. As I have said, we want to be guided to ensure that their freedom to continue with long-standing practice is preserved.

Mr. Leadbitter: Will the Secretary of State consider his previous statement to the effect that he is seeking discussions with local authorities so that they will be free to continue their long-standing practice? If he does not have other charges in mind, and if there has been a long-standing practice, what will the discussions be about?

Mr. Baker: The long-standing practice has been questioned legally in terms of whether certain charges can or cannot be made. I am responding to requests from local authorities and from local authority associations to clarify the position.

Mr. Key: Does my right hon. Friend agree that the only universally unfair charges in education relate to school transport? Will he ensure that this is tackled in his new Bill, especially with regard to rural areas, so that the schools themselves, when they assume more financial responsibility, can be responsible for their own community bus services and mini-bus services?

Mr. Baker: This issue will be covered in the consultative document that I hope to issue next week on local financial management and the delegation of school budgets. The way that school transport is managed in future presents quite difficult problems.

Mr. Radice: Can the Secretary of State tell the House how his proposals to enable local authorities to charge for essentials such as music, sport and field trips are compatible with the commitment of the 1944 Act to free education? In this connection, has he noted the warnings by his right hon. Friend the Member for Shropshire, North (Mr. Biffen), whom we are delighted to welcome to education questions, about the dangers of privatisation? I think that he was referring particularly to parents having to pay for books and basic equipment.

Mr. Baker: I can assure the hon. Gentleman that there is no question of wishing to impose a system of national charges and certainly not for basic equipment. The standard of music in schools has never been higher and we are helping to sponsor, for example, a national choral competition next week at the Festival Hall. The success of choirs, school orchestras and individual performers derives from the existing practices of local authorities. I want to ensure that no damage is done and I assure hon. Members that I shall do everything to maintain this honourable tradition. I am glad that the hon. Gentleman mentioned the speech of my right hon. Friend the Member for Shropshire, North (Mr. Biffen). It was a most distinguished speech, in which he said that the Government's education proposals are in the long tradition of Tory social policy.

Mr. Latham: Following his answer to my hon. Friend the Member for Salisbury (Mr. Key), will my right hon. Friend give a clear commitment on charges for school transport? Is he aware that the present system militates against the Conservative policy of choice by denying to rural parents the opportunity to exercise that choice?

Mr. Baker: School transport is again largely at the discretion of local authorities — apart from certain national mandatory standards that they have to meet. As I said in reply to my hon. Friend the Member for Salisbury (Mr. Key), this is a most complicated matter and we shall consult widely about it with local authorities.

Hearing-impaired Children

9. **Mr. Matthew Taylor** asked the Secretary of State for Education and Science if he has any proposals for improving the education of children with impaired hearing.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): Special schools for children with impaired hearing are being reorganised in accordance with plans drawn up in consultation with local education authorities and the governing bodies of schools. Since April the in-service training of teachers to acquire qualifications to teach deaf children has been one of the national priority areas that attract 70 per cent. grant from my Department. We shall seek further ways to improve this area of education.

Mr. Taylor: Bearing in mind the tragic fact that two full-time permanent teaching posts will not be filled in Cornwall this September simply because there are not enough qualified teachers to fill them, will the Minister outline how many teachers he expects to complete such training during the 1987-88 academic year?

Mr. Dunn: I am concerned about the long-term supply of teachers of the deaf and about those who are concerned with teachers of the deaf. We have responded positively to the advice that we received some time ago from the Advisory Committee on the Supply and Education of Teachers. However, we shall take every step to monitor the situation, as suggested by the hon. Gentleman.

Dame Jill Knight: Will my hon. Friend confirm that fewer children are born today either with hearing defects or profoundly deaf? Will he assure the House that that fact will not mean that less money is spent in this important area of education?

Mr. Dunn: I agree with my hon. Friend and can assure the House that we shall continue to ensure that local education authorities bear in mind the special needs of those with hearing difficulties to ensure that they are integrated into mainstream education as often as possible. I welcome my hon. Friend's point.

Mr. Ashley: Is the Minister aware that the reading age of the average deaf school leaver is only that of a child of

8½ years and that that is a shocking indictment of a failed education system, because those children lack learning rather than intelligence? Will he ensure that every deaf child has access to all forms of communication so that the most appropriate form can be used? Will he also ensure that every training course for teachers of the deaf has provision for the teaching of sign language, which is of great importance for the deaf child?

Mr. Dunn: This is a complicated issue, as the right hon. Gentleman will know. The methods of communication that are used by schools for hearing-impaired children are matters for individual local education authorities. However, I assure the right hon. Gentleman that officials from my Department are soon to meet representatives of the National Union of the Deaf to discuss a recent report issued by it. I am sure that the point that he raised today will be on the agenda of that meeting.

Mr. Stern: In the light of the gap that may possibly develop during the next couple of years as the ACSET proposals work through and the teaching gap that may emerge at schools such as Elmfield school in my constituency, will my hon. Friend confirm that full use will be made of the speech therapists who are available to the education authorities and the surrounding health authorities to help to fill that gap?

Mr. Dunn: I am ready to discuss that matter with counterparts at the Department of Health and Social Security, as suggested by my hon. Friend.

Ms. Quin: Following the question raised by my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley), may we at least have an assurance that in public examinations pupils who are deaf can have questions put to them in the sign language which, for many, is their native language? Does the Minister agree that if those facilities are not provided the hard work that has been done by many deaf pupils will be jeopardised?

Mr. Dunn: I thank the hon. Lady for her question on a serious point. I shall certainly undertake to raise that matter with the examination boards.

Polytechnics

10. **Mrs. Virginia Bottomley** asked the Secretary of State for Education and Science by how many he intends to increase the numbers attending polytechnics.

Mr. Jackson: The Government are planning for a further increase of 50,000 in the number of higher education students by 1990. Actual numbers, and where they study, will depend on various factors, in particular on the recruitment decisions of individual institutions.

Mrs. Bottomley: Is that not a recognition of the vital part that polytechnics have come to play in the provision of higher education during the past two decades, especially in vocational and technological courses and their links with industry? What benefits does my hon. Friend expect from his proposals to reform the administration of polytechnics?

Mr. Jackson: As my hon. Friend has said, the polytechnics are booming and are educating more students than ever before. There were 220,000 students in 1985, which is 60,000 more than in 1979. Our new proposals for the governing of polytechnics and other colleges will strengthen those institutions links with local business, ensure a strong and direct voice for the employers on the courses that are offered and the research that is undertaken, help to foster entrepreneurial attitudes and make available skills and experience to those institutions so that they can govern themselves more efficiently and achieve better value for money.

Mr. Madden: Is the Minister aware that the Iraqi embassy has written to the heads of all polytechnics and other education institutions asking for information about Iraqi students who are privately funded? Will he take urgent steps to ensure that no information is given to the Iraqi embassy about such students, and will he tell the Iraqi embassy that trying to intimidate those students who oppose the regime in Iraq is quite unacceptable?

Mr. Jackson: I was not aware of the circumstances to which the hon. Gentleman referred, but I am sure that the Foreign Office will have noted his points.

Mr. Wells: What steps is my hon. Friend taking to improve quality in the polytechnics that he is supporting so lavishly? Does he think that his new regime will expand the quality and the resources available to those institutions?

Mr. Jackson: The Government's aim is to improve quality in all institutions of higher education and the White Paper set out proposals for doing so. Institutions can play their own part by establishing systematic arrangements for staff training and appraisal. We look to the validating bodies and HMI, through its activities, to act as guardians of standards. As my hon. Friend knows, resources are decided annually.

Mr. Andrew F. Bennett: How much extra money will there be for the extra students? We welcome it, but we are worried that there will be insufficient money to pay for the expansions about which the Minister is talking.

Mr. Jackson: Resources are reviewed annually as an element of the public expenditure process and this is bound to take account of all the relevant factors, including the number of students in the system.

Mr. Thurnham: Will my hon. Friend confirm that selected institutions of higher education can expect to benefit equally from his welcome proposals?

Mr. Jackson: As my hon. Friend knows, the list of polytechnics and colleges that will benefit from these proposals was published in the White Paper. We shall look forward to legislating on that point later this year.

Dundee University

11. **Mr. Ernie Ross** asked the Secretary of State for Education and Science if he will provide additional resources to implement the academic plan for Dundee university.

Mr. Jackson: The distribution of funds between individual universities is a matter for the University Grants Committee, which is currently considering the academic plan and financial forecast drawn up by Dundee university in the light of new funding levels.

Mr. Ross: The Minister will know that on 18 June the UGC complimented Dundee university on getting its act together so quickly and providing this academic plan.

Does the Minister not see that he has the responsibility to ensure that the work that has been carried out so quickly and efficiently in Dundee is rewarded, and that an early reply comes to Dundee so that it knows exactly where it is going? Will he congratulate the new principal of Dundee university, who takes up his post in October, and wish the retiring principal, Adam Neville, a long and happy retirement?

Mr. Jackson: I pay tribute to the work of Adam Neville, who is retiring as principal. The future funding of Dundee university is a matter for the UGC. How it spends the funds allocated to it is a matter for Dundee university itself.

Mrs. Margaret Ewing: Has the Minister noted that no fewer than eight Scottish Members have today tabled questions about university funding, either at specific universities or in general terms? Therefore, does he accept that this reflects the widespread concern throughout Scotland about the future of Scottish university education? Can we expect an early statement on funding?

Mr. Jackson: We are running a national system of support for universities and this has been placed on a rational basis by the UGC so that funds are allocated on the basis of a standard unit of resource for each different course for teaching purposes, and with regard to the quality of research and other factors. That policy is applied across the board nationally, but inevitably and it has different implications for different institutions in different parts of the country.

Grant-maintained Schools

12. **Mr. Colin Shepherd** asked the Secretary of State for Education and Science what will be the criteria for entry to the grant-maintained schools.

Mr. Kenneth Baker: Grant-maintained schools will retain the character they had as local authority schools. A comprehensive school will remain comprehensive. A selective school will remain selective. Admissions arrangements will have to be agreed with me. As with local authority schools, there will have to be criteria for choosing between applicants if a school is over-subscribed.

Mr. Shepherd: Although I welcome the extension of choice that this change is likely to bring, may I ask whether my right hon. Friend is aware that there is a certain amount of concern being expressed by parents who presently live within the catchment area of a specific comprehensive school that, in the event of that school becoming a grant-maintained school, their sons or daughters may be unable to attend that school? I ask my right hon. Friend whether he can assure those parents and the parents of a child not yet of an age to attend that school that they will be able to send their child to that school if they so choose?

Mr. Baker: I can say to my hon. Friend that, in determining the admission arrangements, we would want to follow the admission arrangements of the existing local education authority, especially as regards catchment areas, and also as regards existing policy for brothers and sisters to go to the schools that their elder brothers and sisters attended.

PRIME MINISTER

Engagements

Q1. **Mr. Lofthouse** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Lofthouse: Is the Prime Minister aware that the recent report from the Energy Select Committee agreed with the chief nuclear inspector that there was serious understaffing in the inspectorate, and that that was likely to cause a nuclear accident at Sellafield? Does the right hon. Lady agree that that understaffing is tantamount to putting people's lives at risk?

The Prime Minister: I am aware that there was understaffing in the Nuclear Inspectorate. I am aware that that was because some of the salaries offered were not sufficient, bearing in mind the alternative jobs available to those people. That matter has been dealt with and increased salaries offered to attract the full complement of staff that we want and need.

Q2. **Mr. John Mark Taylor** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Taylor: Will my right hon. Friend take time during the course of her busy day to note the recent reduction in gas prices? Will my right hon. Friend comment on whether that reduction is a result of privatisation? Does she agree that it is certainly extremely good news for old-age pensioners?

The Prime Minister: Yes. Domestic gas prices have already gone down by 8 per cent. in real terms since 1983. The recent further reduction is very welcome. It is good news for everyone, especially for pensioners, and it owes a good deal to our privatisation policy.

Mr. Kinnock: In view of the strong hostility towards the poll tax from members of the Prime Minister's party in the House, and from diehard supporters outside the House —*[Interruption.]*. In view of that strong hostility, is the right hon. Lady for turning?

The Prime Minister: We considered this matter very carefully. The present system is unfair and discredited, and I believe that the right hon. Gentleman agrees with that. I noted from his own manifesto that he was going to abolish the Rates Act, and I noticed that he intended to replace it with capital valuation and to continue revaluations. We believe that the proposals we have put up have been very widely considered and are the best possible for the way forward.

Mrs. Ann Winterton: Does my right hon. Friend agree that the principle of the community charge is absolutely right, but, before it is introduced, should not the total cost of education be transferred to central Government?

The Prime Minister: No. I see no possibility of transferring the entire cost of a service to the taxpayer and leaving its total administration to the local authorities. There is no way in which the Department of Education

and Science could take over the whole administration of education, and nor should it. To take it away from the local authority under those circumstances would be to reduce its expenditure temporarily. Very soon many councils would put up that expenditure and we would all be left paying far more taxes and far more local charges.

Mr. Steel: Can the Prime Minister confirm what the Secretary of State for the Environment said on the radio this morning about the poll tax, which is that it will cost twice as much to collect as the rates? Does that calculation include the cost of paying back the tax to those on supplementary benefit?

The Prime Minister: I happened to hear my right hon. Friend on the radio this morning—I do not always have it on—and he explained that that was because it would be collected from a considerably larger number of people. If one of the problems is that the base of the rates is too small, inevitably, in the interests of wider equity, the base of the community charge will be wider and it will be payable by more people.

Mr. Onslow: In her continuing discussions with other European Heads of Government about the cost of the Community budget, will my right hon. Friend bear in mind that there are a great many European taxpayers who are just as disenchanted with the ridiculous costs of the common agricultural policy as the taxpayers in this country and that they see her Government's fight for fundamental CAP reform as being as much in Europe's interest as in Britain's?

The Prime Minister: It is in Europe's interests as well as our own. It is also in the interests of Europe's consumers, because the original CAP was meant to strike a fair balance between the rights of producers and the rights of consumers. It would also release considerable resources which, if they were made available, could go to creating more jobs in the Community. Therefore, it is in the interests of the whole of Europe as well as ourselves.

Mr. Rees: If the poll tax is so marvellous for Scotland, England and Wales, why not introduce it in Northern Ireland?

The Prime Minister: As the right hon. Gentleman has occasion to be well aware, local government in Northern Ireland is not able to get back to a normal basis, and he knows the reason why.

Q3. **Mr. Atkinson** asked the Prime Minister if she will list her offical engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Atkinson: Will my right hon. Friend confirm that, contrary to the misleading impression given by the Opposition, the proposed community charge will not affect the right to vote and that it is a policy upon which every Conservative candidate fought the general election?

The Prime Minister: Yes. It has always been made clear that there will be a separate register for the community charge and it will not affect the right to vote in any way. I believe that the way forward that we have proposed is the best one. It will give greater local accountability and, in the matter of the business rate, it will help many northern cities a great deal.

Mr. Harry Ewing: When the Prime Minister sees Sid, will she tell him that she and her Government spent £40 million of taxpayers' money last year telling the people about the politically motivated sale of British Gas and that last night she introduced legislation forbidding all local authorities in Britain from spending ratepayers' money to give their people any information at all? What is she, a democrat, or a dictator?

The Prime Minister: The sale of British Gas was a good thing for all the people of this country, both in terms of the receipt of capital sums that came into the Exchequer and in terms of the future efficiency of British Gas. I believe that it was money well spent.

4. **Mr. Amess** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Amess: Is my right hon. Friend aware that there is a widespread concern throughout the country about the number of late abortions that are being carried out? Does she recognise that, with advances in medical science, the stage at which a child is capable of being born alive is being reduced all the time? When will the House give effective protection to the unborn child?

The Prime Minister: I fully understand my hon. Friend's concern about this matter. He will be aware that administratively we have done all we can to see that abortions are not carried out after 24 weeks. We have circulated a report from the Royal College of Obstetricians and Gynaecologists to all hospitals and we have made it a condition for the licensing of private clinics that abortions are not carried out after 24 weeks. Therefore, we have done everything we can. I do not see the possibility of Government legislation at the moment, but private Members' legislation is appropriate for that.

Mr. McCusker: Will the Prime Minister find a few minutes today to reflect upon the reasons that she gave for signing the Anglo-Irish Agreement, which are that she believed that it would bring peace, stability and reconciliation to the Province? In view of the fact that the situation has deteriorated to the level where someone is being killed almost every other day in Northern Ireland, what evidence has she to show that after 20 months any progress is being made towards those desirable objectives?

The Prime Minister: We are getting increased co-operation across the border, as the hon. Gentleman is aware. I had hoped, when I saw the hon. Gentleman rising, that he would mention that some of his right hon. and hon. Friends might wish to come and talk in the light of a recent report that has been published. I am sorry that my hopes were not upheld. If he wishes to come and talk, he will be very welcome.

Q5. **Mr. Butterfill** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Butterfill: Does my right hon. Friend agree that the only effective way to achieve urban regeneration in our inner cities is to have a much greater involvement of private industry and capital? In that connection, does she agree that the remarks made yesterday in the House by the hon. Member for Tottenham (Mr. Grant) were most unhelpful and regrettable?

The Prime Minister: I agree with my hon. Friend that while we can do a good deal with regard to housing, education, clearing derelict land and many other things in inner cities, we cannot succeed in achieving our aim unless we get more private enterprise into the areas, unless the local authorities and people welcome private enterprise, and the people are motivated to do more for themselves. That is a constructive way forward. I agree with my hon. Friend that anything inflammatory is destructive of that objective.

Q6. **Mr. Boyes** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Boyes: Is the Prime Minister concerned, as many of us are, about the growing level of child abuse, as shown in data produced by the National Children's Home and from many local authorities? If so, what steps is she taking to ensure that local authorities are adequately staffed, funded and equipped to deal with this tragic, if regrettably over-publicised, subject?

The Prime Minister: I do not believe that there is necessarily a need for more staffing or more money to deal with this matter. I believe much more that sensitive use must be made of the available powers.

Mr. Robert G. Hughes: Is my right hon. Friend aware of the immense dissatisfaction in the country with the services provided by British Telecom? When does she expect her policies on competition to be extended into that area so that good telephone services can be provided in the home, and other companies can provide telephone boxes that actually work?

The Prime Minister: OFTEL's 1986 survey found that British Telecom's quality of service had been at least constant and perhaps improving over the past few years. British Telecom recognises that there is some way to go and its high investment, running at more than 35 per cent. above pre-privatisation levels, will improve the service further. There is some competition from Mercury, but the service that we get now is a great deal better than that which we received before and I believe that it is British Telecom's intention to continue to improve it.

Q7. **Mr. Redmond** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Redmond: During her busy day, will the Prime Minister agree to veto any proposals to place VAT on children's clothing and shoes?

The Prime Minister: Is the hon. Gentleman asking that if the EEC comes in with a proposal to change our capacities—*[Interruption.]* If he is asking about those particular things, I repeat exactly what I have said—

Mr. Cryer: Veto.

The Prime Minister: Veto is a European Community word.

I will repeat precisely what I said during the election campaign. We shall continue to have zero rating on food, and that is crucial. The question then arises about electricity, gas and fuel. It is not our intention to put VAT on those. If anyone tried to put VAT on children's clothes and shoes, they would never, never get it through the House. I repeat that.

Q8. **Mr. Yeo** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Yeo: Will my right hon. Friend join me in condemning the decision taken by certain teachers to take further strike action? Does she agree that that decision brings more shame on the teaching profession and its only certain consequence will be to damage the interests and education of the children in the schools affected?

The Prime Minister: I totally agree. The teachers have had a very fair, indeed generous, deal from the taxpayer in pay increases. They know that the present arrangements are only temporary. We are trying to achieve permanent negotiating arrangements as soon as possible. I agree with my hon. Friend that children have rights as well—a right to a good education and the right to have teachers who set an example to them.

Q10. **Mr. McCrindle** asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. McCrindle: Is my right hon. Friend satisfied that the financial controls operated by the Civil Aviation Authority over tour operators remain adequate to minimise the risk of their financial failure? As this matter is of such interest to millions of people at this time of year, will my right hon. Friend consider having a word with the CAA's chairman to reassure herself and the House that the controls remain adequate for the purposes for which they were installed?

The Prime Minister: As far as I am aware, they are. I know that my hon. Friend is concerned about recent events. I shall therefore consult my right hon. Friend the Secretary of State for Transport with a view to meeting my hon. Friend's request.

The Scotsman Publications Ltd.

3.30 pm

Mr. Alistair Darling (Edinburgh, Central): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the current industrial dispute at The Scotsman Publications Ltd, Edinburgh, and the future status of *The Scotsman* as a national newspaper following the dismissal of all editorial staff this morning."

This is a specific issue. It concerns two titles—*The Scotsman* and the *Evening News* in Edinburgh. It concerns an industrial dispute which is not about pay or new technology but about the status of *The Scotsman*. It is an important issue because *The Scotsman* is one of Scotland's national newspapers, now in its 170th year. The issue is one of standards, coverage and the reduction of status. It is important because any damage to quality or the demise of *The Scotsman* would be a severe blow to Scottish journalism and the Scottish people. The Secretary of State for Scotland appointed an emissary to meet the management, just as I met with them, to ascertain what advice we could offer to bring about the end of this dispute.

The matter is urgent because all editorial staff were dismissed this morning. They received a terse letter from the editor, and it appears that management are determined to impose a settlement on their terms alone. As I said, the representative of the Secretary of State and I met the management. Although we were told that there was a chance of resolving the dispute, it now seems clear that management have no intention of negotiating. Instead they are engineering a confrontation. In short, we are at the brink of what could be a catastrophe for Scottish journalism.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the crisis at The Scotsman Publications Ltd."

I have listened with great care to the hon. Member, but I regret that I do not consider that the matter which he has raised is appropriate for discussion under Standing Order No. 20. I cannot, therefore, submit his application to the House.

Members' Dress

3.33 pm

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. No one has ever accused me of being a tailor's dummy or, I hope, any other sort of dummy. The only chance of my appearing in the magazine "Tailor and Cutter" is as an awful warning to someone else. In fact, on one occasion in Committee I was given a severe instruction by my hon. Friend the Member for Plymouth, Drake (Miss Fookes) to improve the standard of my dress and put on my jacket. My dress then was of a much higher standard than some of the bush shirts and jungle kit that we have seen in the House recently.

Was my hon. Friend wrong in giving me that instruction, or have standards of dress in the House of Commons been changed and, if so, on what authority and how? Should standards of dress within the Chamber be lower than in Committee? I ask only for information. I have no particular views—in fact, I should be happy to come in here in swimming trunks if that were in order.

Several Hon. Members *rose*——

Mr. Speaker: I shall deal with one point at a time. I hope that the hon. Gentleman will not do what he has just proposed. He was obviously not here when the matter was raised last week, so I shall say again to him and the House that the Chamber is air conditioned, and I feel that hon. Members should wear jackets and ties. That contributes to the dignity of our proceedings.

Later—

Sir William Clark (Croydon, South): Further to the point of order made by my hon. Friend the Member for Northampton, North (Mr. Marlow). In view of the advice that you, Mr. Speaker, have given in relation to dress and the wearing of jackets and ties, may we take it that if an hon. Member turns up and has not taken your advice he is unlikely to catch your eye?

Mr. Speaker: I do not think that I should disclose what goes on in my mind when I call hon. Members to speak in debate.

Mr. D. N. Campbell-Savours (Workington): Further to the point of order, Mr. Speaker. You made a statement that worried me. You said that you would not wish to reflect on what goes on in your mind when you decide whether to call hon. Members. Certainly I would not wish to come here sporting a sweater, but I hope that the way in which hon. Members are clad in no way influences you in your decision on whether to call them. We are entitled to an assurance to that effect.

Mr. Speaker: I repeat that the Chair has never given reasons for calling hon. Members in a debate. I try to be as fair as I can to hon. Members on all sides of the House.

Register of Members' Interests

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Speaker. I should like to seek your guidance. You will recall that a motion passed by the House on 12 June 1975 stated:

"any interest disclosed in a copy of the Register of Members' Interests shall be regarded as sufficient disclosure for the purpose of taking part in any Division of the House or in any of its Committees". – [*Official Report*, 12 June 1975; Vol. 893, c. 802.]

You will be aware, Mr. Speaker, that last night we discussed the Local Government Bill, which, in clause 2, lists a number of specific privatisation activities including such matters as cleaning services. The resolution of 12 June 1975 cannot be adhered to, because the register for this Parliament is not compiled. Every hon. Member will have received a letter in which the registrar clearly gives a period of four weeks before the register is compiled. The register in the Library belongs to the last Parliament — there is a note to that effect — and a new register is awaiting compilation and publication. Therefore, the resolution of 1975 cannot be accepted for the purpose of declaring an interest when hon. Members vote.

You will know, Mr. Speaker, that several Tory Members in the last Parliament had a direct pecuniary interest—an interest, in the words of "Erskine May". "not in common with the rest of his Majesty's subjects". Those hon. Members were lining their pockets with extra fees from parliamentary adviserships to various cleaning companies and companies offering services in the public sector. They therefore had a direct pecuniary interest.

I believe that when a vote is to take place on legislation such as the Local Government Bill, those with such interests should not be allowed to vote pending the publication of the register. I would say that they should not vote for all time, but I am a very tolerant and reformist sort of person. The resolution passed in 1975 was specifically for the purpose of ensuring that, when hon. Members voted, people outside the House knew of their pecuniary interests. [*Interruption.*]

Conservative Members may shout, but I remind them that one Conservative Member—the then hon. Member for Bournemouth, West, Mr. John Cordle—was forced to resign because he had not declared a financial interest.

The matter is important for something that you, Mr. Speaker, regard as important — the honour of the House. All hon. Members are supposed to be honourable. Those who have a financial interest, and who vote in such a manner that they benefit, are embarking on dishonourable conduct, and I ask you, Mr. Speaker, to prevent them from doing so.

Mr. Eric Forth (Mid-Worcestershire): Further to that point of order, Mr. Speaker. When you respond to the point of order raised by the hon. Member for Bradford, South (Mr. Cryer), will you bear in mind that, on the basis of his argument, any hon. Member who had an interest in, for example, Lloyd's, or in a trade union, or who received any pecuniary or other benefits or support from a trade union would be barred from voting on any matter relating to membership of a trade union or any other organisation?

Mr. David Winnick (Walsall, North): Further to that point of order, Mr. Speaker. Was not the Register of Members' Interests created because questions were being asked about the manner in which Members of Parliament were involved on a commercial basis, thus bringing into question the standing of the House? The register did not arise a long time ago; it originated in the relatively recent past because of the manner in which the press – rightly, in my view – exposed the goings on of one or two people. As I understand it, the general view is that this Parliament is far cleaner and more honest than Parliaments abroad. We have a reputation.

Taking up the point so rightly and forcefully made by my hon. Friend the Member for Bradford, South (Mr. Cryer), is it not unfortunate that on the public business last night, and without a register of interests, Conservative Members could vote when there was no denying the fact that they would gain financially? You should bear in mind, Mr. Speaker, that this is not simply a reflection on one or two Conservative Members. In my submission, far more important is the standing of this House. Surely we do not want to go back to the situation that existed before there was a Register of Members' Interests. We should try to ensure that this House is held in high esteem, but it will not be if people vote in the Lobbies in order to line their own pockets.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. It concerns the general question to which I referred last week, relating to pecuniary interests and the fact that on 24 March 1981 you made a statement to the effect that Members of Parliament with pecuniary interests should be careful not to vote. When I raised this with the Prime Minister, she referred to pecuniary interests in relation to Members' pay. That is very different in view of the fact that Members' pay relates to all Members of Parliament and not to a selected few who would benefit from the Local Government Bill, just as they did from the Lloyd's Bill that was discussed on 24 March 1981.

If a pecuniary interest as defined by my hon. Friend the Member for Bradford, South (Mr. Cryer) is not for the common good but is for the good of certain individuals, it would seem to me that you should again look at your ruling in the context of the Local Government Bill which will result in some Tory Members of Parliament making substantial sums of money, plus the fact that under the poll tax proposals many more would benefit and large sums of money would be involved.

Taking that into account, I believe that you should look again at the statement you made on 24 March 1981, because it is pretty clear that in this Parliament there will be several occasions on which Tory Members, in particular, and Cabinet Ministers will be lining their pockets as a result of the introduction of legislation.

Mr. Speaker: Let me clear up this matter for the benefit of the whole House. I understand that considerable progress has been made with the Register of Members' Interests but that it will not be possible to publish it for some time yet. However, that does not affect the right of Members to vote on matters of public policy. They should of course declare any interest in the normal way if they speak in a debate.

These matters were raised last night with the Deputy Speaker, who correctly pointed out that the votes of hon. Members are not disqualified by virtue of a personal pecuniary interest if the debate is on a matter of state policy. This situation occurs frequently – for example, Members who are farmers are not disqualified from voting when orders dealing with farming subsidies are voted upon

[Mr. Speaker]

by the House. Therefore, there is a clear distinction between private Bills and matters of state policy. However, I again remind hon. Members that the honour of the House is involved and that the normal rules apply—that is to say, in debate one should declare an interest, although during Question Time it is not necessary provided the interest is recorded in the Register of Members' Interests.

Mr. Gerald Bermingham (St. Helens, South): Further to the point of order, Mr. Speaker. Will you find time to remind hon. Members, particularly Conservative Members, that if they intend to refer to another hon. Member in a speech, or, indeed, at Question Time, it is a matter of good manners and courtesy to give that hon. Member notice? The hon. Member for Bournemouth, West (Mr. Butterfill) failed to do so when he referred to my hon. Friend the Member for Tottenham (Mr. Grant) this afternoon. Perhaps good manners could prevail on the Conservative Benches occasionally.

Mr. Speaker: It is as well to remind the whole House of that convention.

Sir John Biggs-Davison (Epping Forest): Further to the point of order, Mr. Speaker. Surely it is not necessary to give an hon. Member notice that one intends to refer to him if he is sitting in his place.

Mr. Speaker: That is correct. However, I hope that the conventions of this House will prevail. It is a good convention that if an hon. Member intends to refer to another hon. Member he should give him notice.

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS

Ordered,

That Miss Betty Boothroyd be Second Deputy Chairman of Ways and Means.—*[Mr. Wakeham.]*

STATUTORY INSTRUMENTS, &c.

Ordered,

That the Value Added Tax (Construction of Buildings) (No. 2) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Pharmaceutical Qualifications (EEC Recognition) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Durant.]*

Northern Ireland Act 1974

3.47 pm

The Secretary of State for Northern Ireland (Mr. Tom King): I beg to move,

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1987, which was laid before this House on 30th April, in the last Session of Parliament, be approved.

I welcome this opportunity, early in the new Parliament, to discuss the affairs of Northern Ireland, and I hope that it will be possible for a considerable number of hon. Members from Northern Ireland to take part in the debate.

At the start it would be right to recognise the fact that one former Member of the House who was a most regular attender will not be taking part. I refer, of course, to the former right hon. Member for South Down. While the House knows—it is no secret—that I had disagreements with him, no one can be ignorant of the fact that we have lost a formidable parliamentarian. He was a man of deep commitment to the House, a respected constituency Member and a person who, whatever his views, was always noted outside the House for his personal courtesy. When I rose at the Dispatch Box I used to be conscious of his eagle eye as he waited for a slip — a legislative inaccuracy or perhaps a sentence ending with a preposition; Ministers were always conscious that they were under the closest scrutiny when he was present.

Against that background and without entering into electoral results, I welcome the new hon. Member for South Down (Mr. McGrady) on an entirely personal basis. I understand that he may be seeking to catch your eye, Mr. Speaker, and I am sure that the House will be interested in his contribution.

On a personal basis, may I say that I am pleased to have the opportunity to move the order. It is no great secret that I expressed to the Prime Minister my willingness to resume my responsibilities, if she asked me to do so, after the election. I did so because I wanted to play some part in the Province at this time, with the need for continuity and for a determined effort after the sad period of non-dialogue that has just taken place. I was anxious to see whether we could have a more productive period.

Mr. David Winnick (Walsall, North): Will the Secretary of State deal with the point raised by the Unionist side during Prime Minister's Question Time, which he may or may not have heard, which was that since there has been no reduction in the amount of terrorism, the Anglo-Irish agreement has been a failure? Is it not a fact of life, and was it not understood from the beginning when the agreement came into force, that violence and terrorism from the IRA or from the other side—but mainly from the IRA — will not end until the terrorists stop their activities? Is it not foolishness and mischief-making to believe that the position has got worse as a result of the agreement?

Mr. King: I shall be saying something about security in the Province, but I certainly accept the hon. Gentleman's statement that there was no question that simply by signing an agreement and closer co-operation a magic wand would be provided whereby terrorists would pack up their tents and walk away. Everyone who knows Northern Ireland knows that that is the position.

The debate and the order for the extension of the period of direct rule follow almost immediately the conclusion of

the debate on the Loyal Address. It might be for the convenience of the House, and especially hon. Members from the Province who were unable to participate in that debate, if I reminded the House of the background to the debate. The Queen's Speech said:

"In Northern Ireland, my Government will seek an agreed basis on which greater responsibility can be devolved to representatives of the people. They will work unremittingly for the defeat of terrorism. They will build upon the constructive relations established with the Republic of Ireland in security and other matters."

I shall comment, first, on security and the economic position in the Province and then I shall say a word about the political position, as I see it.

We said in the Queen's Speech that we would work unremittingly for the defeat of terrorism, and I give the clearest assurance to the House that that is our absolute determination. If we are to realise the full potential of the Province and of the entire island of Ireland in terms of jobs and the quality of life of all the people in the island, terrorism must be defeated, because that, above all, damages the employment prospects of young people and the economic prospects of everyone in the island of Ireland. There is no question that that approach has the overwhelming support of people not just in the Province but throughout the island of Ireland.

I noticed that most offensive phrase used by a certain Sinn Fein member, who said:

"Who will object if with Armalite and ballot box we take power?"

It is significant to note what the achievement of that ballot-box approach is at its maximum, even if one accepts that every person who votes for Sinn Fein is endorsing violence. That is a wild assumption. Only 3 per cent. of the population of Northern Ireland and the Republic of Ireland support Sinn Fein; 97 per cent. support parties which are totally opposed to violence. It is also interesting to note that in the election in Northern Ireland, support for Sinn Fein fell by just under 20 per cent.

It is against that background that I noted a recent editorial in the *Irish News* in Northern Ireland. It talked about the Nationalist position and about the obscenity of the IRA and its recent murders. The editorial said:

"These people do not kill for us. They do not kill for the Irish people and no mandate has been given to them in this island to do what they do."

Against the recent background and the publication of the Sinn Fein document "For Freedom, Justice, Peace", I could not help noticing that four of the most recent recipients of its policy of freedom, justice and peace in Londonderry were a 61-year old woman, a 33-year old man, a five-year old girl, and a three-year old boy, who, in the ultimate obscenity of the Sinn Fein announcement and the IRA statement that appeared later, were casualties because apparently the security forces did not observe the procedures that the terrorists expected them to observe in clearing an area before a bomb went off.

The IRA does not just cause direct casualties; it deliberately inflames and incites sectarian tension. One can see it at present. Anybody who has the inkling of an understanding of Northern Ireland knows that this is the time of the year when it is easiest to incite tension and hatred. The effect of the IRA's action is often to arouse the vicious evil of Loyalist terrorist groups as well. It is despicable for the IRA to provoke the Loyalist extremist terrorist groups and for those groups all too readily to respond. That is why the defeat of terrorism is our top priority. It must be defeated. It must be fought within the law.

We are determined to maintain a high and effective level of security force activity. If I reaffirm briefly the recognition of the whole House for the debt that we owe to the security forces for the work that they do to protect life and limb in the Province, it is because I know that I have the support of the whole House. While I pay respect to their achievements, we know that at present we face a particularly vicious and renewed campaign of terrorism.

If one looks at the cold and sad statistics of casualties — even if one recognises that they include the victims of the internal feud in the Irish National Liberation Army, the terrorists who were shot in the attack on Loughgall and the two terrorists who apparently killed themselves while conducting terrorist activities — the level of casualties obviously is far too high. We face a particularly vicious and callous campaign at present. As I made clear in a debate at the end of the last Parliament, this is being met by the security forces adopting certain measures in support of and in addition to the measures that we were taking before. I recognise the achievements of the security forces in difficult circumstances and I recognise also the steadfastness that the community is showing at present in the face of that campaign, determined as it is to incite greater fear and hatred. I think it right that the House should recognise that.

We shall continue our work unremittingly and, in that respect, I welcome the arrival of my right hon. Friend the Minister of State, Northern Ireland Office. With his considerable experience in the Ministry of Defence and security, there will be no loss of momentum and an absolute determination to carry forward our work for the defeat of terrorism. We shall be determined to do everything that we can to deny the terrorists the resources on which they depend, whether they be money, recruits, weapons or explosives. We shall not hesitate to bring to that work the closest possible co-operation with every nation in the world that can help us in the battle to obstruct the supply lines and withhold resources from the terrorists. Most importantly in that respect, we shall work as closely as we can with the Government of the Republic of Ireland in our determination to eliminate the scourge of terrorism from Northern Ireland and the island of Ireland and bring the guilty men to justice.

The House knows the bald statistics of the economic situation and the serious problem that we face with unemployment. The current rate of unemployment is 18·4 per cent. against 10·8 per cent. for Great Britain. We know how much the search for jobs is hindered and handicapped by the evil of terrorism. We are aware of the deterrent that it can be to investors and the problems that it causes to the expansion of existing companies. If I gave the House a brief summary of the economic position, I would not conceal from it that we face serious problems in shipbuilding, as does the western world generally and, indeed, the entire world. The problems that are faced by Harland and Wolff and by British Shipbuilders are those that are faced throughout western Europe. These are real problems, and especially for Northern Ireland because of the importance of the shipyard to the Province.

The difficulty of agricultural surpluses is having a significant impact on the Province. Given the importance of agriculture to the entire Province, it is a matter of great concern. We are anxious to ensure that in the deliberations

[Mr. King]

on the common agricultural policy and on any measures that exist within the United Kingdom arrangements for agriculture we do whatever we can to help agriculture in the Province through this difficult time.

It would be a great mistake if the real achievement of so many firms and companies in Northern Ireland were not recognised. Having had chances to see industry and having worked in industry all my life before coming to this place, I was surprised, as a new Secretary of State, to find how many outstanding, highly profitable and successful companies are operating in the Province that are a match for anything elsewhere in the United Kingdom and Europe. I recognise the new investments that come into Dupont at Maydown, Fords at Dunmurry and to STC in Monkstown. I recognise also that at GEC at Larne we sought to help the company through a difficult ordering pattern. I hope that that assistance will see it through to a more successful future. In addition, many of the companies that operate in the linen, textile and clothing sector are doing exceptionally well and reporting good order books. The efforts of the Industrial Development Board and the Local Enterprise Development Unit are leading to an increase in the number of jobs that are available and the attraction of a substantial amount of new investment into the Province.

We are anxious to ensure that Government support in ways in which it can be most helpful is applied effectively, and I believe that in training, employment creation and investment support we have a fine and effective range of measures. I still believe that more local initiative is of enormous importance for Northern Ireland and I applaud the initiative of the Northern Ireland chambers of commerce and industry in their support for more local purchasing. It is entirely their own initiative and it is designed to ascertain how Northern Ireland can make its own greater contribution to its economy. The Under-Secretary of State with responsibilities for industry, my hon. Friend the Member for Gosport (Mr. Viggers), has today held a press conference on the pathfinder initiative, which he has launched, which is directed very much to ascertaining how we can stimulate more and more local initiative to demonstrate how Northern Ireland can tackle even more effectively some of the problems of its economy.

I have seen enough now of Northern Ireland to understand that there is a great opportunity for a transformation of the economy if only we can see the scourge of terrorism removed and the achievement of greater confidence in the economy and greater political stability. There is no doubt that all these factors — I would not wish to enter into an argument about which has been the more damaging to investment and jobs in the Province — will play a significant part in the future of the Province. Terrorism has been major scourge but the absence of political progress has been a major handicap as well.

It is against that background that I turn to the direct issues that affect the form of government for the Province. The issues are set out clearly in the order, about which there is particular interest. The order is the result of the Northern Ireland Act 1974, and the House will recall that the Act was introduced to dissolve the Northern Ireland Assembly, to make temporary provision for the government of Northern Ireland and to provide for the election and holding of a constitutional convention. This is the 13th time that an extension of the temporary provisions has been moved, and in so doing I am seeking to extend the period of direct rule. The 1974 Act provided for the election of a convention for the purpose of considering what provision for the government of Northern Ireland would be likely to command the most widespread acceptance throughout the community there. The problem that was identified in 1974 is precisely that which we face now for the 13th time around, and that is the challenge that is before us.

The Gracious Speech made it clear that the Government

"will seek an agreed basis on which greater responsibility can be devolved to representatives of the people."

I should like to set out my views on how we should proceed. We need to be realistic about the present position. It is obvious that we must start from where we are, and in doing so recognise, first, the strengths and weaknesses of the present position. I hope that I carry my predecessors with me in trying honestly and sincerely to provide fair and impartial government for the Province. British Ministers do their best, quite often in difficult circumstances. The system has many defects and I dislike it because it does not provide for an adequate input for local people in Northern Ireland to enable them to have a real say in their affairs.

Mr. James Molyneaux (Lagan Valley): The Secretary of State should not be feeling too sensitive because he happens to be a member of the British Government who are governing Northern Ireland. The real complaint of the people of Northern Ireland is that the 16 Members of Northern Ireland constituencies who come to this place to represent Northern Ireland cannot play any effective part in legislating for Northern Ireland. That is not because a British Secretary of State happens to be in control of Northern Ireland. As we shall see later this evening, the methods are defective.

Mr. King: At this stage, I should not like to go further down that road, but I shall say a word about that aspect, and it may help the right hon. Gentleman. I am conscious that, in some ways, the Province has more distinct political traditions and structures than exist elsewhere in the United Kingdom, yet there is less democratic involvement of people in their own affairs. Of course I accept — this goes some way to recognising the point that the right hon. Gentleman made — that direct rule involves a legislative process which cannot easily give adequate time for consideration to Northern Ireland primary legislation.

I talked about a lack of involvement. There is also the problem of local government. Macrory advised that strategic services — for example, roads, town and country planning and water — would be better in single Province-wide authorities, but that was envisaged within the context of a Northern Ireland regional government. When he put that view forward, it certainly was not envisaged that it should be operated by central Government in the way it operates at present. The effect of the loss of the Assembly and the Executive was that Northern Ireland lost any chance to have a serious involvement in overseeing local services.

Those are far from ideal situations. Certainly, it is against that background that the House may understand that we are willing to consider changes in arrangements to determine whether it is possible to agree ways of improving the difficulties that we perceive.

Mr. Ian Gow (Eastbourne): In view of what my right hon. Friend has said, and since he wishes to have greater involvement of the people in Northern Ireland local government, it is difficult for some of his hon. Friends to understand why he has abandoned the policies that were set out in the 1979 manifesto. In that manifesto we said that, in the absence of devolved government, we would seek to set up a regional council of councils with widely devolved powers over local matters. Why has my right hon. Friend abandoned that policy?

Mr. King: I am in some difficulty on that point. I certainly did not abandon the policy; it was abandoned well before I arrived in my present position. With great respect to my hon. Friend, he was probably closer to some involvement in the matter at the time. I am not sure exactly what the reasons were for its abandonment. I do not wish to make any unhelpful comments on the matter. My hon. Friend knows the situation. That policy was abandoned —it was not in our later proposals—and an alternative approach was adopted by Mr. Jim Prior when he was Secretary of State.

Mr. Michael McNair-Wilson (Newbury): I interrupt my right hon. Friend to pick up the point that he made about the lack of local representation of political parties in Northern Ireland in their own Province and in the way in which they are governed. If my right hon. Friend looks around the Chamber he will see representatives of nearly all political parties. Therefore, we have here a microcosm of what could be in Northern Ireland. He could set up a Northern Ireland Select Committee straight away and give Northern Ireland hon. Members a say in the way in which their Province is governed. Will he consider that?

Mr. King: I am grateful to my hon. Friend. He raised one possible approach. I shall not endorse or accept any one approach. I strongly believe that we need to discuss a number of ideas that might be helpful, any one of which is preferable to non-dialogue and a refusal or inability to talk. A number of ideas—I shall not rehearse them in the House—involve problems and difficulties. I give my hon. Friend an absolute assurance that they must be looked at seriously and constructively. The point that my hon. Friend raised is only part of the issue. Of course, we must address how such a structure would operate in meeting concerns on a widely acceptable basis. That issue must be addressed.

Mr. John Hume (Foyle): Would the Secretary of State agree that powers were removed from local government in Northern Ireland in the first place because they were seriously and substantially abused and that the behaviour of local authorities in the past 18 months does not give reason for any confidence to assume that they will behave any more responsibly in the future?

Mr. King: I can understand why the hon. Gentleman said that. It is absolutely clear that the House will not endorse any arrangements that are not seen to be fair. It is not a matter of trying to brainwash or persuade me. At the end of the day, any new arrangements will have to carry the support of the House. The House will not support anything that it believes does not establish fair and effective protection for the minority. Those are the tests that we shall have to pass. None of us is an entirely free agent. Those are the problems that will have to be addressed.

One other aspect of the present situation gives rise to concern. It arises through the Anglo-Irish Agreement and, in particular, the Inter-Governmental Conference. The arrangement gives the minority community an increased confidence that their interests are carefully considered and given proper weight. At the same time, I have to accept that Unionists certainly consider themselves to be excluded from the process and that they consider that their interests are not given proper weight. In this connection, it is of course true that, under the terms of the agreement, we are due to have a review of the working of the conference next year. I am well aware of the feelings of many people in the Province about aspects of the Anglo-Irish Agreement. Some reflect profound differences of view, but some reflect clear misunderstandings about aspects of the agreement, the conference and its work. Having said that, although I understand the concerns, it is obviously important for everybody who cares about the future of the Province to seek an end to the period of non-dialogue, which has damaged the image of the Province. Some Unionists and, indeed, others, have stated or implied that they have a vision of arrangements for the government and administration of Northern Ireland which would be more widely acceptable—acceptable to Unionists and nationalists alike—than these.

Of course, I understand why, in advance of the election, many people did not wish to advance their positions and perhaps waited to see what the outcome of the election would be. Now that the election is over, it is time to look forward to see whether there are any opportunities for more constructive discussions. It is in that spirit that I note the submission of an abridged version of the task force report to the right hon. Member for Lagan Valley (Mr. Molyneaux) and the hon. Member for Antrim, North (Rev. Ian Paisley). Obviously, I shall wish to study that report. I hope that it might contribute to a movement towards dialogue in which, in due course, the constitutional parties in Northern Ireland can discuss ideas with the Government. It is in everybody's interests that talking must resume soon. I do not say that only in respect of the Unionist position. One would also look for a constructive response from constitutional Nationalist parties.

I recognise the clear distinction that is drawn between the need for exploratory discussions to see whether it is possible for anything approaching talks to take place. There is a case for such discussions to start without prejudice or precondition. It would be sensible for them not to start with any great expectations or necessarily at any high level. They should determine whether, through initial discussions at whatever level, it is possible to move to more serious talks or negotiations. I want to make it quite clear on behalf of the Government that in that process we are ready to play whatever role that the parties would feel helpful. We are ready to listen to constructive ideas from any quarter and without preconditions. It is in the interests of all the people in the Province for the talking to start soon.

Mr. Molyneaux: On reflection, does the Secretary of State not feel that it might be wiser to use the first term that he used, which was "without prejudice", than to say "without preconditions" because there is a difference?

Mr. King: The right hon. Gentleman may accept whichever of the terms he finds suitable. We are ready to embark on an exploratory process on whatever basis seems most convenient to those concerned in terms of the level

[Mr. King]

at which discussions might take place. It is not a question of laying down anything in advance. At this stage we do not even know where we are and we need to explore the ground to see what might or might not be possible. Against that background I am trying to show the right hon. Gentleman that the Government are willing to respond if the will is there.

Mr. Tony Baldry (Banbury): Will my right hon. Friend confirm that if the Anglo-Irish agreement is to succeed we must all have confidence that the Republic of Ireland will honour the undertakings that it has given? Will my right hon. Friend confirm that as far as he is aware there is no basis for the suggestion in some Sunday newspapers that the Republic will not honour the extradition arrangements to which it has committed itself? If the Republic does not honour that commitment it would cause considerable concern to those hon. Members who support the Anglo-Irish Agreement and who are confident that the present Government of the Republic are as committed to the agreement as their predecessors.

Mr. King: I know of no basis for any suggestion that the commitment will not be implemented. I certainly confirm that we attach great importance to that. As I said, I am moving for the 13th time an interim period extension order. That might persuade many people that the problems of Northern Ireland are totally insoluble and that there is no prospect of any improvement. Sadly, one can think of many corners of the world where the problems seem totally insoluble.

Despite the problems and difficulties that are easily recognised in the Province, there is a growing recognition that things need not be as they are. About 97 per cent. of the people in the island of Ireland, including a substantial majority of the minority in Northern Ireland support the right of a Northern Ireland majority to determine its own future. The majority of Unionists support equality of treatment and opportunity for the minority community. The majority says it recognises the importance of good relations with the Republic of Ireland and recognises that, undoubtedly and in whatever form, there is an Irish dimension. Given those elements, Northern Ireland is not the insoluble problem that some people represent it to be.

There are good components in the situation and if we can build upon them they will provide the opportunity for real progress. That is what the overwhelming majority of people in Northern Ireland now want in a new approach. Clearly, there is a challenge to all hon. Members and to all people who care about the future of the Province to see that such a new approach is made. In that spirit I commend the order to the House. Of course it is not an end in itself because it is the most interim of orders, but it will provide the opportunity for real progress to be made.

4.25 pm

Mr. Peter Archer (Warley, West): I am happy to begin by endorsing a number of the propositions by the Secretary of State. First, we are pleased to see him back in his high office — if it had to be someone from the Conservative party. I can go no further than that. Secondly, I record our pleasure at seeing right hon. and hon. Gentlemen from the Unionist parties in their places. I hope that they will continue to participate in our debates. We may not always agree, but I hope that they will accept that we genuinely want to see them participating in constitutional politics.

Thirdly, we look forward with pleasure to the maiden speech of the hon. Member for South Down (Mr. McGrady). I hope that the hon. Gentleman will accept that it is no reflection on him when I say that I agree with the Secretary of State about his predecessor. However frequently we may have disagreed with him personally, he will be missed in the House. Fourthly, I agree with the Secretary of State that an island on which people can live in peace can concentrate on the interests that they share rather than those which divide them and are free to live their lives as they wish cannot be achieved by the politics of division and recrimination. Those things certainly cannot be achieved by way of corpses and broken families.

Before I endorse any more of the propositions by the Secretary of State, I should like to return to what he said about the subject that we are debating. That is whether the present arrangements for direct rule should continue for another 12 months, or at least until the House decides to change them. There can only be one answer to that: if Northern Ireland is to be governed, the present arrangements must continue until there is a measure of agreement about an alternative mode of government. That does not imply that we are happy with direct rule. I doubt whether any party in the House or any hon. Member would argue for direct rule as a first choice. Perhaps for some people the principal argument for direct rule is that it does not represent the first choice of anybody else. We have all frequently ventilated its shortcomings and I do not propose to delay the House with a further recital of them.

Northern Ireland is governed by a Government who electorally have nothing to fear from alienating people in Northern Ireland and nothing to gain by pleasing them. If every hon. Member except those who take the Conservative Whip were to vote in a Division, our arguments and votes would be submerged by the tramping of conforming southern English feet through the Government Lobby. That situation was not brought about by the electors of Northern Ireland and it is the negation of representative government. I do not blame the Government for that because they did not plan for it to happen. No one planned it, and no one welcomed it. It is not an example of colonialism in the corridors of Whitehall. I almost wish that it were, because it might make the Government cherish their powers and reflect on how to use them. It is quite the reverse.

The Government, and particularly, I suspect, Government business managers, clearly regard direct rule as an unwanted burden. It has all come about because of the tragic dialectic of Irish history which has almost the unfolding inevitability of a Shakespearean tragedy. Direct rule is there, and two consequences follow for those who have eyes to see.

Ms. Clare Short (Birmingham, Ladywood): Does my right hon. and learned Friend agree that Ireland's major tragedy is that it was partitioned? Is he saying that that was inevitable also, or does he agree that that is the root of the present tragedy?

Mr. Archer: I agree with my hon. Friend that that is the root of the present tragedy. We could perhaps engage in a philosophical argument about how many events in history were inevitable. I suspect that, given the people's

environment, background, education and folklore, there was a certain inevitability about what followed from that. However, perhaps this is a profitless discussion that my hon. Friend and I can take further privately.

Two consequences follow from direct rule. The first is, that, while it continues, the Government should be alert to the need for sensitivity. If the people of Northern Ireland are to feel that their grievances are even discussed, let alone redressed, through constitutional democratic politics, it is important that someone should be in a position to make their case adequately and without pressure of time, and that those in a position to take decisions should listen to the argument and not simply respond wearily and predictably at the end of the debate in defence of policies that have already been agreed without consultation.

I agree with the right hon. Member for Lagan Valley (Mr. Molyneaux) that it all depends on the way in which direct rule is treated in this House. That means having a Government who respect the rights of those in opposition, and who treat Northern Ireland debates with a new measure of respect. There is no better example than the way in which the Government have dealt with today's business. Today the Government have invited the House to consider four items of Northern Ireland business. If that business related to Great Britain, or specifically to Scotland or Wales, each would have merited a full day's debate. That is in no way to complain about the respect that is accorded to other regions. Such would have been their due in any democratic process. But because the business relates to Northern Ireland, the Government devote one day's business to all four items.

Mr. Molyneaux: Just in case the right hon. and learned Gentleman should alarm the Patronage Secretary, I should point out, with great respect, that it does not mean quite what he suggested. Arrangements could be made to ensure that the total burden on the Government's time on the Floor of the House could be curtailed but there could still be effective scrutiny, and effective criticism could still be brought to bear on any legislation. However, the right hon. and learned Gentleman knows that that point can be considered on another occasion.

Mr. Archer: I have not yet ventured to suggest what it would mean in this case. The right hon. Gentleman and I have participated in a number of discussions about this. Again, it is a matter on which there is a wide measure of agreement between us.

Rev. Ian Paisley (Antrim, North): Is it not a fact that it is not the length of the debate that is important, but the right of hon. Members from Northern Ireland constituencies to move amendments and to have the opportunity to vote on those amendments? Even if there had been three days of debate on these orders, they would be meaningless because we cannot do what any other hon. Member from any other part of the United Kingdom can do, which is to move amendments on the Floor of the House.

Mr. Archer: I was coming to that point. I hope that the hon. Gentleman will agree that, even if there were the right to move amendments, if there were no time in which to discuss them, the entire procedure would be frustrated. Clearly we need to seek both.

This debate is about the way in which Northern Ireland is governed. I am told that it is hoped to dispose of it in something like three hours; if not, as I understand it, it will proceed until a late hour tonight. We shall then consider the Appropriation order, what in relation to Great Britain we would call a Supplementary Estimates debate, embodying the entire constitutional principle of the redress of grievances before Supply. But this is a Northern Ireland order and it will be accorded three hours debate, if the time is available. Then, hopefully, at 10 o'clock, or such later hour as it is reached, we shall embark on a debate about the future of the electricity industry in Northern Ireland. It is difficult to imagine a more controversial subject. The Government will seek to justify their entire case for privatisation——

Mr. Tom King *indicated dissent.*

Mr. Archer: I am interested that the right hon. Gentleman suggests that they will not. Perhaps they will take the House for granted and they will not even try to make out their case. Perhaps it is a measure of how much there is to be said in favour of the idea that the Government do not envisage taking long over it. But consumers in Northern Ireland will certainly want to know the answers to some important questions. The whole trade union movement is waiting to hear whether the Government are committed to a more secure future for the electricity industry than they were for the gas industry.

As the right hon. Member for Lagan Valley (Mr. Molyneaux) said, this business could have been dealt with by way of a Bill, with a Second Reading debate, a Committee stage, a Report stage and a Third Reading debate. I am not suggesting that all of that was necessary. If it had related to Great Britain, there would certainly have been a full day's debate on Second Reading, but because it is about Northern Ireland it is introduced by way of an unamendable order and a debate that is limited to an hour and a half. The House will then proceed, in a further hour and a half, to discuss the future of jury trial in Northern Ireland.

I do not blame Ministers in the Northern Ireland Office because I do not believe that their opinion of the Government's business managers differs greatly from mine. The difference is that they cannot say so and I do not ask them to comment on it. But if the Government allow their business managers' tail to wag the Northern Ireland Office dog, that reflects the view that the Prime Minister and the Cabinet take of Northern Ireland business and of the people to whom it relates.

If we are to have direct rule for the foreseeable future, the least that we can do is to make it work as any democratic system of government should work, with proper consultation, adequate time for debate, and an effective debate, in the sense that the Government can be seen to listen to what is said. I was pleased when the Secretary of State said that the Government were prepared to embark on discussions. We have been asking them to do so for a long time. Any repentant sinner who returns to the fold will be welcomed. Now, as I understand it, there is no hon. Member of any party who would not be prepared to take part in such discussions. So may we try again? That is one of the consequences——

Sir Eldon Griffiths (Bury St. Edmunds): Does the right hon. and learned Gentleman agree that one of the mischiefs of our present procedure is the damage that it does to parliamentary debate in the sense that an unamendable order, in theory, proceeding from the master

[Sir Eldon Griffiths]

legislation passed by the House, may in some cases in Northern Ireland be different in spirit and in detail from the general legislation? However, because there is no means of seeking to amend such orders, there can be passed, as there was in the previous Session, orders that conflict with the spirit of the master legislation from which those orders proceed. That is a mischief to this House as well as to Northern Ireland.

Mr. Archer: I agree entirely with the hon. Gentleman that there are two possibilities. There may be legislation in relation to Great Britain that has already passed through the House. Certainly none of us would subscribe either to the principle that it should be applicable automatically to Northern Ireland without debate, or that there should necessarily be differences between the two sides of the water, without debate. But tonight that position is reversed. Northern Ireland will be the pilot scheme and, in due course, the House will be faced with the situation in which somebody will say, "This is what was done in Northern Ireland and the House has already debated it." The House will have debated it in an hour and a half. I shall not labour the point because I am sure that the Secretary of State understands that there is a wide measure of agreement about it. This might be the moment and perhaps this is an idea whose time has come, even if it is only a modest idea.

That is one of the consequences that follows from a recognition of the present position. The second is that we should look for ways of seeking agreement on how to break away from direct rule and return the power to make decisions to Northern Ireland on a basis in which people of both traditions can have confidence. I am not speaking of finding an ultimate solution because the solution may itself be a process. But we must begin by finding ways in which the community can manage its affairs in peace, with neighbour living alongside neighbour—not because they will always think the same, but in spite of their differences.

That will entail two processes. First, if political discussion is to have any future in Northern Ireland, it has to begin with the pragmatic business of daily life between people who may disagree about matters of grand principle and the constitution. It is on the practical decisions divorced from sectarian issues that the Government might demonstrate their readiness to consult.

Let me give a modest example—the Belfast urban area plan. We have all seen the commendable recovery of Belfast city centre since the 1970s. I know that the Government have taken great pleasure in it, and it is a pleasure that we share. However, one does not have to travel too far from the city centre to find communities which feel that all the prosperity has passed them by. The conditions in which they live serve only to point the contrast. The Department of the Environment in Northern Ireland has published imaginative proposals for a Belfast area plan for the development of the whole area up to the year 2001. This is not the occasion to discuss their merits or failures, so I shall not. But there is clearly a great deal to discuss.

We might have expected the Department to encourage the fullest consultation among the people of Belfast and the various community groups. We might have expected it to make available all the information at its disposal so that discussion could be as fully informed as possible. Instead there is to be no equivalent of what, in relation to structure plans in England and Wales, is called the report of survey. Whether that is because the Government did not discover the information before they made their plans or whether they regard the information as a closely guarded secret, I do not know. I understand that the people of Belfast are not to be given that information.

The time limit for lodging objections to the plan was six weeks. How it was to be hoped that people would read the proposals, convene meetings of organisations, conduct discussions and submit objections in that time is not clear, particularly as the Government announced the general election in the middle of the consultation period. I am seeking not to embark on a discussion of the plan but to point out that one essential factor of public confidence in either direct rule or in any attempt to move away from it is for the Government to demonstrate their willingness to consult the public individually or through political parties or community organisations into which people would channel their views.

If a way forward is to be found, a second necessity is an element of humility all round. That quality is not greatly in evidence among Ministers, nor among political leaders generally. When the meek inherit the earth, there may be a few changes around here. However, the unionists' task force, to which the Secretary of State referred, has just produced a report called "An End to Drift". It is about discussion between representatives of the unionist people and the Government with a view to subsequent, more formal negotiations. As the Secretary of State reminded us, they would be without prejudice, in the sense that no one by embarking on them would be held to have resiled from any view that he had previously expressed or to have committed himself to anything except a desire to find a way forward from the stalemate. The report proposes that no matter should be excluded from the negotiations, so an attempt by any side to dictate the conclusions before the talks begin would not be part of the arrangements.

If I understand those proposals, they would represent a significant change in the position of the Unionist leaders because they would no longer require the pre-condition that the process of the Anglo-Irish Agreement should be suspended. Presumably that is one of the objectives that they would hope to achieve, but they would not defer beginning the talks until it had already been achieved. If the Government are proposing an agenda based on that and the unionist leaders endorse the proposals, that would not be taken as a sign of weakness but hailed as a constructive gesture.

As a necessary first step, the report proposes a unionist convention which would presumably work out an agenda that commended itself to all those on the unionist side, as in 1985 the report of the new Ireland forum proposed an agenda agreed by all groups on constitutional measures. Then the bargaining on the two sides would begin. No one pretends that this will be an easy or speedy process, but it may lead to agreement on the first steps back from the present blind alley. If that can be achieved, there will be time enough for further agreement, step by step, along a more hopeful road.

I hope that the leaders of the Unionist parties will feel able to encourage the proposals, and I hope that the Government will display some flexibility. I know that the Secretary of State said that on certain matters Government flexibility might not be acceptable. It is a

difficult balance to maintain, but I hope that the Government will display some flexibility because that too would be indicative not of weakness but of strength. The Opposition will do their best to reap the blessings that fall to the peacemakers.

This all sounds modest, but in this situation modest progress would be a worthwhile achievement. We may find that we enjoy talking together and it may become habit-forming. It may be the beginning of a process that will lead to the day when the Government can come to the House to ask not for the renewal of direct rule but for the endorsement of a new and more hopeful phase in the affairs of Northern Ireland.

4.46 pm

Rev. Ian Paisley (Antrim, North): I pay tribute to one of our colleagues who has not returned to the House. His name has already been mentioned by the Secretary of State and the right hon. and learned Member for Warley, West (Mr. Archer). Whether one agreed with Enoch Powell or not, without doubt he was a great parliamentarian. I am glad that he was able to scare the Secretary of State with his eagle eye. Unfortunately, I look only at the back of the Secretary of State's head rather than at his face. The departure of any great parliamentarian, whether or not one agrees with his principles, is a loss to the House and our debates. As the House is aware, I had many differences with the previous right hon. Member for South Down. Nevertheless, on one matter we were agreed — that Northern Ireland is an integral part of this United Kingdom.

Although he may not be a Member of the House of Commons, I trust that Mr. Powell will soon be a Member of this Parliament in another place. That should be his role in the future. I do not suppose that the hon. Member for Foyle (Mr. Hume) will have any objection to that, as he will not be nominating people for that list.

It will not surprise any hon. Member to hear me say that I oppose direct rule. Even without the issues of the reign of terrorism in Northern Ireland and of the controversy surrounding the Anglo-Irish Agreement, I would still oppose direct rule. This has been discussed a little across the Floor of the House today, so I do not want to proceed with a long discussion on that matter.

Let me give an illustration. I understand that next Tuesday evening the House will be asked, at or after 10 o'clock, in an hour and a half to sweep away laws that have applied in Northern Ireland for many years governing the closure of public houses on the Lord's day, the Christian Sabbath. Such a debate about any part of the United Kingdom requires much longer.

The Home Secretary has told us that there will be a radical change in licensing laws in other parts of the United Kingdom. Such a change will be given proper debate in this House and there will be opportunities for hon. Members to move amendments and put their point of view. However, by a stroke of a pen, something that is extremely near and dear to a vast number of people in Northern Ireland is to be swept away—let me say swept away in an undemocratic manner—in this House next Tuesday night.

I do not wish to dwell on that matter today, but let me say this: when Scotland and Wales had a similar problem, there were all sorts of discussions about local options and about giving people the right to exercise a vote on the issue. However, Northern Ireland representatives will not even have the opportunity in this House to move any such amendments. Instead, the law will be radically changed. It is not only Protestants who object to the Sunday opening of pubs. I represent people in Antrim, North, Roman Catholics, who have come to me and said, "We don't want the pub open in our village on Sundays." I have also been visited by people who work in the liquor industry who say that they do not wish to work on Sunday. It is that sort of thing which causes a souring and poisoning against the way in which these matters are taken in this House.

I have no desire to give any credibility to the type of debate in which I am asked to speak when it is totally impossible for any representative of Northern Ireland to do his duty on this issue as he could do if he was an hon. Member from any other part of this United Kingdom. I trust that the Secretary of State will realise just how we feel about this particular matter.

I listened with great care to the Secretary of State. I do not agree with two of his points. I was extremely critical of his comments on the terrorist campaign. I do not believe that they will stand up to examination. Also, I am not so sure about the economy. With regard to the right hon. Gentleman's comments on "political circumstances", I promise him that I shall read that part of his speech with great care. I believe that, today, the Secretary of State at least approached this matter with the sensitivity with which it should be approached and I am prepared to read that part of his speech. I could accept his tone, but I must find out what he really said and then I will comment on that. I am sure that all my hon. Friends would agree with me.

I must put the right hon. and learned Member for Warley, West (Mr. Archer) right, because his explanation of the task force report is totally erroneous. I must put that report into clear perspective today. The report did not say that we should enter into negotiations without prior conditions. We said that we should have terms. I know that the right hon. and learned Gentleman will seek to jump up, but I have also read the report and passed it almost believing that I needed to study it in such a way that I would believe in its verbal inspiration. I appreciate what the right hon. and learned Gentleman said about a convention—it was to this convention that the words "without prejudice" were applied. The report stated:

> "In addition we suggest that the Unionist Convention be invited to endorse the demand for an alternative to and replacement of the Anglo-Irish Agreement, and the commencement of 'without prejudice' discussions with Her Majesty's Government thereto."

That needs to be made clear.

I know that the right hon. and learned Member for Warley, West was seeking to be helpful, but may I say to him that the talks that we have in mind are talks without prejudice and without preconditions on one single issue — is it possible to find agreement with the Government so that there can be negotiations about

> "an alternative to and replacement of the Anglo-Irish Agreement".

If the agreement has not worked out — to put it in a slightly different way, if it does not deliver to either side of the community what it is supposed to deliver—surely we should be seeking to quote from the scripture in "a more excellent way". We should also seek to establish if there is the will. Let me say that in our joint Unionist manifesto—let no one in this House think that there has

[Rev. Ian Paisley]

been a sudden change of mind because that manifesto was written and published long before the task force report —we said:

"We are offering the consent of the Unionist community in exchange for a fair, equitable and reasonable alternative to a Pact that has left a trail of death and destruction and a legacy of division and instability."

That is the offer that the unionists made in their manifesto. Let me underline that offer for the instruction of the right hon. and learned Member for Warley, West so that he will know exactly what we are after. The manifesto also stated:

"We will urgently seek to ascertain whether the new government is prepared to create the circumstances and conditions necessary to encourage successful negotiations, including the suspension of the working of the Agreement and of the Maryfield Secretariat."

Thus, talks "without prejudice" are simply to see whether we can possibly have such negotiations. I hope that I have spelt that out with absolute clarity because I do not want anyone to say, as the right hon. and learned Member for Warley, West has said—I know that he said it without malice — that there has been a sudden, complete and total reversal of what we maintained in the past. We have always said that we did not want confrontation. We want consultation and we now hope that we can have such probing talks to achieve that end.

The manifesto also said:

"The path ahead will not be easy".

No one need think that because we come round a table and talk we will suddenly see our way out of this difficulty. It will be an extremely difficult task. Whether we like it or not, a polarisation has taken place in our country such as we have never seen before. That polarisation has now overspilt on to the workshop floor where it has never occurred before——

Mr. Seamus Mallon (Newry and Armagh): Come on! Where has the hon. Gentleman been living?

Rev. Ian Paisley: I am quoting the trade unions and I am quoting what the right hon. and learned Member for Warley, West has said over and over again when he has congratulated the work people of Northern Ireland when they have not allowed such things to overspill on to the workshop floor. If the hon. Member for Newry and Armagh (Mr. Mallon) has not heard those debates he should get down to *Hansard* and read exactly what was said. If the hon. Gentleman is saying that the entire controversy has always existed on the work shop floor, that there has been polarisation among the unions and that there has always been fighting on the workshop floor, I utterly refute that with the authority of the trade union movement. That movement has never said such a thing.

One cannot change the attitude of people by a secret meeting between paid officials of a union who are not present on the factory floor and who have never even consulted their own shop stewards. Let me get this into the open so that we will know what we are talking about. Gallaghers factory is in my constituency. It is a good factory and provides employment for Roman Catholics and Protestants, nationalists, republicans and loyalists. Unknown to the shop stewards of the factory, whom I have met, together with the managements, certain officials of the union signed an agreement saying that in the future no flags or bunting would be put up inside the factory. The first time that the shop stewards heard about that was when they were given a document by the management, not by the unions.

Ever since the factory was built, on the anniversary of the Somme, Union flags were put up on certain machines on the factory floor. No political emblems were put up. As a result of the document the management moved in and said, "You can't have that." The management said—the Secretary of State should read the document — that it was illegal under new legislation to put up the Union flag. I do not accept that. I would like to see where that is written. At the end of the day the management, myself and the trade unions, not ordinary workers, had a meeting and came to a reasonable agreement about this matter. However, forces outside the factory, including the spokesman for the Social Democratic and Labour party, Mr. Sean Farran, said that the management had bowed to what I had said. The management did what was right in the circumstances with the shop stewards and the people who know what is happening in that factory.

If the House thinks that it will change traditions that have existed for years, it must realise that it cannot do it and will not do it. The flag will fly. The hon. Member for Foyle (Mr. Hume) knows that. We all know that. We are not foolish. We know what is in people's hearts and minds. I know of other factories that are republican and they have their flag flying and pictures of the hunger strikers around the wall.

Mr. Mallon: I am grateful to the hon. Gentleman for giving way in this debate on the renewal of direct rule and on the enormous problems that face the north of Ireland. Is there some significance in the fact that almost the entire speech of the hon. Gentleman has concentrated on the drinking of pints on Sunday and the flying of flags in certain factories in the north of Ireland? Is it not indicative of the attitude towards those problems that he concentrates on what are peripheral symbols and items that are peripheral to the real problems that face the people in the north of Ireland? Will the hon. Gentleman address the real problems for a change?

Rev. Ian Paisley: We have heard a timely comment that the national flag is only a peripheral matter to the hon. Member for Newry and Armagh. He wants it to be on the periphery and then he wants to put it out altogether. The hon. Gentleman had better learn that spiritual values in regard to the keeping of Sunday go right to the quick of the vast majority of people in Northern Ireland, and when he is touching that subject he is touching something with which his republicanism will never interfere. I shall make my speech in my own way. All the organisations in Northern Ireland which do not have the religious views that I have say that there are far too many outlets for alcohol. I am sure that the hon. Member for South Down (Mr. McGrady) may have a different view from that of his hon. Friends the Members for Foyle and Newry and Armagh. I do not want to keep the hon. Member for South Down from making his maiden speech. All I can say is that the House needs to recognise some realities. The things I am talking about are realities. They go right to the heart of the matter. I trust that on this day in the House we will get down to the real basics concerning Northern Ireland.

I was in the House when Stormont was abolished. There was a sense of euphoria. Everybody said, "It's all over." In fact, even the Prime Minister told us that there

would be peace at last. I said, "You do not know what you are talking about. You will have only bloodshed and violence."

People talk about 50 years of misrule. I was never a member of the Government in Northern Ireland so they cannot blame me for any misrule. I was never there and nor was the leader of the Ulster Unionist party. The right hon. Member for Strangford (Mr. Taylor) was there for a while. If we look at the record of those 50 years and then look at the record since we have had direct rule, we can see the tombstones we are erecting every second day in Northern Ireland. The House needs to ask itself whether it made the right decision on that day. All I can say is that we do not rule our Province. If there are no civil rights in Northern Ireland, there is a conference—[*Interruption.*] If there are things in Northern Ireland that the Ulster Members on the Opposition Benches do not like, the Secretary of State is the man to blame. One should not blame the unionists, because they have no power. What is more, I was amazed when the Secretary of State made a confession. He said that the people of Northern Ireland have less say. Then we had the Anglo-Irish Agreement which, in my opinion, gives us even less of a say.

In the mood it is in it would be wise for the House to try to see whether we can find a way to resolve the difficulties. I will pledge myself and any ability that I have to see that my part is done. I will do my part because I have a stake in Northern Ireland. I want to see my family grow up there. I want to see my grandchildren grow up there and I want it to be a place where there can be real peace, real stability and real reconciliation, not meaningless names and more death among our people. It will not be an easy road. I think that the Ulster Members on the Opposition Benches know that. It will take a lot of dedication and all the strength that we can bring to the task. It is a task worth taking on and if we make progress those coming after us will at least be able to thank us for doing our bit on an evil day.

5·9 pm

Mr. John David Taylor (Strangford): There is a feeling of deja vu in this debate because, as the Secretary of State so accurately pointed out, this is the 13th occasion on which a British Government have had to renew by order the system of government in Northern Ireland. That system was originally introduced by the right hon. Member for Morley and Leeds, South (Mr. Rees) who said that it was a temporary measure, one year or so, and then a system of government would be restored in Northern Ireland. Now, some 15 years later, we are still talking about the possibility of devolved government in Northern Ireland.

It was, of course, the right hon. Member for Old Bexley and Sidcup (Mr. Heath) who abandoned devolved government in Northern Ireland. During the debate in 1985, when we discussed the Anglo-Irish Agreement—which was not passed as a matter of law by this House, but simply as a motion of approval—he said that one of the great weaknesses of English politicians is that they do not understand Ulster politics. Those were the first wise words that he ever said about Northern Ireland. Certainly, his career over the years proved that he knew very little about Northern Ireland. In fact, it has been shown recently that his love for Northern Ireland is bettered only by his love for the Prime Minister. I am sorry that the right hon. Member for Old Bexley and Sidcup is not in the House this afternoon because he and those who have followed him to destroy devolution are now trying to restore devolved government in Northern Ireland. There seems to have been irony in the attitude of English politicians towards Northern Ireland during those sad years since 1972. They, and no one else, must accept responsibility for that period. They must accept the responsibility for the tragedy that has developed in the Roman Catholic and Protestant communities in Northern Ireland.

We recently had an election. That election produced a stalemate in Northern Ireland. The SDLP did not benefit from the Anglo-Irish Agreement, as English politicians promised it would. In fact, Sinn Fein defeated the SDLP in the one real contest between them in Belfast, West. Of course, there has been a change in South Down, the constituency to the south of mine. However, as we well know, that was caused by tactical voting. "Get the Brit out" was the message, and the voters were successful.

I am sorry that my former colleague, Mr. J. Enoch Powell, the former right hon. Member for South Down, is no longer a Member of the House. Hon. Members on both sides of the House have paid tribute to him and, as an Ulster Unionist, I want to add my support to those who have praised him. As a party, the Ulster Unionists will miss Mr. Powell. Ulster will miss him and this Parliament will miss his many contributions on a wide variety of subjects. I hope that, for many years ahead, he will still be able to pronounce in public on behalf of the whole of the United Kingdom.

The Anglo-Irish Agreement does not seem to have had any effect in the United Kingdom general election in Northern Ireland. In Northern Ireland, more than 400,000 unionists once again proved that they were rock solid against Dublin rule in that part of the United Kingdom. They expressed yet again their solid opposition to the existence of Eire civil servants in Maryfield, near Belfast. The only place where the agreement played a part was in Scotland. The Anglo-Irish Agreement assisted in the defeat of nine Tory candidates and almost defeated two Tory Cabinet Ministers—the right hon. Member for Ayr (Mr. Younger) and the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind).

Mr. Mallon: They believe it.

Mr. Taylor: Indeed, they believe it. They say so, and the papers say so.

The Anglo-Irish Agreement has failed. We were told by the Prime Minister and the agreement's supporters that it would bring stability. In fact, it has increased instability in all aspects of life in Northern Ireland. We were told that it would bring about reconciliation in Northern Ireland. Instead, it has created bitterness that we have never experienced before in the Province. Even Cardinal O'Fiaich, at the end of last year speaking in Dublin, said that he had never known feelings in Northern Ireland to be worse.

We all know the sad statistics about security. When the former Under-Secretary of State for Northern Ireland replied to the debate on the Anglo-Irish Agreement, he said that we have seen a great period of decline in terrorism in Northern Ireland. He was right. In 1983, 1984 and 1985 we saw a continual fall in terrorist activity in Northern Ireland. However, since the agreement was signed in November 1985, there has been a steady increase in terrorism in all parts of Northern Ireland. Once again, that is attributable to the Anglo-Irish Agreement.

[Mr. Taylor]

Of course, we were assured of other things by those who still try to support the Anglo-Irish Agreement. We were assured that the Dublin Government would bring about extradition. What has happened to that extradition, 20 months after the signing of the Anglo-Irish Agreement? Even Dr. FitzGerald postponed extradition until December of this year. Our suspicions are beginning to be aroused that the new Prime Minister of the Republic of Ireland will postpone the introduction of extradition indefinitely.

We were told that the Anglo-Irish Agreement would bring about support for the Royal Ulster Constabulary from the SDLP. Once again, we know that when the former Foreign Minister in the Republic of Ireland, Mr. Barry, encouraged members of the Catholic minority to join the RUC, he was criticised by the hon. Member for Newry and Armagh (Mr. Mallon), speaking on behalf of his leader and the entire SDLP.

Mr. Hume: That is right.

Mr. Taylor: Indeed, the hon. Member for Foyle (Mr. Hume) has confirmed that.

That is the present position, and that is why we laughed when the Secretary of State said that we must start from the present position. So we must. The present position is that the Anglo-Irish Agreement has been disastrous for everyone in Northern Ireland.

I believe and hope that somewhere there must be a way ahead for the Province, and many people in Northern Ireland would agree with that. We have been through a nightmare, and we hope to replace that nightmare with dreams. We have had hatred, and we must replace that with love. Above all, we have had much despair, and we must raise the hopes of our people, but not falsely. There is a great danger that we might do that now in Northern Ireland. We might build up hopes which then melt away.

"Let us have talks" is the cry today in Northen Ireland from some who perhaps have not analysed the situation sufficiently closely. Talks with whom and talks about what? First, I want to consider with whom the talks should be. I notice that invitations have been sent to Her Majesty's Government for inter-party talks in Scotland. The Scottish Tory party immediately rejected the idea of any round-table talks with the Scottish nationalists and the Scottish Labour party. However, they take the reverse position in Northern Ireland. The inconsistencies of Government policy in Scotland and Northern Ireland are obvious. If we cannot have political talks among parties in Scotland, how would they be successful in Northern Ireland, where leaders of all political parties have regrettably had to pin themselves on so many political hooks in the past few years and from which it is difficult for them to climb down.

If there are to be talks, I am opposed to inter-party talks in Northern Ireland. Talks there will be, but, when that time comes, those talks must be with Her Majesty's Government. What will the talks be about? Many thoughts have been thrown around, some rashly, in recent weeks. One suggestion has been independence. The idea of independence in Northern Ireland is an idle threat. It has no basis whatsoever.

I represent a constituency in which many thousands of people work in Harland and Wolff and Short Brothers. The jobs of those people would be at risk if there were independence. What about the old-age pensioners and the widows in my constituency? How would they survive if there were independence? If the British Army cannot defeat terrorism, how could we, without the support of the British Army, defeat terrorism in Northern Ireland? I believe that independence should not be suggested by anyone who honours the word unionist today.

It has been suggested also that there should be integration and that Northern Ireland should be incorporated into the United Kingdom in exactly the same way as Wales, Scotland and England and that the British Conservative and Socialist parties should become the main political parties in Northern Ireland. In reality, the minority Irish community in Northern Ireland would not support either pro-British party. The majority British community in Northern Ireland does not trust either of the political parties in Great Britain. It is not, therefore, practical politics to envisage integration taking off in Northern Ireland.

Devolution is another suggestion. For 13 years the Government have tried to rebuild, and failed, what they destroyed 15 years ago. Again, the Government's inconsistencies are evident. They say to Scotland, "No devolved government for Scotland." They say to Wales, "No devolution for Wales." But to Northern Ireland they say, "Let us try to rebuild institutions of devolved government in Northern Ireland." What conditions would the Government want to apply to devolved government in Northern Ireland, assuming the Anglo-Irish Agreement were out of the way? Eventually, the Anglo-Irish Agreement will have to go.

The Government talk about power sharing, imposed or otherwise. All the parties would either be in the Government or support the Government. There would be no Opposition. It would be like Tehran with the Ayatollah or like Moscow with the Kremlin — no Opposition: everyone in the Government. How could such a devolved system of government operate in a Western democracy in part of the United Kingdom?

Of course, there would be power sharing also in the Cabinet or the Executive. The hon. Member for Antrim, North (Rev. Ian Paisley) could well be Prime Minister and the hon. Member for Newry and Armagh Minister for Home Affairs in charge of security. Only a few moments ago they were arguing about a flag. Can we expect such a Cabinet or Government to survive in Northern Ireland? That would not be realistic. The right hon. Member for Old Bexley and Sidcup is correct in saying that if English politicians understood Northern Ireland, they would not contemplate one further year of that system. For 13 years the Government have failed with such a ridiculous formula, and they will continue to do so.

Is there a way ahead after the ideas of independence, integration and a power-sharing devolved Government are knocked down? Time is on our side within the unionist majority. We will destroy the Anglo-Irish Agreement. In fact, five of the Cabinet Ministers who introduced it have already disappeared from the Cabinet. We should now proceed with a stage-by-stage retreat from the Anglo-Irish Agreement. I do not believe that the agreement, failure as it is, will disappear overnight—it would be too much to expect the Government to be so realistic. We have to undermine the agreement stage by stage.

First, we have to give the people of Northern Ireland the same rights in their national Parliament as are enjoyed by the people of England, Scotland and Wales. That

means that we must abandon the idea of legislation by Orders in Council with no right of amendment by Northern Ireland Members of legislation affecting their part of the United Kingdom. It is an outrage that this is the only part of the European Economic Community where an elected Member of Parliament cannot table amendments to laws affecting his part of the country. There will soon be legislation on licensing laws in England and Wales and, as a Northern Ireland Member, I shall be able to table an amendment to it. But next week there will be licensing legislation for Northern Ireland and, as a Northern Ireland Member, I shall not be allowed to table amendments to it. Northern Ireland Members could participate in the defeat of Sunday trading in Great Britain, but they are not allowed to amend the law that introduces Sunday drinking in Northern Ireland which was imposed on us by people who are not answerable to the Northern Ireland electorate. That must be changed.

As a first step, we must be given the same rights in our national Parliament as are enjoyed by our fellow British citizens in England, Scotland and Wales — proper parliamentary procedures for Northern Ireland legislation with the right to table amendments. Secondly, the democratic and constitutional parties representing the nationalist and unionist points of view must become more involved in the administration of the state of Northern Ireland, not in the legislation for the state. That can be done through a committee system, whether at Stormont or elsewhere. There is a parallel in the European Parliament. Each main subject is controlled by a committee of Members of Parliament who are drawn from all the political parties in the European Parliament. The chairmanship of all those committees is shared by Members from all political parties. That would be a first step towards reintroducing devolution in Northern Ireland. Health, education and environment committees would be made up of members of all the elected constitutional parties in Northern Ireland and each committee would be chaired by the representatives of those parties. That would overcome the problem whereby health, education and other important local government matters are controlled by the nominees of an English politician who are not answerable at local level to the Northern Ireland people.

The third stage must be recognition of the fact that there is an Irish dimension. Northern Ireland has been in the United Kingdom for 187 years and is likely to remain so for many more, but it is located in the island of Ireland, albeit partitioned because the south of Ireland broke away in 1921. The people of the island share many things, beyond the weather. In 1962, when I was chairman of the Ulster Young Unionist Council, I led a delegation of Young Unionists to a meeting with the Fine Gael party in Dublin. Some said that it was crazy and that we would be expelled from the party when we returned to Belfast. In fact, when we returned, the Ulster Unionist party approved our visit. It was the members of the Fine Gael party who were expelled from the Fine Gael party in Dublin for meeting us, following the formula that we had agreed, which was simply to respect each other's position.

During the 22 years since then I have always felt that we must do more to improve co-operation between Northern Ireland and the Republic. There are factors which, more so now than even then, are important and common to us. We are now both within the EEC- -the Republic of Ireland and Northern Ireland as part of the United Kingdom — so there can be co-operation on matters involving EEC policies. There can be co-operation to increase trade between Northern Ireland and the Republic and to deal with tourism and the transport network. All those factors would benefit from joint discussions between Northern Ireland and the Republic. That is the practical Irish dimension.

A new institution could be created within the island of Ireland. Representatives from the Dublin Parliament and from the new administrative body in Stormont, or greater council for Ulster, would meet regularly to consider matters relevant to both parts of the island and to report to their respective institutions in Dublin and Belfast. That would bring about greater understanding in Ireland, and it would be far more important that politicians in southern and Northern Ireland got to know each other better than that each Parliament in Dublin and London proceeded to create a parliamentary tier to the Anglo-Irish Intergovernmental Council. Such a tier, comprising, as it would, only English and southern Irish politicians, and certainly not politicians representing the majority community in Northern Ireland, would do nothing to improve relations within the island of Ireland — which, after all, must be the objective of any new system of government and institutions that we create.

We must try to take the problem of Northern Ireland in stages. We must not build up false hopes. Above all, we must never again announce any grand new initiative by the Government.

5.30 pm

Mr. Ian Gow (Eastbourne): The hon. Member for South Down (Mr. McGrady) will not misunderstand me if, when I congratulate him on his election to the House, I say that I wish he were not here. All who have spoken in the debate have paid tribute to his predecessor, and the hon. Gentleman, in the speech that he will shortly be making, will no doubt pay a tribute to that predecessor for his work as a constituency Member of Parliament, about which he is peculiarly well informed.

We in the House will certainly miss the former right hon. Member for South Down, who made a remarkable contribution to our affairs — not only in debates on Northern Ireland since October 1974, but on many other matters. If the hon. Gentleman is able to approximate to the parliamentary and forensic skills of his predecessor, he will indeed be a distinguished Member of the House.

Today's debate takes place against a sombre background of high hopes that were shared by every hon. Member, including those who believed as I did that the Anglo-Irish Agreement would prolong and not diminish Ulster's agony. Now we meet 20 months on, and those who hoped, even if they did not believe it, that peace, stability and reconciliation could come to Northern Ireland as a result of the agreement — even those who had higher hopes than I did — have had their hopes diminished.

I still feel that hon. Members, and those outside the House, do not understand how dramatic was the change in the Government's policy. That change can be illustrated most vividly by two remarks made in the House by my right hon. Friend the Prime Minister, one during her first premiership and the other during her second. On 29 July 1982 my right hon. Friend said:

"no commitment exists for Her Majesty's Government to consult the Irish Government on matters affecting Northern

[Mr. Ian Gow]

Ireland. That has always been our position. We reiterate and emphasise it, so that everyone is clear about it." [*Official Report*, 29 July 1982; Vol. 28, c. 1226.]

Barely two years later, during her second premiership, my right hon. Friend said:

"The constitutional future of Northern Ireland is a matter for Northern Ireland and this Parliament, and for no one else." [*Official Report*, 17 May 1984; Vol. 60, c. 503.]

My right hon. Friend used those words deliberately. She used them because she knew that that assurance was required from the head of the Government to those in Northern Ireland who believed that there was no part for the Republic of Ireland in the constitutional future of the Province. Imagine the contrast when we read the words of the Anglo-Irish Agreement, which states:

"The United Kingdom Government accept that the Irish Government will put forward views and proposals on matters relating to Northern Ireland. Determined efforts shall be made to resolve any differences."

My right hon. Friend the Secretary of State continues to assert that the Anglo-Irish Agreement has brought about no change in the status of Northern Ireland. In the Province, that view is not shared by a single member of the unionist community. I believe that the status of Northern Ireland has been changed because we have given a foreign power—the only power whose constitution lays claim to the territory of Northern Ireland—the right to put forward views and proposals about the government of the Province, and have laid upon my right hon. Friend an obligation, in the event of a difference of view between himself and the Prime Minister of the Irish Republic, to make determined efforts to resolve differences.

In a curious way, the arrival of the hon. Member for South Down has undermined part of the philosophy that lay behind the Anglo-Irish Agreement. In effect, the agreement gave the Irish Republic responsibility for protecting the interests of nationalists in Northern Ireland. That responsibility, placed by Her Majesty's Government upon the Government of a foreign power, has been undermined because of the hon. Gentleman's arrival. Three SDLP Members are now seated on the Opposition Benches, and another hon. Member, who, although he does not attend the House, could also be described properly as a nationalist, has been elected to this place. We have four nationalist Members, and we are now achieving an approximation between the representation of nationalist Members in the House and the nationalist population in the Province.

My right hon. Friends who sit on the Treasury Bench will be obliged to profess their continuing faith that the Anglo-Irish Agreement will bring peace, stability and reconciliation. Nevertheless, we know that in the past 20 months there has been added violence, added sectarian suspicion and added turmoil in Northern Ireland, and we know—alas—that during that time there has not been the improvement in the economy of Northern Ireland for which we had all hoped. A change of policy will be necessary in the future.

I am not saying to my right hon. Friends on the Treasury Bench that the Anglo-Irish Agreement should be torn up; we know that that is impossible. However, we can move away from the most objectionable features of that agreement. Let me put some proposals to my right hon. Friend.

The right hon. Member for Strangford (Mr. Taylor) and the hon. Member for Antrim, North (Rev. Ian Paisley) both referred—rightly, in my view—to the illogicality and unjustifiability of the way in which we legislate for Northern Ireland. Legislation for Northern Ireland should no longer be virtually exclusively by Order in Council. Orders in Council of course apply to England, Scotland and Wales. Nevertheless, it is absurd—as the right hon. Member for Lagan Valley (Mr. Molyneaux) pointed out—that a Member of Parliament for a Northern Ireland constituency should be able to move amendments to proposed legislation for England but should be unable to do so in respect of proposed legislation for Northern Ireland. That injustice can be remedied and I hope that it will be.

Secondly, there is no reason whatever why the secretariat that serves the Intergovernmental Conference should be sited in Northern Ireland. There is no reason whatever why that secretariat should not be moved to London and I hope that it will be. There are several reasons for this, including security.

Thirdly, although when my right hon. Friend was kind enough to give way to me during his speech he referred to the fact that he was not responsible for the abandonment of the policy upon which he and I fought and won the 1979 general election, it is nevertheless open to those who serve in the Northern Ireland Office—and certainly open to my right hon. Friend—to revive a policy that had been worked out by his friend and mine, Airey Neave, as a result of four years of the closest study during which Airey Neave was shadow Secretary of State for Northern Ireland. It is a mistake to believe that we are always wiser in 1987 than we were in 1979.

Mr. Molyneaux: I am grateful to the hon. Gentleman for giving way. He refreshes our memory by stating that those proposals were included in the 1979 Conservative party manifesto. I am sure he would also agree that the Conservative party won a considerable victory in that election. Therefore, that policy was endorsed by the majority of the British people.

Mr. Gow: I am grateful to the right hon. Gentleman, whom I almost called my right hon. Friend, but I have never gone along with the doctrine of the manifesto authority

Mr. Molyneaux: The poll tax?

Mr. Gow: The right hon. Gentleman reminds me of the poll tax—[HON. MEMBERS: "The community charge."] Quite right. I do not myself believe that all those who voted for the official Opposition are in favour of Britain giving up her nuclear weapons on her own. Therefore, I do not subscribe to the doctrine of the manifesto giving a particular authority. However, I do not wish to be diverted as other hon. Members wish to contribute.

I was making suggestions to my right hon. Friend and was proposing a change in the way in which we legislate for the Province. I was proposing a movement of the secretariat from the Province to London. My third proposal is that we should examine again the proposal in the 1979 manifesto to set up a regional council—I prefer a single regional council or a provincial council—that in Northern Ireland would be clothed with powers similar to those enjoyed by a county council in England or a regional council in Scotland.

Next, we should give modest additional powers to the 26 district councils in Northern Ireland. It is literally absurd that matters as essentially local as car parking cannot be dealt with other than by Her Majesty's Ministers, however distinguished they are. We should give further modest additional powers to the district councils in Northern Ireland to bring them more closely into line with the powers of district councils in England.

Within the changed system of government that I have described to bring the Province more closely into line with the way in which we govern England, Scotland and Wales, I am most emphatically not asserting that Northern Ireland is the same as England, Wales or Scotland, any more than those who happen to have been born as Yorkshiremen would assert that there is no difference between Yorkshire and Lancashire. I am a Scotsman by descent and very proud of it too. But the great difficulty into which the Goverament have got themselves is that we are seeking to govern one part of the United Kingdom differently from the rest of it, differently from the way in which it had been governed previously and without the consent of a majority of the people who are being governed differently. It is not possible to go on doing so.

In Northern Ireland it is essential that within the framework of government that I have described there should be no discrimination by nationalist against unionist or by unionist against nationalist. There should be no discrimination by Roman Catholic against Protestant or by Protestant against Roman Catholic. If we are to ensure no abuse of the modest additional powers that I would like to be given to the district councils or the powers that I would like to see conferred upon a regional or provincial council, added impetus and authority should be given to an ombudsman to prevent discrimination. That I would welcome.

Equal citizenship within a united kingdom is most emphatically not a prerequisite for peace, stability and reconciliation in Northern Ireland. It is simplistic to talk in terms of a solution, but it is the task of statesmen to follow the policy that offers the least danger and the greatest hope. The present policies will not be able to deliver the people of Northern Ireland from the agony through which they have passed. It is time for a fresh start to be made.

5.47 pm

Mr. Eddie McGrady (South Down): I thank you, Mr. Deputy Speaker, for this opportunity to make my maiden speech in a Northern Ireland debate. I also thank the Secretary of State and other hon. Members for the welcome that they have given me this afternoon.

The former right hon. Member for the South Down seat, Mr. Enoch Powell, said that the constituency that he represented was the most beautiful and that the people were the friendliest to be found. His words were magnanimous indeed, coming as they did immediately after a crushing personal result for the man who, if he were here still, would now be the Father of the House. While distancing myself from most of what my predecessor stood for, I take this opportunity to sympathise with him on a personal level and to pay tribute to him for his distingushed parliamentary career.

My own home town of Downpatrick in South Down holds the grave of St. Patrick, the missionary who brought the message of Christ to Ireland and the man who spread the gospel of peace among the Irish. It was from my constituency that Christianity and learning spread thoughout the length and breadth of Ireland and, in the fullness of time, cast its civilising influence over large tracts of western Europe. In the age of darkness, the religious establishments in the County of Down did much to maintain the enlightenment, learning and beliefs that so characterised the Celtic Christian era.

Today, however, instead of that enlightenment and peace, we endure the distress of mistrust, fear, hatred and violence that exists between the two communities, both of which claim to adhere to the ideals of Patrick. Yet each still has a genuine longing for peace, founded on a just settlement that guarantees the rights of all and does not threaten the traditions, culture and identities of any.

To sit in this Chamber and to be a Member of the Parliament that has played so pivotal a role in the affairs of Irish history and the relationships between the Irish and British peoples is to feel a deep sense of the echoes of the past. Over the years, many parliamentarians have sought to solve the Irish problem. It was in this House that the great Irish leaders, O'Connell and Parnell, pleaded my country's cause. It was in this House, too, that leaders such as Gladstone and Asquith — all of their time — brought forward proposals to heal the divisions of Ireland. All of them failed, but in their failure they left a reminder to those who come after them that there is an unfinished agenda and a challenge that has yet to be tackled.

My constituency has recently witnessed some of the most callous atrocities in the catalogue of suffering and pain that Northern Ireland has experienced over the past two decades. Indeed, the experience of my constituency sums up the task facing all of us in seeking to bring stability and peace to Northern Ireland. Two communities live side by side. The overwhelming majority of people in each community simply want to live their lives and bring up their families in decency and integrity. However, the divisions remain, and those divisions are deep. Such divisions, and the alienation that flows from them, are not and cannot be healed by rhetoric, threats or security measures alone. It took a long, long time for that simple reality to be grasped. If the problems could have been solved in such a way, they would have been solved long before our time.

It is not possible to legislate away animosities that have existed for centuries, but it is possible to create a framework in which animosities and the sense of grievance no longer have fertile soil in which to grow. For that to happen, our people need to have a sense of belonging in their community, a perception that their own identity is honoured and a belief that they have a stake in the future of their country.

I submit that the Anglo-Irish Agreement provides a framework in which to achieve those objectives and that it has offered a real sense of hope to the people of Northern Ireland for the first time in many years. It is true that many unionist communities still reject the agreement and what it symbolises, but many have yet to learn the lesson that a community can only be built upon reconciliation and by providing all our people with the sense that their aspirations are legitimate and are recognised within the structures of their society. Is that too much to ask? Is it too much to ask the leaders of the unionist community to recognise that no one seeks to take away their rights or the rights of the people who they

[Mr. Eddie McGrady]

represent? Is it too much to ask them to sit down with us, with open minds and hearts, and talk about the way forward for all of us?

Over the years, my party has sought to achieve a framework involving the two islands of Britain and Ireland as well as the two communities within Northern Ireland. We believe that that is the only way in which to achieve real stability and peace in our country. We believe in the coming together, one day, of all Irish people. We have a right to that aspiration and goal, just as the unionist community has a right to its aspirations and beliefs, its sense of security and identity. Those rights are not mutually exclusive. The Anglo-Irish Agreement seeks to provide a framework in which neither community loses anything, but both have their traditions and rights enhanced.

We in Northern Ireland stand at a unique moment in the saga of Irish history. We now have a framework to take us out of the prison of that history. The framework was constructed and endorsed by this very House in 1985. However, we must overcome the tendency to repeat our tragic past and all the suffering that has gone with it. The choice lies between clambering along the difficult road of hope and taking a free ride down into the depths of despair.

South Down is, indeed, a beautiful place, but beneath that beauty and the innate friendliness of its people there lies a disturbing degree of neglect and need. Thirteen years of direct rule have not led to any great solutions of our problems. Indeed the economic problems and social deprivation of South Down have been intensified and exacerbated during those years of direct rule. Worse still, people see no prospect of an improvement in their position in the immediate future, unless the Government take urgent and remedial action.

On this occasion, it is only possible to touch briefly on certain aspects of direct rule as it affects South Down and the other constituencies of Northern Ireland. First, I am concerned about the unequal distribution of resources, which has adversely affected my constituency. I refer to the lack of expenditure on adequate infrastructures and the lack of industrial development or the encouragement of new industries to be sited in the constituency, particularly in the areas of highest unemployment. Indeed, it would appear that a new Pale is being created around the shores of Belfast Lough, as a Pale was once created around Dublin city, from the 12th century to the 16th century.

I am greatly disappointed that stronger action has not been taken to enforce equality of opportunity in the employment that does exist or to ensure that discrimination is immediately and effectively penalised in every way. I regret to say that I refer to discrimination not only in private industry but in Government and semi-Government establishments. It is a matter within the power of the administration of Northern Ireland, and I hope that a new, fresh and vigorous look will be taken at the problem to initiate immediate changes.

In general, my constituency has not fared well under direct rule, whatever aspect one wishes to examine. Indeed, it appears to be greatly disadvantaged. In the first debate that I attended in this House, the Prime Minister commented on falling unemployment figures. However, in a throw-away phrase she excluded Northern Ireland as it remained outside the national trend. Not only are there no jobs for thousands of people in my constituency; there is precious little hope for them either. They feel marginalised, forgotten and irrelevant. They have noted that the benefits of wealth creation have been denied them — that the bulk of spending in Northern Ireland has been centred on areas apart from theirs. Surely a task of economic policy must be to distribute resources where they are most needed and to provide outlets for people's talents. I hope that my work in this House will be strenuously devoted to making that a reality and to meeting the needs of my constituents.

The base industry in South Down is agriculture. It may surprise many hon. Members to learn that the entire constituency is designated as a less-favoured area under the EEC regulations; how disappointing it was to us, therefore — and particularly to small farmers — that agreement was not reached at Brussels last week. The changes have been too little, and the damning fact is that farm incomes in Northern Ireland — I say this with particular reference to South Down — are running at only 60 per cent. of the average for the past nine years. This dramatic collapse of incomes in our base industry is all the more keenly felt in the small farm areas that dominate South Down.

I have noticed how often one social disadvantage leads inexorably to the creation of another. I know that many hon. Members share my concern that those who have no jobs or who earn very low incomes should not be further isolated and deprived by cuts in the social welfare programme. They find themselves faced with a double-edged sword, which, on the one hand, denies them the means by which to support themselves and raise their families and, on the other, chops away the benefits that could help them enjoy even a basic quality of life. We must treat the causes and cushion the effects of unemployment with equal force.

Similarly, I am alarmed at what is happening to our health services. The mood for centralisation has become a runaway vehicle. We are faced with the threat of the closure of an acute hospital in the north of the constituency for reasons that have nothing whatever to do with the medical needs of the area. Our hospital is an integral and precious part of our lives, and to witness closure would be to contemplate medical murder for those patients whose future depends on immediate skilled help. We do not want the closure of a hospital but reinvestment of the resources that have already been taken away from it.

However, a more subtle danger that assails part of my constituency comes directly from this side of the water. It is the British Nuclear Fuels reprocessing plant at Sellafield. Today I voice the urgent concern of the people who live on the South Down coastland, which is directly opposite the Cumbrian site. I know that our concern is no less than that felt on this side of the Irish sea. In my constituency, we have a high incidence of leukaemia and cancer-related deaths, and we believe sincerely that the plant and the wastes that it discharges into the Irish sea have a significant bearing on the statistics. To put it bluntly, we suffer the ill-effects of the nuclear industry without having any of its so-called benefits, either in national wealth or in job provision.

I welcome last week's announcement by British Nuclear Fuels Ltd. to build a multi-million-pound treatment plant to remove some radioactive material from the waste being discharged into the Irish sea, but I believe that that announcement is a de facto admission that the current

levels of radioactive discharge into the Irish sea are harmful to the public. The partial clean-up has been brought about, not by the concern of the industry, but by a forceful and vigorous outcry against the sinister pollution which is being pumped daily into the Irish sea. It is my ambition to see that discharge totally stopped and, in the fullness of time, the Sellafield project, which was found so wanting in many aspects by an all-party Committee of the House, closed for ever.

On those issues, I sought a mandate from the people of South Down to represent them in Parliament and to fight for their concerns, and that is what I shall do. I appeal to all Members from the different parties who were elected in Northern Ireland to join together to try to bring peace and harmony to Northern Ireland, which will eventually lead to the better quality of life which we all so earnestly desire. We can do it jointly by trying to ease the worst effects of unemployment, poverty and deprivation. We can do it by coming together to create structures that would allow both communities to live in peace with each other and with a sense of mutual belonging. That is not an impossible goal. That is not an unrealistic aspiration.

We have all spent too long cursing the darkness, regretting the lost opportunities, and rejecting the possibility of future progress. Let us now work together for all the people of Northern Ireland so that we can build those bridges of healing and reconciliation. For too long, too many have slept in the wounds of others. We have a chance to work together in the interests of all our people. It is in that spirit that I intend to represent my constituents of South Down.

6.3 pm

Sir John Biggs-Davison (Epping Forest): The hon. Member for South Down (Mr. McGrady) struck the right note when he quoted his predecessor's words in praise of the beauty and the people of his constituency. De Valera once said that Down is the county that every Irishman loves best after his own. It is a great thing for the hon. Gentleman to represent South Down, and I am happy to follow him because, had my grandfather been a Methuselah and lived to the age of 129, he would have been a constituent of the hon. Gentleman's. I still have relatives living on the land in the townland of Ballinaskeagh. Had my grandfather lived long enough, he might have voted for the hon. Gentleman. He was a Liberal—I do not know how the hon. Gentleman stands in relation to them—a home ruler and a minister of the Presbyterian Church of Ireland. I sometimes wonder what he would have thought of his Roman Catholic, Tory, Unionist grandson.

I frequently read about the new Member for South Down in the *Down Recorder* and lesser newspapers, and I know of his prominence in the affairs of Downpatrick and further afield. I expected him to give us the excellent maiden speech to which he treated us this afternoon. It was eloquent, eirenic and humane, and it showed a great concern for the problems and privations of his constituency. I hope that the hon. Gentleman will contribute to future debates in the House, not only about his constituency and Northern Ireland but about the affairs of the kingdom as a whole.

Nevertheless, the hon. Gentleman will have his work cut out to emulate the service given to the people of South Down by our former right hon. Friend Enoch Powell—given without regard to denomination or opinion. I confess that I felt politically bereaved by his defeat, and I sense that the House as a whole regrets the loss of one of the great parliamentarians, one of the few orators and one of the few stylists of our time. Many people have observed the remorseless logic of Enoch Powell. Not quite so many have observed the poetry that informed his patriotism and his politics.

When my right hon. Friend the Secretary of State opened the debate he quoted the Gracious Speech on the subject of Northern Ireland. It has not been lost on me that there was no specific reference in that speech from the Throne to the Anglo-Irish Agreement. I know that the Social Democratic and Labour party likes the agreement. It is to its benefit, if not of its creation, but alas it has poisoned the polity of Northern Ireland. There has been much talk about the alienation of the minority in Northern Ireland from the institutions of the state. There has been propagandist exaggeration of that alienation. I do not think that it is as great as it is made out to be—outside hard republican elements—and there has certainly been no alienation from the institutions of the welfare state. But has it been worth while to replace the alienation of the minority with the alienation of the majority?

The Friends of the Union, in which my hon. Friend the Member for Eastbourne (Mr. Gow) and I play some part, will be publishing as a pamphlet two articles on the Anglo-Irish Agreement which appeared in the journal of the Policy Studies Institute and in the *Belfast Telegraph* of 15 and 16 June. Those articles were written by a distinguished Northern Ireland civil servant, Dr. John Oliver, who thus sums up the fruits of the agreement:

> "Continuing (and even bolder) Republican violence"

he might have added "sectarian violence"

> "a widening gulf between ordinary unionists and nationalists in Ulster; and a worsening economic outlook."

As the right hon. Member for Strangford (Mr. Taylor) indicated, Cardinal O'Fiaich said no less.

The absence for a time of the Ulster Unionist parties from the House did not surprise me; I have shared their anguish. I welcome their return, but let not the House be deceived. They have not suddenly fallen in love with the Anglo-Irish Agreement. There is a change of tactics, not a change of heart, on that matter. However, there is now a chance for us all to do better for Northern Ireland to put "An end to drift", to use the title of the task force document. I welcome the help that Ulster Members can now give in the search for, to quote that document,

> "an alternative to and replacement of the Anglo-Irish Agreement".

The Secretary of State referred to a review being possible next year.

I, like the right hon. Member for Strangford, want the closest co-operation between this country and the Republic. One of my charges against the agreement is that it has worsened relations between Irish people in the two parts of the island.

Mr. Gow: Does my hon. Friend recall the words of the present Prime Minister of the Irish Republic on 12 October last year when, speaking at Bodenstown, he said:

> "In the 12 months that have passed since the agreement was signed, the position of Nationalists in the North has in fact seriously worsened."

Does not the Prime Minister of the Irish Republic agree with my hon. Friend that the Anglo-Irish Agreement has made even worse the position of nationalists in Northern Ireland?

Sir John Biggs-Davison: I am grateful for that intervention. The agreement has worsened the position of nationalists. It has put nationalists in many places in great fear of their lives. I refer to the recrudescence of sectarian murders and violence.

Mr. Hume: Will the hon. Gentleman please face the facts? In the election that has just finished, when people went down to the ballot box freely to state their positions, the only party in Northern Ireland that increased both its representation and its vote was the party that fully and unequivocally supports the Anglo-Irish Agreement.

Sir John Biggs-Davison: There are many reasons why people vote for parties. There is always a discrepancy in Northern Ireland between the opinions of the people expressed in public opinion surveys and the way that they vote. There is always the tendency, when faced with an election, to vote tribally. This is something that I much regret and it is one important reason why I favour what is called the solution of integration.

Mr. Mallon: The hon. Gentleman referred to a speech at Bodenstown. Surely the people best able to gauge the opinions of nationalists in Northern Ireland are those who work among and represent nationalists in Northern Ireland. As to the Anglo-Irish Agreement, would he not accept that on three occasions during the past decade or more there have been serious attempts by the British Government to deal with the problem in Northern Ireland? First was the Sunningdale agreement. Outside of that agreement the Unionist parties tried to bring down what was the devolved Government agreed by a British Government and a British Parliament. Second, a conference was held in 1978 by the then Secretary of State, Sir Humphrey Atkins, outside of which the Official Unionist party was holding a picket and not taking part. The third attempt—the Anglo-Irish Agreement—again found the same Unionist parties outside of an agreement reached by a British Government and a British Parliament. Is it a case of everybody being out of step except our Johnny?

Sir John Biggs-Davison: I had better not give way any more lest I keep my hon. Friends and hon. Gentlemen out of the debate. The hon. Gentleman referred to Sunningdale. The main reason that Sunningdale failed was that Dublin and his own party claimed and got too much. That point is well made in the articles by Dr. John Oliver to which I referred.

My hon. Friend the Member for Eastbourne (Mr. Gow) asked me whether I had read the speech of the Taoiseach at Bodenstown. I have, and I have it constantly on file. I would like to pay tribute to the present Taoiseach because he, with my right hon. Friend the Prime Minister, brought into fruitful existence the Anglo-Irish Inter-Governmental Council. That Anglo-Irish Inter-Governmental Council was on the right lines because it was on the basis of reciprocity between the two sovereign powers. When we come to change the Anglo-Irish Agreement we must see that what takes place is on the basis of reciprocity, which is the only basis for fruitful co-operation. I favour the institution of a parliamentary body. However, I would insist that such a parliamentary body should be representative of the Parliaments of the two sovereign states — the United Kingdom of Great Britain and Northern Ireland and representative of Oireachtas Eireann.

The Anglo-Irish Agreement has other defects but there is one more that I will mention. It is flawed by insistence on the continued pursuit of what I believe to be a will-of-the-wisp-devolved Government. The task force, in its document, declared the objective of devolved Government. One hears other opinions as well from unionists. Devolved government can only further differentiate and distance Northern Ireland from Great Britain. If we go in for devolved government, we shall only stimulate separatist demands in Scotland and Wales which are already beginning to revive.

The party of the hon. Member for South Down would take no part in Mr. Prior's Assembly and would not talk to unionists in that Assembly. However, in this Parliament, rather than in prefabricated checks and balances Assemblies—I am not speaking of regional or local authorities—this dialogue can and does take place between nationalists and unionists.

When replying to the hon. Member for Foyle, I referred to the discrepancy between the opinions of Northern Ireland people as expressed at elections and as expressed in opinion surveys. If one examines opinion surveys over a long period, they are consistent. The latest, by Coopers and Lybrand, in a sample of 1,100 Northern Ireland voters, found 35 per cent. in favour of integration, 24 per cent. in favour of power sharing, 9 per cent. in favour of a united Ireland, 9 per cent. in favour of an independent Ulster, and a measly 6 per cent. in favour of the status quo —the system which the House is asked to renew today.

I do not wish to repeat the trenchant arguments about the misconduct of Northern Ireland business here or the proposal of my hon. Friend the Member for Newbury (Mr. McNair-Wilson) for a Select Committee. It is an unjust and undemocratic system which we are operating in respect of Northern Ireland. We have heard again the arguments on both sides about local government.

Ms. Short: Will the hon. Gentleman give way?

Sir John Biggs-Davison: No, I said that I would not give way again, because I have already given way so often. I do not want to keep other hon. Members out of the debate.

The SDLP does not want to make progress with local government lest it lessens the Government's enthusiasm for legislative devolution and power sharing. It wants Northern Ireland to stay different. There has been much criticism of the so-called unionist veto. Let there not be a nationalist veto in its place. Nationalism is entitled to be respected, but not to dictate. I will give way to the hon. Member for Birmingham, Ladywood (Ms. Short).

Ms. Short: The hon. Gentleman has referred to one opinion poll and it is important that we remember also the opinion poll that was conducted in Britain and published in the *Daily Express*, which showed that 66 per cent. of the British people wished to withdraw from Northern Ireland. They were divided roughly equally between those who thought that Ireland could be reunited and those who thought that there should be an independent Northern Ireland. It is part of the political picture that people in Britain wish to dissociate themselves from what is being done in our name in Northern Ireland.

Sir John Biggs-Davison: I do not think that the issue was put to the people of Great Britain fairly and squarely. They were not asked, "Do you want to expel from the United Kingdom people who want to be loyal to the

United Kingdom and remain within it?" I do not think that the issue was put to them in those honest terms. If it were so put, I do not think that we would get anything but a decent answer from the decent people of this country. However, I was discussing the views of the people of Northern Ireland. I thank the hon. Member for Ladywood for placing on the record of the House the facts of the opinion poll that was conducted by the *Daily Express*. I wish now to bring my remarks to a conclusion, which I shall do in about half a minute.

The battle against terrorism has not nearly been won. Great progress can be made towards defeating it, however, once we convince the terrorists that they will not succeed. Every failed political initiative gives them the feeling that if they continue they can bomb, blast or bore the British out of Ireland. How do we convince them that they will not succeed? We shall do so by proclaiming that this part of the United Kingdom will henceforth be governed as truly a part of the United Kingdom. It is time for Ministers to reckon with the opinions revealed in the survey that I have cited and in many others, come down from the colonial fastness of Stormont and listen to the people of Northern Ireland.

6.22 pm

Mr. Ken Livingstone (Brent, East): I shall start by praising my predecessor, Mr. Reg Freeson. There are some who may be surprised at that. Our differences were political and I do not think that anyone would suggest that he did not serve his constituency as well and as excellently as any other hon. Member. Therefore, I praise his record in this place, although I played some part in ending his presence here. Given how bad the post is currently, I cannot report that I have had a letter of congratulations from him yet. I shall notify the House when I do. I would not urge right hon. and hon. Members to hold their breath.

I want to thank all the officials of the House, including the police, for their assistance. I cannot recall anywhere that I have been where there is such a degree of helpfulness, general good humour and pleasantness. I am certain that other new Members think the same. I do not know why that should be. Perhaps close proximity to 649 fellow politicians induces this state of good humour, or perhaps there are those who have a private joke that they are not telling the rest of us.

I wish to start by making clear my position on violence. I condemn without equivocation all acts of violence, but I am not prepared to be uneven-handed. I do not believe that we should condemn the violence of the IRA and produce a less strident condemnation of the violence of other extra-legal organisations. Nor do I believe that we should be any the less outraged when those who operate on behalf of the British state and security forces go beyond the law or the conventions of decency, as has occasionally happened. Either we condemn all violence or we are not placed to condemn any of it.

Like many others, I do not believe that direct rule is a workable option for Ireland. I believe that nothing short of a united Ireland will bring about an end to the troubles that have assailed our involvement with that island over hundreds of years, with an especial viciousness over the past two decades. Throughout my parliamentary career I shall continue to press at every opportunity for a withdrawal of Britain from Ireland and the opening to a united Ireland in which the Irish people can decide how best to govern themselves.

There are many inevitable contradictions — I am sure that many right hon. and hon. Members will not share this view — in what I perceive as a colonial situation. As in the past, it is inevitable that problems will arise when one power occupies wholly or in part another nation with a separate culture and identity. With the best intentions in the world, the occupying power is led into abuse of its authority, and in so doing alienates key sections of the community.

I should imagine that much the most effective method of recruitment into the IRA has been the consistent abuse of power over decades by those who held the whip hand while Stormont existed through 50 years of misrule. The only thing that is remarkable is that it took 50 years before the present violence erupted. That suggests a degree of patience and tolerance on the part of the minority of Northern Ireland that I do not think many other peoples around the world would necessarily have been prepared to equal.

There have been many instances when the present Government's policies and their agents have been ideal recruiting agents for the IRA. The attitude of the Government towards the hunger strike did more to boost support for those pursuing a violent solution for Northern Ireland than anything that they could have done themselves.

There is no doubt in my mind that the Royal Ulster Constabulary had a shoot-to-kill policy. That has been successfully covered up, but it came close to exposure when Mr. John Stalker was set to investigate it. When it became clear that he was not prepared to be corrupt and that he would not do a whitewash job to let the RUC off the hook, the British establishment, through all its usual means, ensured that he was removed from his task. I wish that the Secretary of State for Northern Ireland would pursue the inquiry with the same vigour that he condemns the terrorists and ensure that the results of it are brought to the Floor of the House as rapidly as possible as a matter of public debate. As long as the minority in Northern Ireland believes that there is one law and one tone of condemnation of violence for one section of the community but not the other, we shall not be able to achieve any real progress towards peace.

Representatives of the unionist parties have talked about double standards, and these cannot be denied. We have heard since the Gracious Speech that the British Government intend to continue with the policies that they have been pursuing in the north and possibly to sharpen them to end discrimination against the minority in employment. I welcome that, but if it is good enough for Northern Ireland, why do the British Government do everything possible to prevent Labour councils in Britain that wish to adopt similar policies from ending discrimination against minorities in Britain? We shall not be able to unite the people of Northern Ireland while we have a policy stance for them that is different from that for the rest of the United Kingdom. That makes a mockery of the idea that this is a united kingdom.

One of the greatest problems to arise during the present troubles has been the backlash against the Irish community in Britain, which my constituents in Brent have suffered. Far too many innocent people are subject to harassment by the use of the Prevention of Terrorism Act. It has been used in a way which was never intended. Still today not 1 per cent. of those detained and harassed by the security forces — I am talking about individual

[Mr. Ken Livingstone]

Irish women and men making their way backwards and forwards between the two countries—is ever convicted of any form of crime. The Prevention of Terrorism Act is being used by agents of the British state to harass those who actively campaign for a united Ireland. Every time they do it a nail is driven further into the concept of our remaining with any hold in Ireland.

As many other nations have found—for example, the French in Algeria—it is inevitable that if we set out to hold a nation against its will, however good our intentions, abuses of power will occur. I wish to draw attention to that by referring to one specific instance.

During my election campaign in Brent, East, there was an unusual public meeting. An individual was invited to it who has never been a Socialist, who will never be prepared to vote Labour and who thinks that the Tory party is the natural governing party of Britain. He was invited to share a platform with myself and some of the relatives of those who have been subject to miscarriages of justice by the British courts over issues of bombing here in Britain. We invited Mr. Fred Holroyd. For those who do not know, Mr. Holroyd served in Northern Ireland with distinction. As I said, he is no Socialist. He comes from a military family. He went to a Yorkshire grammar school. His whole objective in life was to serve in the British Army. He believed in it totally. He enlisted as a private in the gunners, and three years later he was commissioned into the Royal Corps of Transport. He volunteered for the Special Military Intelligence unit in Northern Ireland when the present troubles began, and he was trained at the Joint Services School of Intelligence. Once his training was finished, he was stationed in Portadown, where, for two and a half years, he ran a series of intelligence operations. I quote him so that there can be no suspicion that he might be a secret member of the Militant Tendency or a secret republican. At the public meeting, his words were that he believed that the Army officers and men with whom he worked were

"genuinely honest men trying to do the best job in the circumstances. They were in a no-win situation."

When he was recruited as an MI6 officer, he said of them that they were not disagreeable; their ethics were reasonable; they were seeking a political solution. His complaint, which eventually led to his removal from the Army and an attempt to discredit him, which has been largely successful, was made when the MI6 operation was taken over by MI5 in 1975—by many of the same people who are dealt with in Peter Wright's book, and many of the same people who are alleged to have been practising treason against the elected Labour Government of the time. He said that once the MI5 took over the reasonable ethics of MI6 were pushed aside by operatives in the intelligence world who supported the views of Mr. Kitson and the policies and tactics of subverting the subverters. I recommend Brigadier Kitson's words to those who are not aware of them. His attitude was to create a counter-terror group, to have agents provocateur, to infiltrate, and to run a dirty tricks campaign in an attempt to discredit the IRA.

Mr. Holroyd continued to believe that what he was doing was in the best interests of the British state until early in 1975, when Captain Robert Nairac, who, as many hon. Members will know, was later murdered by the IRA, went into his office, fresh from a cross-border operation—something that of course is completely illegal—and showed him the colour photographs that had been taken by Captain Nairac's team. Captain Nairac had crossed the border with some volunteers from the UDF. He had assassinated John Francis Green, an active member of the IRA who was living south of the bord[redacted]. As an agent of the British Government operating across the border as an assassin he had brought back photographs as proof of that operation. When Captain Nairac showed the photographs, Mr. Holroyd started to object, not because he objected to an active member of the IRA being assassinated in a highly illegal cross-border raid but because he realised that once the British state started to perpetrate such methods there was no way that eventually Britain would not alienate vast sections of the community and eventually lose the struggle for the hearts and minds of the Irish people.

Holroyd then started to object to the use of such illegal methods by MI5 officers. He was immediately shuffled to one side by the expedient method of being taken to a mental hospital and being declared basically unfit for duty. During the month that he spent in the British mental hospital, the three tests that were administered to him were completely successfully passed. Certainly, over a decade later, having met him, I can see no evidence whatsoever that he was in some sense mentally unbalanced. He was a spy who realised that the operations of the British Government were counter-productive. He started to object, and was pushed to one side for his pains.

I raise the link with Captain Robert Nairac because, as I said, Fred Holroyd had qualms about this but was not particularly shocked; these things happen in a war. The matter needs to be investigated. I cannot prove the claims but allegations are being made extensively here in Britain, in republican circles and on Irish radio and television. A particularly horrifying incident that many hon. Members will remember was the murder of three members of the Miami showband—completely innocent musicians with no political affiliations whatsoever. It took place in the midst of the ceasefire that had been negotiated by the then Labour Government and the IRA. The right hon. Member for Morley and Leeds, South (Mr. Rees) pushed it through and sustained it, although there was considerable opposition from within the security services and within many political parties. The Labour Government did everything possible to make the ceasefire work, but it was not wholly accepted within the apparatus of MI5—our operatives who allegedly were working on behalf of the British state in Northern Ireland.

What is particularly disturbing is that what looked at the time like a random act of maniacal violence and sectarian killing now begins to take on a much more sinister stance. It has begun to emerge that Captain Robert Nairac is quite likely to have been the person who organised the killing of the three Miami showband musicians. The evidence for that allegation is forensic and members of the UDF are prepared to say that they were aware of the dealings between members of the UDF gang who actually undertook the murder of the Miami showband musicians. The evidence is quite clear. The same gun that was used by Captain Nairac on his cross-border trip to assassinate John Francis Green was used in the Miami showband massacre.

Earlier this year, the radio and television service of southern Ireland, RTE, showed a documentary in which the makers—not myself; no one could accuse RTE of

being pro-IRA—that allege they have now had contacts with members of the UDF in that area who say that Captain Nairac passed the explosives and the guns to the UDF and set up the killing of the Miami showband musicians. If that is true, it needs to be investigated. The allegation was made on the broadcasting networks of southern Ireland. It is supported by men who served on behalf of Britain as spies in the area at the time. It needs to be investigated and disproved, or the people behind it rooted out. If one wanted to find a way of ending the ceasefire that had been negotiated between the Labour Government and the IRA, what better way to do so than to encourage random sectarian killings? I believe that that was happening.

It is likely that many of the officers mentioned in Peter Wright's book who were practising treason against the British Government at home were also practising treason against the British Government in Ireland. If the allegations are true, they were prepared to murder innocent Catholics to start a wave of sectarian killing which would bring to an end the truce that the Labour Government had negotiated with the IRA. No democratic society can allow that sort of allegation to go uninvestigated. It is made by people who served on our behalf as intelligence officers in the area.

We saw in last Sunday's edition of *The Observer* that another intelligence officer, Colin Wallace, who was closely linked with Fred Holroyd in a campaign to expose what was going on, has been dismissed as irrelevant by the British Government. We see now that *The Observer*, using forensic tests, has been able to demonstrate that the notes that he wrote were not written in the past couple of years by somebody who is embittered and is trying to cash in on what has started to come out. A clear analysis of the ink that was used in the notes shows that they were written in the early 1970s. Slowly, it all begins to pull together.

The interesting thing about the Peter Wright case is that in his defence in court he said that he was a loyal servant of Britain, and that he sought only to expose corruption and spies in Britain and an establishment that covered them up. One of the arguments by which he demonstrated his loyalty to Britain was when he said in his book that he did not deal with what he knew about operations in Ireland because that could still be damaging to the British Government.

One needs to take together the accusations of Wallace and Holroyd and link them clearly to what is being said by Peter Wright. There was not just treason by some MI5 officers in Britain. Treason was also taking place in Ireland. Those employed by the British state are alleged to have been responsible for killing innocent civilians in order to end a ceasefire with which they disagreed because their political objectives were different from those of the Labour Government of the day. That is a most horrifying crime.

Wallace and Holroyd are making these quite specific allegations. They are now drafting a book that will expose much more, and we need to ask why the British Government take no action to stop them or to silence them. They pursue Peter Wright, but they are terrified that if they take Wallace and Holroyd to court they will expose in court things that will shake the Government to its foundations.

A stupid thing happened when the British Army decided to get Holroyd out and discredit him. The officer put in as his replacement, and who was unaware of what had been going on, arrived in the office and assembled all of Holroyd's papers into a large container and dispatched them to his home. Before the British Government start rubbishing Holroyd too flamboyantly, they should be warned that he retains almost all the case papers that were in his control. They deal with his operations and his work and they are safely out of this country and beyond the reach of the Government.

We must have a full investigation. Before I could happily vote for this extension of direct rule, I want to see some evidence that the Government are prepared to ensure that these abuses are exposed. I want them to guarantee that similar abuses are not continuing. The whole series of events about which I have spoken must be investigated. Very soon we must have the full evidence about the shoot-to-kill policy of the RUC because I have no doubt that that is being covered up. It would have been most useful if John Stalker had been able to conclude his inquiry after the attempt to discredit him had been exposed and overturned by the local police authority.

We have to examine other allegations made on RTE that MI5 officers were engaged in undermining the power sharing Executive set up by the Government of the right hon. Member for Old Bexley and Sidcup (Mr. Heath). We have to look again at the allegations by Colin Wallace about the Kincora boys' home scandal. It has been suggested that young boys in a home effectively controlled by MI5 were buggered so that Protestant politicians could be blackmailed and silenced by MI5. That allegation cannot continue to drift around. It must be investigated and the truth exposed. The longer the British Government cover up and deny all this and refuse to investigate, the more the impression will be created that they know full well what has been going on and that far too many members of the Government are the beneficiaries of these acts of treason by MI5 officers in Britain and abroad.

I do not believe for a minute that these things could have been going on without members of the Conservative party being kept informed in the generality if not in specific details. It looks increasingly likely that Mr. Airey Neave was in touch with some of these officers, and it is certainly the case that Airey Neave delivered a speech that had been——

Mr. Gow: On a point of order, Mr. Deputy Speaker. It is with very great reluctance that I intervene during the maiden speech of the hon. Member for Brent, East (Mr. Livingstone), but will you please make it clear to him, Mr. Deputy Speaker, that references to Airey Neave of the kind that we have heard are deeply offensive?

Mr. Deputy Speaker (Mr. Harold Walker): Order. Hon. Members making their first speech in the House are usually heard without interruption. So far I have heard nothing in the speech of the hon. Member for Brent, East (Mr. Livingstone) that is out of order.

Mr. Livingstone: May I make it clear to the House that I am reporting allegations that hon. Members have read in newspapers and that are reported on radio and television both here and abroad. They are made by intelligence officers who served at the time in Ireland on behalf of the British Government. It may well be that the allegations are all a tissue of lies, but can we imagine any other Western Government who would allow such damaging allegations to circulate month after month and year after year and not move to lance the boil? They would either deal with the allegations or demonstrate that they

[Mr. Livingstone]

were untrue. The Prime Minister's day-by-day refusal to investigate what was happening in MI5 at that time can only lead a large number of reasonable people both here and abroad to believe that there is some element of truth in the allegations now circulating.

If Conservative Members are shocked that allegations are made about Airey Neave, they should join me in demanding a full investigation so that Airey Neave's name can be cleared. Why just Airey Neave? The allegations that I have outlined to the House about Captain Robert Nairac should also be investigated, as should the allegations about the Kincora boys' home. They should be investigated by a Committee of the House so that we can know the truth. As long as the Prime Minister continues to resist this, and as long as it is quite obvious that she was the main beneficiary of the work of these traitorous officers in MI5, many reasonable people cannot avoid the conclusion that she was kept informed to some degree via Airey Neave who had close links with the intelligence services. He made a speech for which false information was provided by Colin Wallace, and Colin Wallace now admits that.

There is something rotten at the heart of the British security services, and we will not have a safe democracy until it is exposed in its entirety and dealt with.

6.47 pm

Rev. William McCrea (Mid-Ulster): Tradition demands that one congratulates an hon. Member on his maiden speech. However, I cannot congratulate the hon. Member for Brent, East (Mr. Livingstone) because the tradition of the House is that maiden speeches should be non-controversial.

I listened to the maiden speech by the hon. Member for South Down (Mr. McGrady) and pay tribute to his predecessor, Mr. Enoch Powell, for the speeches that he made in the House and the contribution that he made to British democracy and the traditions of the House.

It will come as no surprise to the hon. Member for South Down to hear that I do not agree with his assessment of many of the constitutional issues that he mentioned. I sympathise with him on many of the day-to-day problems that he as a Member of Parliament will face. He mentioned some of them in his speech, and, of course, hon. Members know about such problems. I trust that the contributions by hon. Members will add to instead of detracting from the debate.

The House is being asked to continue direct rule, but overshadowing the debate is the Anglo-Irish Agreement. It will come as no surprise to hon. Members to hear me say that that agreement is obnoxious, undemocratic and blood-soaked. As the Prime Minister said, it came into existence because she could not allow the murders to continue. That was an acknowledgement that it was the terrorist activity of the IRA that drove her to the table to negotiate with the Republic of Ireland.

This agreement has been forced on an unwilling people. It will come as no surprise to hon. Members that I return to the House with the solid support of the unionist population, many of whom are not Protestants, but Roman Catholics. They are British, want to remain British and are proud of their British heritage. They do not want any interference from a foreign state. If any interference is rejected by them, much less should this House and Parliament give that foreign state powers over the internal affairs of a part of Her Majesty's domain in the United Kingdom.

It is a reflection on hon. Members representing the Social Democratic and Labour party that they admit that it takes the Government of the Republic of Ireland to express the fears of the nationalist population and that they themselves are totally inadequate and unable to express those fears or to get any reaction. Instead, they must rely on foreign Ministers and tootsie down to Dublin to get any action. That is an admission, and I understand the position and feelings on that of members of the SDLP.

Mr. Mallon *rose*——

Rev. William McCrea: No, I shall not give way, because, to the best of my knowledge, I have only a short time, and I wish to make a few salient points in the debate.

I am a representative of the people of Mid-Ulster, and unionism will not rest until the Anglo-Irish Agreement is obliterated. The agreement is not in the interests of the people or of the unionist population. There are some who do not like to hear that message. However, let us be absolutely clear that the vast majority of the people of Northern Ireland were not consulted before the agreement was brought into being, nor do they agree with the essence of that agreement. They are as opposed to that agreement today as they ever were, and they will continue their opposition to the Anglo-Irish Agreement. Every effort that they make will be to ensure the removal of and a replacement for the agreement. Their resolve is as determined this evening as it has ever been.

All the honeyed words that I have heard today cannot wipe away the fact that many hon. Members are not really interested in fair play for unionists. We shall see that in the legislation that will come before the House in a week's time. Many hon. Members are not interested in what the people of Ulster think about the opening of licensed premises on a Sunday. Those hon. Members do not care. They have no concern about what the ordinary Ulster man feels about that. They will listen to and pull out of the hat those who agree with them. However, they will close their ears to Ulster lest they hear something that they do not like. Some hon. Members have the one intention of ensnaring the unionists into their own destruction.

People in Ulster are aware of some of the plots and plans that have been made to destroy the position of the unionists and the integrity of unionism in Northern Ireland. I know that some hon. Members do not accept that the Anglo-Irish Agreement has lived up to any of the points or principles that were suggested for it. We should remember that it was Ministers who said that this agreement would be judged on its fruits.

What were the three conditions? They were peace, stability and reconciliation. If any hon. Member can tell the House that peace, stability and reconciliation have been enhanced in Northern Ireland by the Anglo-Irish Agreement, I assure them that they do so with the deliberate intent of misleading the House. There is not peace. I can prove that since the Anglo-Irish Agreement my constituents continue to die. However, I am supposed to tell them that, after so many of them have died, we may get peace. I can remember a member of the Government standing at the Dispatch Box and telling us, just a few months after the agreement came into existence, that we should not expect a change in the security situation

overnight. However, it is now 20 months later, many more people are in their coffins, and we are still not one step nearer to peace, stability or reconciliation in the Province nor have we gained anything on the job front. Members of the SDLP cannot tell me that their constituents are better off now in terms of employment now than they were at the beginning of the Anglo-Irish Agreement. Jobs continue to go to the wall. Those hon. Members can have their liberal debates and meetings at the Anglo-Irish Intergovernmental Conference, but the reality is that their constituents know exactly what is happening.

I appreciate that it is hard for many hon. Members to understand what is happening on the ground in Ulster, for the simple reason that even the Ministers fly in and out of Stormont without getting to the grass roots or down to the ground where the ordinary man in the street could tell them what was happening. Many right hon. and hon. Members do not take the time to find out what is happening in Northern Ireland and what the people in Ulster are suffering and enduring under this blood-soaked so-called heralded agreement that everybody is supposed to buy as the answer to all our ills.

I advise hon. Members that in fact in the recent election Sinn Fein increased its vote to 83,000, which is only 17,000 less than its highest vote at the height of the hunger strike. Such was the result of the 1987 election. Those are the facts whether hon. Members want to believe them, or whether they want to close their eyes and allow the Province to run on to the precipice of disaster and destruction. Those are the solid facts. *[Interruption.]* It may be a smiling matter for the Secretary of State, but I assure him that it is not a smiling matter to see coffins in one's constituency. Of course, the right hon. Gentleman would not know anything about that. He came to my constituency, and a coffin lay just 300 yd from the place that he visited. However, he turned in his limousine and went back to Belfast after visiting the Newtownstewart police station, without sympathising with the relatives or walking into the house wherein lay a coffin with the body of an honourable constituent of mine. That is one reason why this House is distant from the realities of what is happening in our Province at the moment.

We were told that the Anglo-Irish Agreement was a two-way street, but it is one-way traffic. The House should realise that Charles Haughey, the Prime Minister of the south of Ireland, has no intention of delivering extradition, because all that he wants to do is to extract concessions from the Ministers of Her Majesty's Government and to insult the good people of our Province.

Mr. John Butterfill (Bournemouth, West): Does the hon. Gentleman recollect that on 30 June a joint communiqué was issued in which he said that he agreed absolutely to support all of the intentions of that joint communiqué and the objectives of the Anglo-Irish Agreement?

Rev. William McCrea: I thank the hon. Gentleman for his remarks. However, I should like to remind him of what the Prime Minister of the south of Ireland said. A newspaper headline said:

"Pub bomb trial threat to Haughey's extradition law."

Mr. Haughey said, "Give us a look into the pub bombings. Let us have that case reopened and then I shall give you extradition."

I should like to thank the hon. Gentleman for his intervention because it has been most helpful to the debate. That is exactly what I said. Mr. Haughey is extracting concession after concession from Her Majesty's Government and holding over them the threat, "If you do not give us the concession of reopening the pub trial, we shall not allow you to have extradition." That is the most despicable and disgraceful stance of any Parliament that is supposed to be under democratic control.

Rev. Ian Paisley: Is it not a fact that 22 members of Fianna Fail have signed a resolution to the Dail saying that there will be no extradition unless there is a judicial inquiry into all of the cases of IRA people held in prison in this country and that the matter of the Guildford pub bombings must be reopened before they will even consider having such a matter discussed?

Rev. William McCrea: I agree with my hon. Friend. The House had better realise the background of the Prime Minister of the south of Ireland. He was one of the supporters and financiers of terrorism, destruction and murder of people in our Province. That is the person whom we as unionists are told to entrust with our future. We are told that it is safe in Charles Haughey's hands, because he is not paying for bombs or bullets any more —he is now the revered Prime Minister of the south of Ireland.

My hon. Friend has stated correctly the position of Fianna Fail. It has not changed and its members are as great republicans and enemies of unionism today as they were in the beginning. What Charles Haughey has said shows that political expediency allows him to play along with the Anglo-Irish Agreement until he extracts every possible concession, when he will ditch it if it proves better for him politically. Nobody understands that thinking better than SDLP Members, but it is politically expedient for them to say something else. When the time comes to change horses, the House had better realise that Charles Haughey will put egg on the faces of Ministers as long as it keeps it off his face.

Unionists have already made their concession. We have said that the Anglo-Irish Agreement need not be repudiated by the Government for negotiations to take place, but need only be suspended and the workings of Maryfield closed. That concession goes unequalled, unmatched and unanswered. Until the Government match it, there cannot be further unionist concessions, or we would be in danger of becoming the suckers. We would be sucked into a position that hitherto we have repudiated. If that happens, the people of the Province will choose who they want to speak for them.

We have recognised that the struggle is a battle of wills and determination. The Government have worked on the principle that in time unionists will come to terms with the agreement. Our every move must be governed by this factor and we must give them no hope of scoring on that point. The people of Ulster are totally and unreservedly opposed to the Anglo-Irish Agreement, and the unionists declared that under a month ago. It is despicable to suggest, now that the election is out of the way, that something should be done that is different from what we told the people of Ulster. That is the difference with Ulster politicians. Our people expect their politicians to tell them what they believe and to do exactly what they say. It seems to me that others believe that, once the election is over and the people have been soft-soaped into voting for them again, they can do something different. That may be the

[Rev. William McCrea]

politics of some right hon. and hon. Members but it is not the principle on which Ulster unionists are basing their politics, especially with regard to the constitutional future of their country and the determination to be an equal part of the United Kingdom.

There are those who tell us that the answer to Ulster's problems is power sharing—bring the SDLP into the Executive. There is nothing further from reality. Some 42 per cent. of voters voted for this Government, which gives them the right to rule the country. Many of their policies are the opposite of what other parties think is good for the country, but the Government have won the day and, by getting the majority of Members, they have the right to form the Government. That is why we do not have a conglomeration of Conservative, Labour, Liberal and SDP—if it is still in existence—Members on the Front Bench. We have a Conservative Government because they believe that it is what British democracy is all about. No matter how diverse their policies are from those of other parties, they have the right to push through legislation on the economy, health and social services or on any other subject.

Some 42 per cent. of voters in Scotland voted for the Labour party, and the Labour party has now said that it has the right to speak for Scotland and that, if there were a devolved Parliament for Scotland, it would have the right to form the Administration. The Conservative party objects to devolution because it knows that the Labour party has majority support in Scotland. It plays little games with Scotland as well.

If 42 per cent. support gives the Conservative party the right to form an Administration in the United Kingdom and if 42 per cent. gives the Labour party the right to form an Administration in Scotland, then 70 per cent. in Ulster is enough for us to form an Administration there. If the Labour party believes in what it is saying and it is not all hot air, eyewash and hypocritical statements, it should be crying out for a proper, devolved government in Ulster where 70 per cent. have the right to rule. People had better realise that what is planned for Ulster is not real democracy, but democracy rigged in whatever way the majority of the House decides.

The House heard the hon. Member for South Down talk about peace, reconciliation and the rest of it, and I saw Members nodding approval. Who would not say that the great goal for Ulster is peace and for the United Kingdom stability or that what we want is reconciliation? However, does the House realise what the SDLP is doing? In Enniskillen council and Fermanagh council, reconciliation for the SDLP means voting for Sinn Fein to give one of its members the chairmanship of the council and to keep the unionists out of every key position.

The same thing happened in Omagh in my constituency. The SDLP voted with Sinn Fein to give its member chairmanship of the council and to keep the unionists out of every possible position. However, the plan backfired in Omagh. After getting the chairmanship, Sinn Fein made a sly move on the SDLP. The House and the United Kingdom should realise that that is the reality.

Mr. Mallon: Will the hon. Gentleman be consistent and confirm that, were it not for the courage of the SDLP in standing up to Sinn Fein in his constituency, he would not be here and this Palace would not have its clown prince?

Rev. William McCrea: I am here like any other Member. I did not ask the SDLP to stand in my constituency. If it wants to do so, that is up to its members. I am not begging that party or Sinn Fein to stand or not to stand. I represent the constituency of Mid-Ulster with a majority of 9,360, by the grace of God. I do not need lectures from the hon. Gentleman, who tootsied with the Sinn Feiners to ensure that he held his seat. Let us not go down that lane. I should be happy to look at the reputation of the hon. Gentleman and his stance on security, and tell the House what the results of his stand have been in Newry and Armagh and for UDR men. I do not want to go down that road, but if the hon. Member for Newry and Armagh (Mr. Mallon) wants that, I am happy to tread it any day to tear off the mask from that hon. Gentleman who tells us that he is for reconciliation. It suits the occasion and the House to hear about reconciliation, but I am talking about the solemn, hard realities that the hon. Member for Newry and Armagh does not want to hear.

With regard to the Dublin Government, I believe that it is true that the people of Ulster want to live in peace with their neighbours and that they want to have normal relationships with a foreign state. There is no great urge among unionists not to have peace and a normal relationship between the two countries. However, when it comes to the meddling and interference of foreign Ministers in the affairs of Northern Ireland, that is repugnant to unionists. In the same way, it would be repugnant to Scotland and to Wales. Indeed, it would be repugnant to England if Pakistan sought to stick its nose into England's affairs because there is a considerable number of persons from that country living in England. It is totally repugnant to us to have a foreign state meddling in our affairs. Every time that Britain has had its back to the wall the south of Ireland has knifed it. It is repugnant to us that persons from a foreign state should have a part in the internal affairs of our country.

Unionists' opposition to the Anglo-Irish Agreement goes on. We are totally opposed to the agreement and our protest against it goes on. If any hon. Member believes that we have come to this House to play nice parliamentary games, to be good boys, to sit in the corner nodding our heads at the right time and walking through the Lobby, they have another think coming. The House had better think again. We will make our opposition to the agreement heard in this House at every available opportunity. We will not stop until the day comes when this iniquitous and undemocratic agreement is buried in the Province. That agreement will not be resurrected, for it will be buried in a Sadducee's grave. Let no one be under any delusion where we stand concerning the Anglo-Irish Agreement.

Whether or not hon. Members like what I said, they had better remember this: in common with them, I stood for election and I have a mandate from the electorate for my stance. The many unionists who have come to this House from Ulster have a mandate to oppose the Anglo-Irish Agreement. No packaging, no lovely ribbons, no decoration and no tinsel put upon that agreement will ever convince the people of Ulster to sell their future and put their children in the hands of an enemy state. We are British, and we are proud of it. The people of Ulster will make the final decision whenever the day has settled and whenever we see exactly what the British Government mean.

In common with the leader of my party, my hon. Friend the Member for Antrim, North (Rev. Ian Paisley), I shall read carefully what the Secretary of State has said. I shall certainly not read into it something that I want to read into it. I shall read it exactly as it is and weigh carefully actions with words, because there is an old saying that actions speak louder than words.

In the past we have had fancy, honeyed words. When they put the rope around someone's neck and are about to hang him, they still say that it is in his best interests that the rope be tightened and he is hung up to die. I have no intention of allowing the good people along the border constituency of Mid-Ulster to be hung up on any republican rope.

7.13 pm

Mr. John Hume (Foyle): We have a welcome opportunity to assess the current situation in Northern Ireland as we debate the renewal of what all would agree is a far from perfect system of government. However, whenever discussions on Northern Ireland take place in this House I am amazed at the number of speakers who avoid the central issue.

Few of today's speakers have addressed the problem that we are supposed to be discussing and trying to solve. For example, do we agree—does the hon. Member for Mid-Ulster (Rev. William McCrea) agree — that the problem we face is a deeply divided society, a division based on bigotry, prejudice and intolerance? From that central cancer of division flows all the problems that disfigure our little piece of earth. Do we agree that that is the problem that we are trying to solve? If so, there has been little reference to it. Do we further agree that if that is the problem—I suspect that most people studying our situation would agree that it is—the way to tackle it is for all those involved to commit themselves to break down the barriers that constitute that division?

The hon. Member for Antrim, North (Rev. Ian Paisley) said that the task of working together in Northern Ireland would not be easy. However, hon. Members from Northern Ireland should be prepared to address themselves to the question "Are we prepared to sit down together with the task of breaking down the barriers that disfigure and divide us?" Do we accept that, although the confrontation and division in Northern Ireland is right at the centre of the problem, there are other dimensions to it? There is the British dimension to the problem, which emerges in every speech. It goes without saying that there is an Irish dimension. If the problem is the division in Northern Ireland, we must face up to the problem in all its dimensions in order to solve it.

Therefore, the framework for the solution should be based on the framework of the problem. The framework of solution is the British-Irish framework because that framework addresses all the dimensions. Certain people may not like that solution. It is evident from the speeches of unionist Members today that they certainly do not like that solution. They are applying their own yardstick, which they are entitled to apply, and it is based on a traditional approach.

Unionism in the north of Ireland has never been political in the real sense of the word. Unionism is an oligarchy that has maintained itself on the basis of sectarian solidarity, which has given it power and strength. Whenever this House has moved to create any sort of reasonableness in Northern Ireland, unionists have responded, as they have responded over the past 18 months, with threats of dire consequences — the Orange card.

The one great service that this House and this Government, supported by the leaders of all the major parties, have done for the people of Ireland has been to stand firm against those threats. By doing so they have made the most important step forward this century to deal with the problems of Ireland. Past British Governments have backed down in the face of those threats and have created a vicious circle—a vicious circle that confirmed leadership in the unionist community in the hands of those who were uncomprising and who did not wish to come to terms or accommodate in any way those with whom they differed. It was a vicious circle because it gave encouragement to those in the nationalist community who argued that only violence worked and only violence made British Governments pay attention.

That vicious circle of threats of violence and violence has paralysed Ireland for much of this century and has prevented movement forward. However, that state of affairs has been cut through by this Government's refusal to back down in the face of such threats. A new, fluid, political situation has been created. In that new situation there are opportunities if we are prepared to seize them.

Unionist politicians who have spoken today once again did so in terms of the preservation of the oligarchy. I did not hear from one mouth any suggestion that we live in a divided society, or any suggestion as to how we should treat that central problem of division or accommodate differences. They are entitled to wish to continue to live apart, but they are not entitled to ask everybody else to pay for it.

The challenge that they face is whether they are prepared to decide that we are going to live together. We have heard from them about the people of Northern Ireland and we have heard them say "Ulster says no". Who are they talking about? They are talking about themselves, not about the people of Ulster. They are talking not about the people of Northern Ireland but about the unionist people. They have the concept of maintaining differences and maintaining their own position. Although, as I have said, they are entitled to do that, they are not entitled to ask everybody else to pay the price. It is only when the people of the community decide that they are going to live together with the people with whom they share a piece of earth and sit down to discuss the terms of living together that we will start moving towards peace. Those terms cannot involve the domination of any one section of the people of Ireland by another. Those terms must involve agreement. That is where the Anglo-Irish Agreement has a great strength.

Article 1 of the agreement forced the extremes of all sides to face the harsh realities. It is the article that received the most criticism from the extremes, yet it is the article that faces the reality of the situation in Ireland. It makes the nationalistic-republican tradition face the reality that the people of Ireland are divided. One cannot unite the people of Ireland without the agreement of the people of the north and the people of the south any more than one can unite Cyprus without the agreement of the Greek and Turkish Cypriots. One cannot possibly unite the people of Ireland without the agreement of the Protestants of the north. The hon. Member for Antrim, North has often said that their strongest guarantee is not written in legislation

[Mr. John Hume]

but is in their own numbers and their own geography, and I agree wholeheartedly with that. That article in the Anglo-Irish Agreement is a recognition of fact.

The second declaration in the agreement also challenges those whose rhetoric about the unity and independence of Ireland we have listened to for so long. It states that if a majority of people in the north of Ireland agree to the unity of Ireland, the British Government will facilitate it and agree to it. Therefore, that is saying essentially that unity in Ireland is a matter for the people of Ireland. It is a matter for those who want it to persuade those who do not. That is a challenge that can never be met or fulfilled by a gun. Those who attempt to persuade their fellow Irishmen to unite at the point of a gun and those who walk into a field where there is a farmer who has nothing but a spade and shoot him in the head because he is a UDR man are making no contribution to the unity of the Irish people. Those who murder a young Protestant electrician in my home town, a young man who lived up to the ideals of republicanism, of uniting Catholics and Protestants and who lived, worked, played and socialised with Catholics but whose only crime was that he fixed a light bulb in a police station occasionally, make no contribution to unity. If that is a contribution to bringing together the Irish people, God save the Irish people.

The British Government, in an international agreement, have made it clear that if the people of Ireland can agree among themselves as to how they are to be governed they will agree to it. That is a challenge. It has never been faced up to by those of the republican and nationalist tradition. It is a challenge of breaking down the barriers that have existed for centuries between Catholics and Protestants in our corner of that island.

We hear much rhetoric about self-determination and about the indefeasible right to sovereignty. I agree with the right of the people of Ireland to sovereignty and self-determination, but it has to be pointed out that the people of Ireland are divided about how to exercise that self-determination and sovereignty. If we are ever to exercise it as a common people, we can do so only by breaking down the barriers. That is the challenge that the Anglo-Irish Agreement throws out to those in Ireland who want to see the barriers breaking down.

Are we prepared to face up to that challenge? I believe, and my party has said, that the peaceful road to healing the divide in our society can be reached only in stages. We do not see instant answers to deep-seated problems. The first stage will be equality of treatment for all people. The second stage—the one we should move towards now—is that of breaking down the barriers.

My challenge to everybody who talks or lectures about the problem is, how does one break down the barriers between the two sections of our people? I ask my unionist fellow citizens and countrymen, "Do you agree that our fundamential task is to break down those barriers of distrust, division and prejudice between us?" From that cancer comes all of the things that disfigure our people.

If we agree that that is our task, the next question is, how do we do it? My party and I believe that the only way in which we can build trust among ourselves is by working together to administer that place. Through working together we will build the trust that has been missing over the years and diminish the distrust and prejudice. We should let relationships evolve out of that, evolving into new relationships within Ireland and between Ireland and Britain. If anybody has another way of breaking down the barriers, I would like to hear it. We would certainly be open to other suggestions.

In the past week a document has been produced in unionist circles. There has been much reaction to the document. We must be careful about the status of the document. I say that in order to defer to those who produced it. The document is not a statement of unionist policy; it is a set of recommendations from a working party within two parties to two party leaders. Until we hear the response of those party leaders to those recommendations we do not know what the reaction of unionism is. We did not get that reaction today from the hon. Member for Antrim, North. Perhaps we will get it when the right hon. Member for Lagan Valley (Mr. Molyneaux) makes his speech.

On reading that document, I would say that it represents an honest and genuine debate being started by the authors within the unionist family. I should like to see that debate continue. I do not believe that people such as myself or my colleagues have any great contribution to make at this stage by reacting to the proposals because it is an internal discussion. However, I believe that the debate is long overdue. As I have already said, I would like to see it moving in the direction of deciding how we live together and how we accommodate differences, not about how we maintain our own position.

There are many welcome suggestions in the document. There is one suggestion about a unionist convention which looks rather like something we did ourselves a few years ago—a forum. If they adopt that suggestion, I would like to see the unionist community analysing the situation openly for the first time moving away from the laager and starting to consider how we live together. If they do that, my party would be willing to give them our view of the situation as we see it. If the discussions that they are hinting at take place, we will certainly be more than willing to take part in them.

We are approaching yet more anniversaries in the north of Ireland. It seems that we in Ireland have so much respect for our past that it often paralyses our attitude to the future. There has been plenty of evidence for that. As we are approaching the 300th anniversaries, probably the most important anniversaries for unionism—the siege of Derry in 1689 and the battle of the Boyne in 1690—we should reflect on the fact that the quarrels that those dates represent were much wider than the narrow sectarian quarrel to which they have now been reduced. Those quarrels affected the whole of Europe and they related to very important issues.

The quarrels that affected Europe then have long since been buried, forgotten and settled. New quarrels have arisen within Europe and they have also long since have been buried and settled. Could we not make it an objective that by the time we reach the 300th anniversaries we will at last bury our quarrel and take advantage of the present fluid position to do so?

7.30 pm

Mr. Simon Hughes (Southwark and Bermondsey): This debate has now lasted for about three and three quarter hours. It is appropriate and right that we should have the opportunity to debate the constitutional relationships

between Northern Ireland and the rest of the country at the beginning of this new Session. The order that we are asked to vote on is about that future.

Anyone coming fresh to this debate will realise that there is a mass of emotion through which anyone with responsibility in Government must find a way. The Secretary of State and his colleagues, including his new Minister of State, should have the best wishes of all hon. Members as they try to carry out a task which is probably the most difficult faced by any Government Department. I was forced to reflect that as they and the new team in the Northern Ireland Office set about the job of trying to reconcile the opinions, history and emotions that have been represented here today, they can try to bring about the kind of reconciliation described by the hon. Member for Foyle (Mr. Hume) only with a conviction that people of good will primarily and unreservedly renounce violence as a contribution to that task. They will also know that they must work together to achieve a way forward.

The different traditions and communities must learn to live together if they are to share the same part of God's earth. We seek a leadership from the Ministers in the Northern Ireland Office and their officials and a leadership from those 17 hon. Members representing Northern Ireland in this Parliament in the attempt to bring the communities together.

The hon. Member for Mid-Ulster (Rev. William McCrea), who has just left the Chamber, set forth what was, on the face of it, a valid argument. He said that having had elected 13 out of 17 Northern Ireland Members, the unionist view should predominate. Of course, he left out the key underlying argument that the unionists' case is that they want to belong to the United Kingdom. If one argues a unionist case, one must accept a unionist solution that the Government of all the United Kingdom and the Parliament of all the United Kingdom — be we English, Welsh, Scots or Northern Irish representatives—have a right to make that decision.

We come to this debate about the continuation of this 13-year-old order in the light of the newer decision on the Anglo-Irish Agreement, endorsed by all the major parties as the best way forward. The Liberal party and the alliance have always said—and the Government have conceded —that this is probably not the ideal solution. However, it is the best way forward immediately available, because, as SDLP Members have said, the reality of Northern Ireland means that there is a British and an Irish dimension. That is inescapable. To pretend that the British and Irish Government and peoples do not have a shared interest is to escape history and reality.

Of course, the unionists received a majority of votes. None the less, they must accommodate those who did not vote for them. I pay tribute to the fact that the hon. Member for South Down (Mr. McGrady) represents the fact that the SDLP made progress and won an additional seat. I congratulate him on that and welcome him to this place. The unionists must also accommodate the fact that we are all Members of the Parliament of the United Kingdom entrusted by history and law with the government of Northern Ireland. It is common ground that until by persuasion, agreement or negotiation there can be a change in the majority view of the people, clearly that responsibility must remain with this place.

The two maiden speeches today referred to previous House of Common personalities and then made different points. I want to join with the tributes made to Mr. J. Enoch Powell. As Member of Parliament on the mainland representing Wolverhampton, South-West and then the Member for South Down, he clearly was one of the pre-eminent Members of the House of Commons since the war, whatever one's party or political view. That conclusion is inescapable. From my childhood, I remember Mr. Powell contributing to political debate with intellect, intelligence and often very clear analysis. We miss him in this House, but that does not mean that we wish to demean in any way the success of the present hon. Member for South Down who has replaced Mr. Powell.

Beneath this debate there are many signs of optimism. I acknowledge the way in which the Secretary of State, in a quiet and cautious speech at the beginning of the debate, showed that he was willing to start in the process of dialogue with those Unionist Members who have now resumed their places in this House. The right hon. and learned Member for Warley, West (Mr. Archer) made it clear that in the short term we must accept that the order must be approved because there is no other next step other than to continue to support the present base and to build on it.

The hon. Member for Antrim, North (Rev. Ian Paisley), who is formally back in this place, has clearly recognised—as have his unionist colleagues—that they must begin to have a dialogue. The recommendation in the report to the two Unionist party leaders clearly states that it is no longer acceptable within unionist opinion for the leadership not to have some dialogue, without preconditions or prejudice as to where that will lead. If we do not talk, we will not find solutions.

I do not believe that more terrorism has resulted from the Anglo-Irish Agreement. Yes, statistics may show that and it could be argued that terrorism has increased. However, it does not follow that there must be more terrorism because of a political initiative here. It does not follow that there must be more deaths, murders or attacks. That requires the intervening choice of people to be violent and to be terrorists. Much depends on the reactions of the leadership of the parties in Northern Ireland.

I join the right hon. Member for Strangford (Mr. Taylor) in hoping that we can press ahead with ways in which co-operation can reduce terrorism. I urge the Government of the Irish Republic to implement elements of the agreement that relate to extradition and ensure that we have the greatest commonality of law and practice to the advantage of the peace-loving citizens of both communities.

There was another optimistic sign in the debate. There was a wide consensus about the need to devolve more power and decision making. If we argue that we are withholding power from people in Northern Ireland, but we are not willing to do something for the time being to return power to the district councils and the Province, that is a fallacious argument. The hon. Member for Eastbourne (Mr. Gow), with whom I do not always agree, and the right hon. Member for Strangford made points about handing more powers back to district and regional councils. There is every reason to try to enhance the powers of the elected representatives within Northern Ireland. Many people would expect a Liberal to argue for that devolution of power, and we would say that it should apply equally to Scotland and Wales. It can certainly apply to Northern Ireland. It does not break the fabric of the agreement made between the British and Irish Governments.

[Mr. Simon Hughes]

I apologise on behalf of my hon. Friend the Member for Liverpool, Mossley Hill (Mr. Alton), who has responsibility in the parliamentary Liberal party for Northern Ireland, for the fact that he cannot be here. He is having a minor operation on his mouth and the date of the operation was fixed a long time ago. On his behalf I make it clear that the Liberal party has supported the Anglo-Irish Agreement since it began. We have argued for rights for both traditions and supported devolution within the agreement to ensure that all constitutional parties have as much say as possible in the government of Northern Ireland.

We welcome the task force's report as a step in the right direction. I hope that Unionist party leaders will accept that report because, without their re-entry into the negotiations, it will be difficult to make progress. We welcome the fact that Unionist Members are again in the House of Commons to put their case and be heard. Parliament and the Government are able properly to take account of the unionists' fears, concerns and suspicions only if they put their case and are heard.

We welcome the task force's rejection of integration. The task force appears to think, although this is not heavily argued, that Northern Ireland might be able to go it alone. My colleagues and I do not accept that view. We do not think that it would be economically viable or politically acceptable. We often argue not just about Northern Ireland's constitution but about its social and economic life. The six counties should be able to be prosperous again.

There are signs of prosperity, but there should be more because the Province still has some of the highest pockets of unemployment in the United Kingdom. We need to ensure that ordinary people, whatever their denomination or belief, have the job, social and community security and dignity to which they are entitled, wherever they live.

Beneath some of the noise and controversy there are signs of hope. Some controversial remarks have been made. The maiden speech of the hon. Member for Brent, East (Mr. Livingstone) was controversial. But he comes here with a job to do—to ask the Government questions as a Member of Parliament. Governments are accountable to the House. The tradition that people make insipid and non-controversial maiden speeches has nearly ended. In fact, since I have been a Member, I have heard few such speeches. The hon. Member for Brent, East comes here with a particular interest in Irish affairs, so his contribution should be welcomed and his record as a democrat and contributor to government acknowledged. I acknowledge that contribution. Like the hon. Gentleman, I hope that our removed government in London, where both our constituencies lie, is returned soon.

I hope that we all come here as friends of Ireland and Northern Ireland. The hon. Member for Mid-Ulster said that we should not speak unless we have been to Northern Ireland and know its people and problems. I have been there and indeed holidayed there, so I have shown that I am willing to commit myself to Northern Ireland other than as a politician. It is important that we work together positively and constructively in good will and listen as much as we pronounce.

I am forced to come to one other conclusion which underlies much of what is said. It is not a party political point. History has separated, in view and politics, people in Northern Ireland more than in many parts of the world. The legacy of death and killing in recent years is evidence of that. There is a limit to what men and women can do to achieve political or other success. It is the duty of those who believe that they have a God and who invoke God and claim the Christian heritage of St. Patrick and the rest —to which the hon. Member for South Down referred —to ensure that God is given a chance to intervene. The efforts of men and women are often to put asunder what God probably would think better joined. We can be enabled to do good things but many are only second best, and I hope that we never believe that any of us have all the solutions or answers. This debate is evidence not only of that, but of the fact that there may now be political improvements because of a willingness by all sides to contribute and, I hope, a greater willingness to listen to the other person as well.

7.44 pm

Mr. James Molyneaux (Lagan Valley): I do not suppose that the Standing Orders require one to congratulate those who do not respect convention, but I have no hesitation in offering my congratulations to the hon. Member for South Down (Mr. McGrady) on the content of his speech. I am grateful to him for his tribute to his predecessor and my party colleague, Enoch Powell, to whom I shall convey his remarks and those of other right hon. and hon. Members.

We are indebted to the hon. Member for Newry and Armagh (Mr. Mallon) for his revealing intervention during the speech of the hon. Member for Epping Forest (Sir J. Biggs-Davison) when he seemed to repudiate Mr. Haughey's opinions with the assertion that those who work among nationalists in Northern Ireland are best able to judge their views. That was an unanswerable argument against the joint authority. How can Dublin Ministers possibly know better than the hon. Member for Newry and Armagh and his two SDLP colleagues?

The hon. Member for Foyle (Mr. Hume) used an interesting phrase when he said that one way, and possibly the most effective way, to break down barriers was to learn to work together to administer the Province. That seemed to be fairly close to one of the options that the Secretary of State has in mind, although I do not seek to put words into his mouth. I think that he did not entirely dismiss that idea, which surfaced at various times during the debate. The hon. Member for Eastbourne (Mr. Gow) referred to it and the hon. Member for Southwark and Bermondsey (Mr. Hughes) came close to dealing with it.

I do not seek to score points because I think that the hon. Member for Foyle was genuine in his approach. If he is referring to working together in Northern Ireland at an initially modest administrative level without the involvement of any foreign Government, I do not think that there would be any great difficulty. The hon. Gentleman and members of his party sit on the Bench before me, the SDLP playing their part and performing a full role as an Opposition party in this sovereign Parliament of the United Kingdom. I agree with the hon. Member for Foyle that there should not be any great difficulty in starting to think and talk about the possibility of a modest start in what the hon. Gentleman termed "administration at some level". But I emphasise "at some level", not within the oversight of the Anglo-Irish diktat.

The theme "An End to Drift" goes much wider than suggestions of some form of devolved government. The authors of the task force's report faithfully reported and reflected the opinions put to them by a wide range of parties, groups and individuals. In their defence, I must explain that the reference to independence as a possible option was made to record what had been put to them during consultations with groups. They would have been not quite accurate or truthful if they had omitted the reference to that option, because they were required to present a synopsis and consensus of what had been said to them during interviews over some eight weeks.

The need for an end to the drift is most urgent in terms of security. The Secretary of State conceded that point at the beginning of his address. I make no apology for returning again to this issue. For 17 years, the story has been one of drift without any coherent strategy. That is how it has looked to me, and to many citizens of Northern Ireland on both sides of the so-called divide. It is also the way that it looks to serving members and former members of the security forces—not just the indigenous forces in Northern Ireland, but the army personnel who come back to the larger island of Great Britain at the end of their tour, or perhaps when they retire. I hope that the drift that we have seen between periods of assassination and atrocity, and from one atrocity to the next, will end, and that we shall be able to dispose of such happenings once and for all.

At a public engagement last Saturday, I said:

"I have to say quite bluntly that whatever the outcome of probing political discussions, or the result of any possible negotiations, all such efforts will be in vain as long as the gunman stalks our land."

I hope that the Secretary of State and his new Minister of State will redouble their efforts, and that they will assure the security forces at all levels that Ministers will support them in determined efforts to eradicate terrorism in all its forms, and from whatever source it may come.

The theme "An End to Drift" also applies to the constitutional and political sphere. The right hon. and learned Member for Warley, West (Mr. Archer) inadvertently implied that the House of Commons had saddled itself with direct rule almost by an act of God. The truth is that the Almighty had some assistance from the right hon. Member for Old Bexley and Sidcup (Mr. Heath); indeed, the right hon. Gentleman might put it the other way round. When he was Prime Minister, the right hon. Gentleman ought not to have acted as he did. He ought not to have removed a structure which he conceded was working efficiently without making any preparation and having no idea in his head about what he would put in its place.

By a process of trial and error lasting for some two years, the right hon. Member for Old Bexley and Sidcup and the Government whom he led experimented with various temporary devices. In February 1974, it was left to the incoming Labour Government and the right hon. Member for Morley and Leeds, South (Mr. Rees) to sort out the mess.

Good citizens often make the mistake of assuming that when a member of the Government — especially a member of the Cabinet—speaks for the Government, he is speaking for a solidly united Government under the doctrine of collective responsibility. But when we read the memoirs and papers released after 30 years—in some cases nowadays we do not have to wait that long, because we read some very interesting accounts of what life was like within a Cabinet — our illusions are somewhat rudely shattered. When we are told that a Government is set on an irreversible course, and that in no circumstances will there be any change or even slight modification of that course, we are entitled to feel just a little cynical.

In my brief contribution, however, I shall try to resist the temptation to be cynical, because, like the hon. Member for Antrim, North (Rev. Ian Paisley), I want to be constructive. I believe, as he does, that we need an end to drift. In the past, we have supplied evidence of willingness to participate in forward political movement; indeed, we have been pioneers in that direction. Some time ago, we thought that it would be useful for those who might be interested to draw together all the various initiatives that we have brought forward inside the covers of one booklet entitled "Unionism — a Policy for all the People". If copies are not available in the Vote Office, they are available in my office.

That booklet provides a valuable record of the various submissions that we have put to the Government from time to time, some of them in advance of the signing of the Anglo-Irish Agreement. For example, the point raised by my right hon. Friend the Member for Strangford (Mr. Taylor) regarding relations with the Irish Republic is dealt with on page 20 in the context of the paper that the hon. Member for Antrim, North and I handed to the Prime Minister at Downing street on 25 August 1985.

The hon. Member for Antrim, North and I, with our colleagues, have not changed our views and attitudes in the interval. We shall study carefully the suggestions put forward in outline by the Secretary of State, but that study will be on the clear understanding – which I think is now accepted by most hon. Members – that any formula or basis for a solution must be without prejudice, in the sense that that term would be used in legal circles. However, like other right hon. and hon. Members, I must caution against raising false hopes and expectations, and that word of caution is particularly necessary when directed towards the news industry.

For some strange reason, those in the commanding heights of the news industry seem to feel that it is quite all right to encourage their editorial and leader writers to exhort politicians and others in Northern Ireland to be reasonable and constructive and to keep their heads, and not to get carried away by emotion. At the same time, they seem to feel that there is nothing inconsistent in dispatching their journalists all round the United Kingdom to engage in what can only be called pot-stirring. That is simply not good enough. Knowing many of the people in that profession as I do, I think that they will take note of what so many of us have said, if they genuinely want to see progress made. But they must resist the temptation to speak to someone on one side of the political divide, and then immediately ring up someone else, give a distorted account of what was said and invite an instant comment.

Mr. Mallon: I shall not enter into any debate of the modus operandi of the journalistic profession. However, as a Member of the House, and a member of one of the parties directly involved in trying to achieve a resolution of the problems in the north of Ireland, I should be interested to know the right hon. Gentleman's reaction to the report of the task force—as interested as I should still be to know the reaction of the leader of the

[Mr. Mallon]

Democratic Unionist party, the hon. Member for Antrim, North (Rev. Ian Paisley). I think that most people in the north of Ireland who are concerned about the future would share that interest.

Mr. Molyneaux: I can put the hon. Gentleman out of his misery in less than a minute. However, let me finish the point that I was making.

If there is to be any prospect of success in our endeavours—by which I mean feeling our way forward, this time cautiously; not engaging in any high-wire acts, but building solidly on constructive approaches and workable and realistic suggestions — there must be a degree of confidentiality. When public representatives are placed in positions of responsibility — and many of us are bearing a burden that we never requested — they must be guided by a degree of consideration and caution. They must also be granted a degree of authority to act on their own judgment, because presumably that is why we are all elected in the first place. We must always remember that if we are to carry with us our electorate and those to whom we are responsible, we must retain our integrity and never knowingly betray the trust reposed in us.

Let me now answer the question posed by the hon. Member for Newry and Armagh and the leader of his party, the hon. Member for Foyle. What I have just said relates to the judgment that the hon. Member for Antrim, North and I must exercise as we sympathetically evaluate the suggestions in the report "An End to Drift". We must then judge the timing, order and priority that we attach to the various suggestions contained in the report of our three colleagues to whom I have publicly paid tribute, and I repeat that tribute now.

8 pm

Mr. Stuart Bell (Middlesbrough): At the outset let me say that it is a pleasure to follow the right hon. Member for Lagan Valley (Mr. Molyneaux). Like the rest of us, he had to fight a general election, win it and return here. He is also returned here as leader of his party and therefore shows the dedication that he feels to his cause and the cause of the people whom he wishes to represent.

One of the things that I learnt when I first entered the House — I was reminded of it by the right hon. Gentleman—is not to be cynical. I remember Mr. Leo Abse, who is no longer with us, telling me that I was far too young to be cynical after only a year in the House of Commons. He was probably right to say that.

The right hon. Member for Lagan Valley also referred to assassination and atrocity. That was also referred to by my hon. Friend the Member for Brent, East (Mr. Livingstone) in his maiden speech and by the Secretary of State who has been here throughout the debate since 4 o'clock. I congratulate the right hon. Gentleman on that and appreciate his presence and attention. The right hon. Gentleman also referred to the violence in Northern Ireland, as did my right hon. and learned Friend the Member for Warley, West (Mr. Archer).

It is appropriate at this time to say—as we have said before—that all of us in the House abhor violence and terrorism. We do not tolerate it, will have no truck with it and will not give it any support from whichever quarter it comes. That statement cannot be repeated too often in the House of Commons.

The right hon. Member for Lagan Valley said that independence was not an option. We have gone through a series of options since the Anglo-Irish Agreement was signed. We have seen the response to that agreement from the unionist community. As time has passed and while opposition to the agreement remains firm—I accept that it is an opposition from people in Northern Ireland as well as from politicians — nevertheless there is movement in the sense that the right hon. Member for Lagan Valley and the hon. Member for Antrim, North (Rev. Ian Paisley) are back in the House of Commons and taking part in our debates. The electricity and rhetoric are back in the air —*[Interruption.]*

The hon. Member for Mid-Ulster (Rev. William McCrea), who made a passionate speech earlier, shakes his head as if to disagree. We enjoyed his speech and listened to it with great care. I feel sorry for the *Hansard* reporter who had to write it down at great speed, but the rest of us enjoyed it and we welcome the hon. Gentleman back. It is good to see the rhetoric and electricity again flowing from one side of the House to the other on the important subject of Northern Ireland and its future. Therefore, I detect — perhaps the Secretary of State does as well — a slight movement in the air that will get us to talks with the Government without prejudice or pre-conditions so that little by little we can seek to accommodate those in Northern Ireland who feel disaffected following the signing of the Anglo-Irish Agreement.

It is not always a pleasure to refer to maiden speeches. It is not a common event. I remember making my maiden speech in 1983 when I was heartily congratulated and told that it was the greatest and best maiden speech that anyone had ever heard. Two days later I followed another hon. Member who was making his maiden speech, and dutifully told him that he had made the best, most lucid and most coherent speech that anyone had ever made and that I looked forward very much to listening to him in the future. We therefore fall into the habit of congratulating other hon. Members, and it is not necessarily a bad habit. Members of the House of Commons are not the easiest audience in the world. I describe it as "living theatre". One never knows from day to day or minute to minute how things will go or what questions one will be asked. It is an unnerving experience.

I therefore congratulate genuinely, sincerely and seriously the hon. Member for South Down (Mr. McGrady). In his maiden speech the hon. Gentleman combined a reference to his constituency and predecessor with a carefully thought out analysis of some of the problems in Northern Ireland. He said that if those problems could have been solved, they would have been solved some time ago, and that it was not for this generation to solve problems that had existed for many generations. The question of identity and belonging was also an important part of the hon. Gentleman's speech. He made some cogent points that we should all take on board and remember.

Many hon. Members have greatly regretted the defeat of the former right hon. Member, Mr. Enoch Powell. I remember that on one of the first occasions when I spoke from the Opposition Dispatch Box I had the imprudence to speak before Mr. Powell. When he followed me, he said, "I will give the hon. Member for Middlesbrough B-minus for that speech." I learnt from that experience that it was not prudent to speak before Mr. Powell, and that it was preferable to speak after him. I could then congratulate

him on his logic, the way that he put his arguments and the conclusions that he reached. However, Labour Members were never appreciative of Mr. Powell's statements in the late 1960s on the "rivers of blood". We never thought that that was a positive speech to be made by someone who was a member of the shadow Cabinet at the time.

I am reminded of some lines from "The Burial of Sir John Moore at Corunna" when I think of Mr. Enoch Powell:

"We carved not a line, and we raised not a stone—
But we left him alone with his glory."

Tonight we have spoken a great deal in his honour, and therefore Mr. Powell has not been entirely left alone with his glory. I appreciated the statements of the hon. Member for Epping Forest (Sir J. Biggs-Davison) who gave the best homily to the former right hon. Gentleman, Mr. Enoch Powell.

I also wish to refer to the maiden speech of my hon. Friend the Member for Brent, East. He spoke with passion as well as with coherence in his first intervention. He was articulate in his comments. He did not respect the long-gone convention that one makes a non-controversial maiden speech. The hon. Member for Southwark and Bermondsey (Mr. Hughes) was quite right, because the days when an hon. Member made a non-controversial maiden speech are long gone.

My hon. Friend spoke for his constituents when he said that they suffered under the Prevention of Terrorism Act as it now stands. It was an interesting maiden speech—possibly a unique one—in which reference was made to a series of allegations that have been made many times before. On 10 March 1987, my hon. Friend the Member for Workington (Mr. Campbell-Savours) made a series of points on the same subject in column 249 of *Hansard*. A refutation of those allegations was made at the time and later on 9 April 1987 by the former Minister of State, Northern Ireland Office, who is no longer there.

This may be an appropriate moment to welcome the new Minister of State to his first Northern Irish debate. It is an exciting occasion. However long one may have been in the House, one learns that Northern Irish debates add to one's comprehension of parliamentary procedure. On this occasion I applaud the diligence and wisdom of Mr. Deputy Speaker in allowing the debate to wander somewhat wider than the scope of the order before us.

On 9 April 1987, the former Minister of State, the hon. Member for Chelsea (Mr. Scott), said:

"Not a shred of evidence has ever been advanced to suggest that the allegations of Holroyd and Wallace have any foundation whatsoever. I cannot see how they can have any effect on the Anglo-Irish Agreement."—[*Official Report*, 9 April 1987; Vol. 114, c. 447.]

Since then *The Observer* has had work carried out to test the authenticity of the documents that Mr. Colin Wallace has been circulating for some time. All the political parties, and even the Prime Minister, have received copies of those documents. Some of the documents, allegedly written in the early 1970s, have been analysed by a firm called Hehner and Cox Ltd, analytical and consulting chemists. After analysing them that company said:

"the balance of probability favours the authentic origin of the writings attributed to 1974 or earlier."

I do not wish to follow the line of my hon. Friend the Member for Brent, East, but I wish to take up a point made by the hon. Member for Southwark and Bermondsey who said that the Government were accountable to the House of Commons. It is incumbent upon a Government to listen to hon. Members who make specific allegations on the Floor of the House. I shall happily give the Secretary of State or the Minister of State the letter that I have received and invite them to look at it closely.

The hon. Member for Eastbourne (Mr. Gow) referred to equal citizenship. In one of our earlier debates the Secretary of State said that the nature of the governance of Northern Ireland does not affect the citizenship of a subject of Northern Ireland. The fact that there is a different form of governance does not mean that they are not equal citizens with the rest of us in the United Kingdom. The Secretary of State took up that point last year and I confirm it.

The Secretary of State referred again to our methods of conducting Northern Ireland business. We have raised this matter on many occasions. On 4 December 1986—my remarks will be found in column 577 of *Hansard*—I put forward a series of proposals for the governance of Northern Ireland and for a legislative framework. I suggested that we should abandon the system of Orders in Council. Later tonight we shall debate a very important Order in Council dealing with the electricity industry, which will have to be dealt with in 90 minutes. Earlier, there was talk of a Select Committee on Northern Ireland. There has been talk of a Standing Committee and, of course, there is already a Northern Ireland Committee. We keep talking about modifying our procedures for dealing with Northern Ireland business. I suggest that, as we now have a new Government, it is high time that we got on with it. I hope that if there are to be talks through the usual channels about reforming the way in which we conduct Northern Ireland business, those talks should take place very quickly.

The hon. Member for Southwark and Bermondsey referred to devolution. As I said in response to the right hon. Member for Lagan Valley, we have considered the concepts of independence, equal citizenship, regional councils, referred to earlier, and devolution. However, the fact is that the people and parties of Northern Ireland must come together with a form of government that is satisfactory to them. We must return to a state of affairs in which they are in charge of their own affairs, in which the two communities respect each other's identity and in which they feel at home with a local or regional government that responds to their needs. That being so, we would certainly support the proposition of devolved government. The hon. Member for Mid-Ulster denounced the Opposition and said that we were never serious about devolution. If he refers to *Hansard*, he will find that on many occasions over the past two years we have said that devolution is a way forward for the people of Northern Ireland. Indeed, I have sometimes been criticised by members of my own party for saying that there should be a devolved government in Northern Ireland that respects both nationalist and unionist traditions and seeks a proper balance between the two.

The Opposition do not intend to divide the House on the order. The Secretary of State for Northern Ireland, who has been in his present job for about three years, gave the impression that he had been here for 13 years and that he had been present every time that the House has discussed this order. To my knowledge, this is only his third time. We fully accept that there has to be direct rule for Northern Ireland. We cannot return to the system that

[Mr. Stuart Bell]

existed before 1972. Furthermore, as we shall see when we discuss the Appropriation order, in the main, direct rule is not necessarily such a burden to the people of Northern Ireland.

8.12 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Dr. Brian Mawhinney): I start by thanking the right hon. and learned Member for Warley, West (Mr. Archer) and his hon. Friend the Member for Middlesbrough (Mr. Bell) for welcoming us back to the Dispatch Box—a welcome to my right hon. Friend the Secretary of State in particular. I shall exercise caution in welcoming them back to the Opposition Dispatch Box; I know that certain dispositions will be taking place in the near future and I do not want to make their lives more difficult than they may be anyway.

I congratulate the new hon. Member for South Down (Mr. McGrady) and welcome him to the House. His maiden speech was characterised by the eloquence, insight and genuine concern for and empathy with his constituents, coupled with an obvious determination to represent them properly in this place. He spoke about a climate of hope, which requires a sense of belonging and a recognition of legitimate aspirations. He will have won many friends by his acceptance that that must be true for both communities in Northern Ireland. We look forward to hearing more of his contributions.

I should like to add my name to those who have asked the right hon. Member for Lagan Valley (Mr. Molyneaux) to convey their remarks to Enoch Powell about the sense of loss and deprivation that the House suffers as a result of his absence. As others have said, that in no way detracts from the significance of the new hon. Member's victory or from the contributions that he will make.

On the other maiden speech made this evening, I am in something of a difficulty, because I do not share the views expressed by the hon. Members for Middlesbrough or for Southwark and Bermondsey (Mr. Hughes). This House runs on a combination of rules and conventions. When the conventions are broken, it makes life difficult for the House and it makes it difficult to respond to maiden speakers. I note that another convention has been broken this evening by the fact that the hon. Member for Brent, East (Mr. Livingstone) is not in his place for the wind up. He made a passing reference to Reg Freeson, his predecessor, who was a Minister in a former Labour Government and whom I got to know as a member of the——

Rev. Ian Paisley: Surely, the hon. Gentleman should be very, very careful in making remarks about hon. Members being absent. The hon. Member for South Down (Mr. McGrady) has only just come into the Chamber. I was not present after my maiden speech, as I had been called out. Perhaps new hon. Members do not understand the ways of this House, and the Minister should not be too cruel to someone who is not present. Perhaps the Minister will accept those remarks from me, as he will understand that I have no connection whatever with the hon. Member for Brent, East (Mr. Livingstone).

Mr. Mawhinney: I always listen carefully to the remarks of the hon. Member for Antrim, North (Rev. Ian Paisley). However I must return to my serious point. The conventions of this House are not an irrelevance; they are a convenience to promote the proper relationship that must exist in a democratic Parliament. The speech of the hon. Member for Brent, East caused offence — particularly, I suspect, to Conservative Members. Many will feel that he abused the privilege accorded to a maiden speaker and I must tell him, in his absence, that he will not be treated so kindly again, either by the House or by a Minister at this Dispatch Box. I shall try not to stray from the conventions of this House governing a response to a maiden speech.

I reject his outrageous allegations about my right hon. Friend the Prime Minster. I reject his conspiracy theories and remind him that the allegations made by Messrs Wallace and Holroyd over the years about the conduct of the security forces in Northern Ireland have been fully and carefully investigated since they left the Province in 1979. No evidence has been discovered to substantiate any of their allegations. I reject the hon. Gentleman's allegations about the security forces and his equivocation will be rejected by most hon. Members. I could not help but contrast the hon. Gentleman's maiden speech with that of the hon. Member for South Down — a constitutional nationalist of Northern Ireland, representing the people of Northern Ireland in strong opposition both to the Sinn Fein and PIRA.

The right hon. and learned Member for Warley, West encouraged us to consult the people of Northern Ireland more publicly. That is what we seek to do, because we understand that that is important in maintaining the credibility of direct rule. However, the main thrust of the right hon. and learned Gentleman's argument concerned the legislative procedures of the House. He was backed in his remarks by the right hon. Members for Lagan Valley and for Strangford (Mr. Taylor), the hon. Members for Antrim, North and for Middlesbrough and by my hon. Friend the Member for Eastbourne (Mr. Gow).

I remind the House of what my right hon. Friend the Secretary of State said in his speech:

> "The House may understand that we are willing to consider changes in arrangements to determine whether it is possible to agree ways of improving the difficulties that we perceive."

In saying that, he was reflecting the view of the Government as put forward earlier by the Prime Minister when she said:

> "The Government are certainly willing to look at ways in which Northern Ireland business is handled in the House to see whether there are ways in which this could be improved, and we remain ready to consider any constructive suggestion."

We are conscious of the difficulties with the current arrangements for dealing with Northern Ireland legislation, and it is clearly an issue that must be faced if direct rule is to continue. No doubt it will form part of the discussions that may develop.

Mr. Simon Hughes: The Minister will appreciate that the major point—I associate myself with it—is that the different arrangement sought is something which allows hon. Members from Northern Ireland and elsewhere to amend Government proposals. That is the key issue on which there must be some progress and which we expect the Minister and his colleagues to deliver.

Dr. Mawhinney: I understand that that is the point which the hon. Gentleman wishes to make, and I am sure that it is an issue that will be considered if such discussions develop.

As always, I listened to the hon. Member for Antrim, North. I welcomed his promise to study carefully the remarks of my right hon. Friend the Secretary of State and his acceptance of the tone in which my right hon. Friend made his speech. In turn, I welcome his response, which we will also read carefully, and noted the clear distinction which he drew between discussions and negotiation.

I also welcomed the constructive tone and comments of the right hon. Member for Lagan Valley. We will study them carefully. It was helpful of him to clarify the references to independence in the task force report. I assure him that we will and do wholeheartedly support the security forces as they carry out their legitimate duties on behalf of us all, and we try to ensure that they know of that wholehearted support.

My hon. Friend the Member for Eastbourne raised a matter about which he feels deeply and which he has mentioned before: the constitutional difference which he perceives that the Anglo-Irish Agreement has made. I do not wish to tread over ground which has been trodden on before in our debates. But, recognising the strength and the genuineness of his feeling, I would like him to focus on that part of the agreement which makes it clear that decisions by Her Majesty's Government in Northern Ireland are made solely by Her Majesty's Ministers. It is important that he should add that to his consideration.

In no sense have Her Majesty's Government made the Irish Government responsible for the minority community in Northern Ireland, which I believe was the point my hon. Friend wanted us to take into account. The Government are wholly and rightly committed to maintaining the status of Northern Ireland as part of the United Kingdom so long as the majority of its people wish, and I see no prospect of the majority of people changing their minds. There is no consent for change. But the communities live together side by side and their futures are inextricably linked. As has been made clear, there are no ingenious new arrangements which would allow separate futures for the two communities in Northern Ireland, so what progress is made must be acceptable to both.

I welcome the commitment of my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison) to the importance of developing and maintaining good relations with the Irish Republic. I say that knowing better than some in the House of my hon. Friend's deep knowledge of the history and affairs of Ireland. When he said that, he was obviously speaking for many hon. Members on both sides of the House.

In a direct rule debate—this is the 13th—we must concentrate our minds on the political framework in Northern Ireland. On such an occasion, it is right to couple with our appreciation for the work of the security forces in the Province a word of appreciation for all the public servants in Northern Ireland, in the Northern Ireland Civil Service and in the Northern Ireland Office, who work hard and conscientiously to make direct rule as even-handed, effective and fair as possible under the guidance of Ministers. I hope that hon. Members on both sides of the House will echo my appreciation of them as well as of the others who serve us in the Province.

This has been a constructive and instructive debate which was greatly enhanced by the Ulster accents that we heard. A strength of the House is that it enables genuine disagreement, passionately felt, to be expressed in a framework of rational debate. It would be foolish not to acknowledge the strength of feeling aroused by some of the subjects discussed today, and eloquently conveyed by the hon. Member for Mid-Ulster (Rev. William McCrea), but it would be equally foolish not to recognise that rational debate and discussion is needed if we are to make progress. As my right hon. Friend the Secretary of State said, a dialogue must start, involving all the constitutional parties in Northern Ireland. Such a dialogue would enable us to take forward the exchange of views that has been started in the debate.

The hon. Member for Foyle spoke about the need to break down the barriers of division and to start building a new future. I welcome his commitment. He said that if discussions took place, the SDLP would be more than willing to take part. The Government want talks about arrangements for the government and administration of Northern Ireland which are widely acceptable across the community. We believe that movement towards devolution might be the best way of achieving this. If a settlement were agreed among the parties, we would have to consider what it meant to the work of the intergovernmental conference. I cannot usefully say more about that at this stage.

I agree with the right hon. Member for Lagan Valley that difficult issues should not be rushed. But it is important to start talking about them. That is why I shall not delve too deeply into some of the issues raised in the debate or comment at length on some of the proposals that have been mentioned. We are prepared to talk to the parties without prejudice.

The hon. Member for Foyle pointed out the unarguable fact that division exists in Northern Ireland. But it may be helpful if we draw from this debate some broad areas of agreement among the Government and all the Northern Ireland constitutional parties. First, we all reject violence as a solution to the Province's problems. None of us believes that the gun and the bomb can solve the problems of Northern Ireland. We stand together in condemning terrorism and the use of violence. Right hon. and hon. Members who represent Northern Ireland constituencies and whose constituents are killed and maimed and have their property destroyed need no reminding of that. But it is equally important that right hon. and hon. Members from Great Britain know that, whatever disagreements there may be among the responsible political parties in Northern Ireland or with the Government, we all unite in our condemnation of violence and of those who support it.

Secondly, there is general agreement on the importance of gaining the consent of the people of Northern Ireland in determining the future status of the Province. The Government have made it clear that Northern Ireland will remain part of the United Kingdom for as long as its people wish. There is no room for doubt on that score or for uncertainty about the future. If a change of status was favoured—as I said, I see no sign of it—it is accepted by the constitutional parties, and was helpfully reaffirmed this evening by the hon. Member for Foyle, that it can be achieved only by consent.

Thirdly, we all agree in our different ways that direct rule is an unsatisfactory basis for the future government of Northern Ireland. We want to see a change. Some of us have argued that Northern Ireland should be completely

[Dr. Mawhinney]

integrated with the rest of the United Kingdom. I do not believe that what is called integration would best serve the interests of the people of Northern Ireland, not least because it would close the door to a devolved form of government. I believe also that there is no evidence that integration could achieve widespread acceptance. For that reason alone, I cannot regard it as the way forward.

The right hon. Member for Strangford rejected the idea of independence as a future route for political progress in the Province. The Government agree. However, we believe that a form of devolved government could achieve widespread acceptance. It is welcome to note that there is general support for that proposition. Any devolved government would need to be one in which both communities could have confidence and in which both would feel able to participate. Again, few would disagree with that. I welcome support for that idea given by both the speakers from the Opposition Front Bench and also by the hon. Member for Southwark and Bermondsey. We welcome him to the debate and hope that, when the mouth of his friend the hon. Member for Liverpool, Mossley Hill (Mr. Alton) is repaired, he will continue to attend and contribute to Northern Ireland debates.

The Government are willing to listen to any ideas which have a prospect of commanding wide support across the community in Northern Ireland. The report of the task force, much discussed this afternoon, must have improved the prospects of starting a dialogue, and we welcome it in that light. No one expects progress to be achieved overnight, but there may now be scope for discussions to start which could lead over time to agreement.

At the beginning of my speech I referred to the fact that we had listened to maiden speeches this evening. I was reminded earlier this week that it was in a similar debate on 2 July 1979 that I made my maiden speech. I believe that I have attended every direct rule debate subsequently, and I have spoken in a number of them from a different location in the Chamber. I spoke at that time about the tensions that existed in and between the communities in Northern Ireland, and I said, in an echo of what the hon. Member for Antrim, North said, that I did not wish the rhetoric of the Province to be the same in the lifetime of my children as it had been in my lifetime.

The important point, as my right hon. Friend said—and I make no apology for repeating it—is that there should be talks about the future. The difficulties that face us in Northern Ireland can only be resolved by consultation and discussion, and we must now find ways of talking to one another. We need a dialogue. The Government will be ready to play their role, as the parties that represent the people of Northern Ireland wish.

I hope that the debate has brought forward the day when dialogue can start. I believe that it has. Her Majesty's Government welcome that, and, I believe, so do the majority of people in Northern Ireland. I commend the order to the House.

Question put:—

The House divided: Ayes 227, Noes 11.

Division No. 9] **[8.33 pm**

AYES

Aitken, Jonathan
Alexander, Richard
Ashdown, Paddy
Baker, Nicholas *(Dorset N)*
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bowis, John
Brazier, Julian
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Burt, Alistair
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Cormack, Patrick
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Dover, Den
Dunn, Bob
Durant, Tony
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, John *(Rydale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Hicks, Mrs Maureen *(Wolv' NE)*
Hill, James
Hind, Kenneth
Holt, Richard
Hordern, Sir Peter
Howarth, Alan *(Strat'd-on-A)*
Howell, Ralph *(North Norfolk)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Timothy
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lang, Ian
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
MacGregor, John
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Morris, M *(N'hampton S)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Oppenheim, Phillip
Page, Richard
Paice, James
Patten, Chris *(Bath)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Redwood, John
Rhodes James, Robert
Rhys Williams, Sir Brandon

Riddick, Graham
Ridsdale, Sir Julian
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Walden, George
Wallace, James
Waller, Gary
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Miss Ann
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Peter Lloyd and
Mr. Mark Lennox-Boyd.

NOES

Forsythe, Clifford *(Antrim S)*
Kilfedder, James
McCusker, Harold
Maginnis, Ken
Molyneaux, Rt Hon James
Paisley, Rev Ian
Robinson, Peter *(Belfast E)*
Skinner, Dennis
Smyth, Rev Martin *(Belfast S)*
Taylor, Rt Hon J. D. *(S'ford)*
Walker, A. Cecil *(Belfast N)*

Tellers for the Noes:
Rev. William McCrea and
Mr. William Ross.

Question accordingly agreed to.

Resolved,

That the draft Northern Ireland Act 1974 (Interim Period of Extension) Order 1987, which was laid before this House on 30th April, in the last Session of Parliament, be approved.

Northern Ireland (Appropriation)

8.45 pm

The Minister of State, Northern Ireland Office (Mr. John Stanley): I beg to move,

That the draft Appropriation (No. 2) (Northern Ireland) Order 1987, which was laid before this House on 7th May, in the last Session of Parliament, be approved.

Mr. Deputy Speaker (Sir Paul Dean): It may be helpful if I make it clear that the debate on the order may cover all matters for which Northern Ireland Departments, as distinct from the Northern Ireland Office, are responsible. Police and security are the principal excluded subjects.

Mr. Stanley: The order is being made under paragraph 1 of schedule 1 to the Northern Ireland Act 1974. The previous debate tonight added materially to my crash education on Northern Ireland matters, and we now turn from the weighty constitutional matters that we have been considering to the perhaps more mundane matters of public expenditure in the Province. I think, however, that the House will agree that they are no less significant.

Before dealing with the main points in these Estimates, I should like to say how much I look forward to serving all the people in Northern Ireland. As the House knows, my previous duties in the Ministry of Defence brought me into close contact with Northern Ireland affairs. I much look forward to getting to know the Province better still, and to trying to assist with its pressing security, political and economic needs.

The Province has many serious problems, some of which will be mentioned later. However, the sums of money sought through these Estimates totalling nearly £3·5 billion represent the clearest possible evidence of the Government's continued commitment to Northern Ireland as an integral part of the United Kingdom.

The House will be aware that expenditure in Northern Ireland by the Ministry of Defence, the Lord Chancellor's Department and the Northern Ireland Office is borne on United Kingdom Supply Estimates. The draft order before the House relates exclusively to proposed expenditure by Northern Ireland Departments and associated public bodies, and excludes, for example, expenditure on police and security.

On 24 February the House approved a total of £1,483 million as a Vote on account. Today I seek the balance of £1,945 million, making a total Estimate for 1987-88 of £3,428 million, an increase of some £220 million over last year's Main Estimates. The Estimates volume which gives full details of projected expenditure is available in the Vote Office.

The order also appropriates some £115,000 to cover excess expenditure in the 1985-86 financial year by the Department of the Environment for Northern Ireland. This excess has been examined by the Public Accounts Committee, which has raised no objection to it being voted. Details of the excess expenditure are set out in the Statement of Excess paper which is also in the Vote Office.

I should like to start by saying a few words about the general economic position in the Province. It is encouraging that the Province's industries have been showing some signs of recovery. Between 1982 and 1986 manufacturing output has grown by a modest 6 per cent. At the same time, helped by some special factors, the latest quarterly output figure for the construction industry is no

[Mr. Stanley]

less than 31 per cent. higher than it was at the same time last year. Clear evidence that Northern Ireland industry is rising to the challenge of the competitiveness of the 1980s is also shown by the fact that since 1979 output per head in manufacturing industry has risen by 30 per cent., a very creditable achievement. It is above all rising productivity that will enable the Province's manufacturing companies to compete successfully in the international market place and provide long-term employment security for the people of Northern Ireland.

As far as unemployment is concerned, the current level of 18·4 per cent., compared to 10·8 per cent. in the United Kingdom as a whole, remains unacceptably high. However, it is encouraging that there has been some fall in the underlying numbers of those unemployed during 1987. Seasonally adjusted unemployment has fallen by an average of 200 per month over the past six months, compared with an increase of 300 per month in the previous six months. However, the most recent two months — that is, April and May — showed slight increases in the underlying numbers unemployed, although it would be too early to conclude that this marks a reversal of our otherwise favourable trend this year.

Turning to the Estimates in detail, I will start with those covering the provision for agriculture, forestry and fisheries. The Department of Agriculture Vote 1 provides for expenditure in Northern Ireland on measures of national agriculture and fisheries support which apply throughout the United Kingdom. This expenditure of about £42 million was formerly voted as part of the Supply Estimates of the Ministry of Agriculture, Fisheries and Food.

With effect from 1 April this year, accounting responsibility for this expenditure was transferred to the Department of Agriculture for Northern Ireland under the Agriculture and Fisheries (Financial Assistance) (Northern Ireland) Order 1987. This transfer of responsibility does not affect the level of public expenditure on the various measures. The largest element within this Vote, accounting for about £30 million, is for structural improvements to agriculture by way of various capital and other grants. About £12 million is for support for agriculture in special areas through, for instance, headage payments on hill cattle and sheep.

The Department of Agriculture's Vote 2 seeks total provision of about £81 million, of which £35 million is for agricultural, scientific and veterinary services. The balance is made up of three elements—£10 million for various agricultural support measures, £23 million mainly for drainage and forest services, and £12 million for administrative services, including accommodation.

Turning to the Department of Economic Development, Votes 1 and 2 provide for the activities of the Industrial Development Board. In Vote 1, for industrial support and regeneration, the main provision sought is for about £12 million for the development board's factory building and estate development work. Good industrial infrastructure is essential when trying to capture the attention and win the confidence of inward investment companies which the Province is most anxious to attract.

A further £4 million has been earmarked for public relations and advertising campaigns to promote Northern Ireland as a good investment location.

In Vote 2 over £78 million is being provided for selective assistance to industry, including support for marketing and for research and development. The aim of this assistance is to increase investment and employment opportunities in the Province. I am glad to say that in the 1986-87 financial year the Industrial Development Board concluded agreements involving nearly 4,200 new jobs and £311 million of new investment in Northern Ireland. These figures are up 44 per cent. as far as jobs are concerned and are up 56 per cent. as far as investment is concerned over those for 1985-86. That is encouraging.

In the Department of Economic Development's Vote 3, the Estimates total about £93 million, of which £42·6 million is to provide assistance to Harland and Wolff. These funds will be used to support the company's trading operations, excluding the AOR contract, and also to meet expenditure on redundancies, on Harland and Wolff enterprises and on consultancy fees. Of the balance, £18·2 million is for standard capital grants, £7·6 million is for Shorts, and £21·2 million is for the support of small firms by the Local Enterprise Development Unit. The unit has achieved consistently encouraging results in job promotion, with over 4,000 additional jobs achieved last year alone. That is a further very creditable performance by the agency, which has done excellent work in supporting employment in small businesses since it was formed in 1971.

In the Department of Economic Development Vote 5, a total of £108·4 million is sought for various employment measures such as the youth training programme, the action for community employment scheme and the enterprise allowance scheme.

As far as the youth training programme is concerned, every young person leaving school is now guaranteed a training place up to the age of 18, so that no one under the age of 18 need now be on the unemployment register.

The action for community employment scheme has shown itself to be a valuable means of offering temporary employment to the long-term unemployed, and will provide about 6,200 jobs in this financial year.

I am also glad to say that there has been a continuing demand for places on the enterprise allowance scheme which encourages the unemployed to set up their own businesses. Since the scheme was introduced in August 1983, almost 6,000 previously unemployed people have established their own firms. In the current year, the £3·9 million sought will enable the number of available places to be increased by some 10 per cent. to 2,450.

Turning to the Northern Ireland Department of the Environment, a provision of £136·4 million is being sought for roads, transport and ports under Vote 1. Most of that money—£109 million—will be spent on roads. Although priority is being given to maintaining the existing roads network, the Government are maintaining investment in new works at approximately £18 million.

The Department of the Environment's Vote 2 is for housing. In his statement of 12 December 1986, my right hon. Friend the Secretary of State made it clear that housing investment was a high priority in the Province. Accordingly, this year's allocation to the Northern Ireland Housing Executive, together with rental income and capital receipts, will be sufficient to finance the complete expenditure plans for 1987-88 that were proposed by the executive in its 1986 housing strategy review. This

allocation totals £502 million. In addition, there will be £41 million for Northern Ireland housing associations, which is broadly in line with the level of spending last year.

This year's total housing expenditure of over £0·5 billion will enable the current level of shared ownership purchases to be maintained in the private sector. Within the Housing Executive it will include a programme of 1,600 starts for rent, the improvement of more than 8,000 dwellings and the meeting of about 400,000 repair requests. It will also allow about 12,000 home owners to receive improvement and repair grants, thus continuing the impressive progress that the Government have made in improving the condition of the housing stock in the Province.

The education Estimates seek a total provision of £743 million for Department of Education services. I am glad to say that at the Northern Ireland negotiating committee on 18 May agreement was reached on pay and conditions of service for teachers in the Province. Total recurrent expenditure on schools in Votes 1 and 4 accounts for over half the total provision in the education Estimates. The recurrent grant of £231·5 million to area boards in Vote 4, out of which are met the running costs of controlled and maintained schools, represents an increase of almost 5 per cent. above last year's initial allocation to boards.

These Estimates were drawn up on the basis that overall teacher numbers in primary and secondary schools will be increased by 150 posts for the 1987-88 school year over and above the numbers actually required simply to maintain the existing pupil-teacher ratio. Fifty of these new posts are for additional secondary teachers in science and technology, and the other 100 are for primary teachers allocated to small schools where expertise in certain specialist subjects is at present not available. The additional 50 specialist teachers in secondary schools are one element of a major new vocational education programme in Northern Ireland. A provision of £5·6 million is included in these Estimates for this, and the aim is to increase the numbers of pupils following courses in subjects such as science, economics, computing and craft design and technology.

In finalising the teachers' pay deal in the negotiating committee, it was agreed that a further 70 full-time posts over and above the additional 150 that I have just mentioned would be allocated this year. Therefore, the overall effect is that the pupil-teacher ratio in primary and secondary schools will be improved from an estimated 18·6 to 18·4 pupils per teacher in a single year. That is the best single-year improvement since 1979, and will be the best pupil-teacher ratio that the Province has ever had.

The Estimates for the education capital programme provide for total capital expenditure in excess of £47 million. This will allow for a substantial programme of new building projects to start, and for an increase of £2·3 million on planned levels of expenditure on minor works and equipment. A total of 24 major school building projects should be started this year. The capital provision also includes £2 million to begin much needed work on the replacement and upgrading of schools for the mentally handicapped.

In Vote 2, total provision of £127·8 million is sought for higher and further education and for teacher training. This allows for continued funding of the two Northern Ireland universities on the principle of parity with comparable institutions in Great Britain. In further education, provision has been made for an additional 30 lecturers from next September for appointments in the priority areas of engineering, business studies and micro-electronics. The balance of education expenditure, £34·9 million, is sought in Vote 3. This will provide for increased spending by the museum on purchases and conservation. It also provides increased aid for the Arts Council and for the establishment of a business sponsorship incentive scheme for the arts.

Finally, for the Department of Health and Social Security a total of £715 million is sought in Vote 1 to maintain and further improve Northern Ireland's health and personal social services. The largest single element within this total is the health and social services boards' revenue expenditure. This is estimated at £583 million, which is about 6 per cent. more than for last year.

A further £29 million has been earmarked for capital expenditure. This will permit the continuation of a substantial programme of major and minor work schemes. I am pleased to say that, subject to the final stages of investment appraisal, we shall also be able to give a boost to the development of hospital services in the north-west of the Province. This will include, for instance, additional wards and services at Altnagelvin area hospital, the replacement of unsatisfactory accommodation for geriatric patients at Waterside hospital and the provision of a satellite renal dialysis unit at Tyrone county hospital, Omagh.

Mr. William Ross (Londonderry, East): Has any provision been made in the Estimates relating to hospitals for the employment of sufficient nurses to bring the staff at Altnagelvin up to what is required?

Mr. Stanley: I shall be glad to look into that for the hon. Gentleman. If my hon. Friend the Member for Gosport (Mr. Viggers), who will reply to the debate, can give that detail, he will do so, otherwise I shall be glad to ask my hon. Friend who has responsibility for DHSS matters to write to the hon. Gentleman.

Finally, in Vote 4 a total of £785 million is required to meet the full range of non-contributory and family benefits.

I hope that this explanation of the main features of the draft order has been helpful. I commend the order to the House.

9.5 pm

Mr. Stuart Bell (Middlesbrough): At the outset I should like to thank the Minister for taking us through the order in the way that he did. I should also like to congratulate him on his maiden speech on this subject. He was the Minister of State for the Armed Forces when I first came into the House. I remember having some exchanges with him then.

It is interesting to think how things might have been if the result of the election had been different and if we had been sitting on the Government Benches. I should have had nine civil servants in the box behind the Speaker's Chair to help me with my speech. That would be a great improvement on the services that we have in opposition. I support Richard Heller in *The Mail on Sunday*, who stated that there should be some form of Ministry for the Opposition so that we would receive the help of civil servants and be able to make wondrous speeches on the Floor of the House. However, as Bernard Shaw once said, "Some men dream great dreams and wonder why. Others

[Mr. Stuart Bell]

dream great dreams and wonder why not." I am in the second category, of wondering why not. Hopefully that will help me to make this a short speech on the Appropriation order.

A singular feature of our debates on other occasions during the past two years has been the way in which we somehow had to mingle the political side of Appropriation orders with the financial side. You, Mr. Deputy Speaker, and your colleagues had some difficulty in bringing us back to order because the opportunities for discussing genuine political issues in Northern Ireland were not available to us. Tonight we have had a rumbustious debate that so exhausted its participants that most of them have now left the Chamber. However, we have had a good debate that leaves us open to talk about economic matters. That must be of some interest and importance to the people of Northern Ireland. As we all know, their daily lives go on and the people there must come to terms with their own existence. As part of the United Kingdom, Northern Ireland must benefit, as the rest of us benefit, from the welfare state and public expenditure, from the appropriate use of money in Northern Ireland and from value for money. That must be in the interests of the people who live in Northern Ireland.

The £3·5 billion to which the Minister referred is welcome. When I consider the way in which Ministers run the affairs of Northern Ireland, I like to think that they follow some of the policies which I would say are interventionist and which they have no doubt adopted from the Labour party. However, the Minister was quick to cover his tracks on that and to say that, although there have been signs of progress in the economy and the challenge of competitiveness, that was part and parcel of a Tory philosophy that was assisting Northern Ireland. However, a good look at the Appropriation Estimates shows healthy subsidies, and we are the last people to disagree with that. Indeed, we welcome the manner in which Ministers of the Crown use their diligence and skills to inject money into the economy of Northern Ireland for the benefit of the people there.

The Minister said that unemployment was unacceptably high. Coming from Cleveland, which has an even higher rate of unemployment, I understand the difficulties and social consequences of unemployment. There is a lack of aspiration and a lack of certainty about one's future, and a lack of any sense of security. The Minister referred to a gradual improvement in the employment conditions in Northern Ireland. We have had a general election in the meantime and have been unable to catch up with some of the developments that have taken place there during the past few months. I was glad to see, thanks to the *Belfast Telegraph*, that three firms in Northern Ireland—Ulster Carpet Mills, Adria Strabane and Ulster Weaving—have a programme of expansion amounting to £12 million and that 200 new jobs will be created.

Two other firms, Norbrook Laboratories and Thermomax, have been honoured with Queen's Awards for Exports, which is a sign that, notwithstanding the difficulties in Northern Ireland, a strong impetus and desire for exports exist. Norbrook Laboratories secured the award for increasing exports by more than 80 per cent. over the past three years and Ulster Weaving has secured orders in China, which shows the dynamic spirit of the people of Northern Ireland. They do not sit on their behinds but get out and try to find business and come to terms with the world in which we live. They are to be congratulated on that effort on behalf of the work force and the economy.

I read with great interest the statements by the Minister about the new Belfast harbour link and the £60 million cross-harbour road and rail link for the centre of Belfast. In March, the Government launched a £240 million plan to change the face of the Lagan valley. It is significant that the links were approved following a public inquiry in 1978, under a Labour Government. Now that the edges of monetarism have worn slightly thin, the opportunity is there to go ahead with that investment. I should be glad to see that investment soon.

The Under-Secretary with responsiblity for that Department said that he was unable to give a time scale for the construction of the bridges but work would start on the statutory changes. We shall be urging the Minister to get on with that job to see that this link is converted from a dream in a planner's mind into a harbour link in Belfast. It will strengthen the economy still further and help it overall by putting into it £60 million.

A British company is to open a factory in Larne to manufacture plastic windows, creating 100 jobs over a year. That may not seem a lot, but it is an improvement and we welcome it. Star Glaze, a nationwide window supplier, is opening up a 14,000 sq ft factory that is part of the Northern Ireland Industrial Development Board's plans. It is interesting to see how that board is contributing to the local economy. It has not been overwhelmed by the difficulties of the days of De Lorean, but is contributing to the economy.

We note, on the agricultural side, that the Irish and British Governments and the European Commission have received a report on the Lough Melvin catchment area study, which would involve a project between Northern Ireland and the Republic of Ireland, and which would be of some interest to the underdeveloped economy of that area. It has a lack of mineral and agricultural resources, and the development plan, which has been worked out to ensure the use of natural resources, would maximise the potential for economic growth with particular reference to tourism.

The island of Ireland, and Northern Ireland in particular, has a great deal to offer tourists. The beauty of the area and the overall environment is ideal for tourism and this project, involving the two Governments, is welcome. We hope that it will be developed from the study into a specific programme.

I am not surprised to hear that Mr. Michael Murphy, head of the Western education and library board, is concerned about the condition of school property, which has deteriorated over the years. One of the difficulties caused by education cuts in the late 1970s and early 1980s was that there was bound to be a deterioration of school property and buildings. No doubt the Minister will want to look at this again to examine the disquiet and the warnings of Mr. Murphy.

I am aware that the Government have placed money into schools in Northern Ireland. A £2·46 million package for schools in Northern Ireland for 1987-88 was announced by the Parliamentary Under-Secretary of State for Northern Ireland who has responsibility for education. There was an allocation of £300,000 for books and materials for the new examinations, over and above the £2 million already announced for 1986-87 and 1987-88. There

was a further £2·3 million for additional minor works and equipment in schools, of which £0·3 million was earmarked for energy conservation measures. Therefore, I am aware that the Government are putting money into the specific areas to which I have referred, but I believe that Mr. Murphy's complaint should be considered. No doubt the Minister will consider it in due course.

I shall end my brief study of the Northern Irish economy with a brief reference to the Irish Congress of Trade Unions. When we talk of the Northern Irish economy and the money that the Government are putting into it, we must never forget that that economy turns on its work force. The work force turns on a consensus and combination between management and workers. The prosperous and successful factories are those where there is harmony and consensus and where trade unions play their part.

I am pleased to say that the Irish Congress of Trade Unions, through its membership, plays a useful part in the development of the Northern Irish economy. That economy must face the difficulties of a worldwide economic climate that is not always helpful, together with the fact that it is based in the north-west corner of the British Isles. It also must face terrorist difficulties of which we are all aware. Nevertheless, the congress works hard with management and Government and it renders a significant service. It should be placed on record that the congress has our full support in its endeavours to improve the economy of Northern Ireland.

9.16 pm

Mr. William Ross (Londonderry, East): I feel sure that the Minister, as a new face at the Dispatch Box, will understand if I do not give him a particular welcome. The mere fact that he has had to be appointed to his office is the clearest possible demonstration of the failure of Government to replace the workable system of the 1920 compromise. Apparently, the Government have been trying to find a replacement for 13 years, but they do not seem to be getting any closer to a solution. The mere presence of a new face is a sign of Government failure that should not be ignored. It is also a sign of the Government's failure to listen to the majority opinion in Northern Ireland.

This debate takes place three times a year and it gives us the chance to scratch the surface regarding expenditure in the departments of the Northern Ireland Office. Indeed, if one wants to find out exactly what is going on, it takes many weeks of research to uncover all the detail. After such research there must be inquiries to judge how well the money is spent. However, I do not wish to venture into that matter tonight, but I hope that, on a future occasion, opportunities will occur to explore expenditure and whether or not there is good value for money.

It is noticeable that the first item in part I of the schedule relates to rating. This is a topical matter because we are now talking about replacing the rating system in Great Britain with a community charge or poll tax, depending on how one looks at it.

I can appreciate the great difficulties that arise for many people from the present system of rating, but, at the same time, I am far from satisfied that the proposed replacement will be any better than the existing system. What steps are being taken towards the replacement of the present rating system in Northern Ireland? I am one of those who believe that if people are spending taxpayers' money there should be a direct link between the moneys collected and spent and the activities of those who spend it.

In Northern Ireland we have a regional rate as well as a local government rate. Of course, there is little control over the spending of the regional rate, which is levied for things outside the control of the present system of local government. When the Minister comes to reply I hope that he will expand a little upon the Government's thinking concerning rating in Northern Ireland. Is it the Government's intention to replace or to retain the rating system? If the Government are to retain it in its present form, may we be told why? It can be retained in the light of the changes here only if it is vastly superior to the system that prevails here. If that is so, why not simply apply the Northern Ireland system to the United Kingdom as a whole rather than go through the turmoil that seems about to engulf the House in the coming weeks and months?

There is the problem borne by many commercial premises in Northern Ireland as a result of the rates burden that they face. That is affected in its turn by planning decisions that are now allowing large out-of-town shopping centres which are, in many cases, nothing more nor less than a new town centre. I would welcome a new factory in my constituency, but I cannot give the same welcome to a large shopping complex that will take profits and hard-earned cash away from the area and put it into the pockets of investors far away and do severe damage to the existing town centre shop owners who spend all their money in the community. If we are to have large out-of-town shopping developments, will that be reflected in some way in the rating charges that are laid upon such developments in order to redress the balance so that they and the present town centre commerical enterprises will compete on a comparable footing? I wonder whether the Government are looking at a tax on turnover or a tax on income rather than a simple straightforward charge per head which might be difficult to collect.

If the Government are to look at the rating system in Northern Ireland, as I hope they will, will they look again at the thorny question of rates on many community halls and such like throughout the country that find the rates a heavy burden? That has been a bone of contention for many halls for many years. Hon. Members representing Northern Ireland know that the problem extends across the political, social and religious divides and has not been much help to many small halls which perform a community service but have no income upon which to draw. They often find themselves having to make fund-raising efforts simply to pay the rates. I hope that that will be looked at again.

A week or so ago we heard reports in the House about the meeting of the Agriculture Ministers in Europe. It appeared to me, not only from the Question Time that I sat through but from reading *Hansard* afterwards, that the future of agriculture, not only in Northern Ireland but throughout the United Kingdom, is in a perilous position. It drew to my attention one of the first speeches I made in the House in about 1974 or 1975 when I asked the then Minister of Agriculture, Fisheries and Food, now Lord Peart, what we were going to do in the European Community with the food surpluses whenever they arose. Even at that time it was evident that, as the size of farms in the Community increased, they would also increase the amount of food produced from fewer and fewer workers. That has now happened and that trend is not yet at an end.

[Mr. William Ross]

I am thinking of countries such as France and Germany which have large areas of high quality agricultural land and can produce large quantities of food. We simply do not have the money to pay for it because it is perfectly plain that no further money is available, and we no longer have the mouths to eat it. Therefore, places such as Northern Ireland, Ireland as a whole, Wales and the Highlands of Scotland will suffer grievously in the long term.

There is no getting rid of the surpluses. They are there. Nobody can buy them and we simply cannot give them away. We went through the hoop of trying to give away a certain amount of food this year, and some of the systems used for giving it away did not work very well.

We have been told that there can be a shift to other crops. What other crops? I suppose that we can shift sheep from the hills to the lowlands whenever people stop growing barley. We can also shift sheep on to the pasture that used to be eaten by dairy cows. However, what becomes of the man on the hill? He could shift to forestry, but to what end? Forestry is a long-term crop. The average farmer cannot derive an income from it year by year.

The farming community and the Government must seriously face the problems that are not a thousand years away. Those problems are just down the road a little bit. They are likely to get worse over the next two or three years. Those problems do not simply impinge on agriculture in Northern Ireland; they also affect the saw mill sector. There is a shortage of timber in the whole island of Ireland. Modern mills swallow the most enormous amounts of timber. It is not all high quality timber and it is used mainly to produce pallets. A modern mill gobbles up that stuff and uses thousands of tonnes of such timber a year. There may be jobs in packaging and removing the trees from the forests, but it is not a paying proposition for the farmer who must grow the timber. There are definite limits in that direction.

I return to the problem that less food will be needed from the farmers in Northern Ireland and from the marginal areas of the country as a whole. That must translate into fewer farmers being employed on the land. That would be most grievously felt in areas with small farms. Of course, that would mean more machinery. We have only to consider the amount of money that farmers owe to the banks for machinery to realise that many farmers have no chance of ever getting their heads above water, let alone earning a decent living again.

The practical effects of these farming changes — unless there is continuous Government action to prevent it — will mean more marginal land returning to very rough pasture. There will be a tremendous loss of jobs in agriculture and inevitably there will be a loss of jobs in ancillary industries. No representative from Northern Ireland would welcome that. It is true that much of Northern Ireland depends on agriculture. Unless the Government come up with a long-term comprehensive plan, there is very little hope for many of the small farmers in Northern Ireland.

There is always a need for capital grants in farming. In future, those capital grants should be restricted to improvements to farm buildings, conservation, and the effluent from silage which is a serious problem in many parts of the Province. I ask for building grants simply because if we are to keep people on the land, they must have tolerable conditions in which to work and receive a reasonable income. As farms grow larger — a development that I do not welcome — and as we switch more and more to pasture, beef and sheepmeat, I believe that there will be a need for continual grant-aid in those areas if only to make working conditions tolerable for those involved in the industry.

I know that the Government are trying to reduce payments to the common agricultural policy. That is a good thing. I believe that the CAP has got completely out of hand. However, I ask the Minister to bear in mind the fact that the route being pursued by the United Kingdom Government flies directly in the path that the Government of the Irish Republic must follow. There will continue to be problems with smuggling on the border. There will be continuing problems with the processing of meat and meat products and eventually problems will probably arise with regard to the ownership and control of meat plants and factories in Northern Ireland. We face massive changes in Northern Ireland agriculture, and the agricultural community has not yet come to terms with them. Have the Government done so? I ask them to pull their finger out and do something about it.

I asked the Minister in an intervention whether there would be extra money to employ nurses in some hospitals in the Western board area. He may not be aware that nurses there work a 12-hour shift system. I so not think that many other groups of workers, excluding those foolish enough to become Members, willingly work a 12-hour shift. People's lives may depend on the nursing profession. I doubt whether a nurse coming on duty at 8 o'clock in the morning and working until 8 o'clock at night is as competent in the last four hours as in the first four. This is a money-saving device for the Western board which is most unwelcome.

My mother is in a geriatric unit and she is unlikely ever to leave it. I understand that some nurses find working there convenient in terms of the time they want to spend at home, but I do not believe that that system should continue. We should carefully consider that point and the fact that the Altnagelvin training hospital finds it impossible to have a full complement of nurses in certain wards, such as labour wards. That busy hospital covers a large part of the north-west. I should like the Minister to ascertain whether it is possible to bring staffing levels up to proper numbers and to do something about nurses' working conditions. It is daft to spend a lot of money bringing SRNs to midwifery standard and then saying, "Sorry, but we do not have a job for you in this hospital or in the Western area" and turfing them off, sometimes to the ends of the earth. Why spend money training the girls to do the job if we will not benefit from their expertise when they finish their training? If money is tight, these funds could be better spent. This system should not be allowed to continue.

I could mention many other problems. It is like walking through an orchard with a lot of ripe fruit hanging from the trees. I have raised these few items in the hope that this will be the last time I have to do so in such a debate. The sooner I am shot of the present system of government of Northern Ireland, the better pleased I shall be, because it has been a disaster for the Province and its people and it shows no sign of bringing us peace, stability or prosperity in any shape or form.

9.33 pm

Mr. James Kilfedder (North Down): I wish to concentrate on the scandalous treatment of the people of North Down by the Eastern health and social services board bureaucrats who are carrying out the Government's dictates and discriminating against the people I have the honour of representing.

The population of North Down has increased dramatically over the decades and will continue to do so. The present population must be about 70,000 and the number of elderly people is growing. Taken together with the Ards area, the population is 131,500.

That means that the North Down and the Ards areas combined have 20·6 per cent. of the population of the entire Eastern health and social services board area. But —and this is where my charge of discrimination arises— although they have 20·6 per cent. of the population, they do not have 20·6 per cent. of the services. It is disgraceful that such an important area, with a high-density population, should have no proper hospital facilities. I repeat my charge to the Government: it is a case of downright discrimination. Let me say, in front of the hon. Member for Newry and Armagh (Mr. Mallon), that if it happened in a national area, people would be marching and shouting "Discrimination." I shall shout "Discrimination" at the Government in the House tonight.

What deeply concerns me and those I represent is that further drastic changes are planned by the Eastern health board. It intends to carry out the Government's wishes to make—I quote the usual Civil Service jargon for cuts— "the most effective use of its facilities". The truth seems to be that, in the eyes of the Government, the people do not matter. The Government and their minions in the health board give vent to expressions of compassion for the people, but that is where their compassion begins and ends.

In a letter issued by the Eastern health board and dated 15 May 1987, the chief administrator of the board declared:

> "The Eastern Health Board has completed its Area Strategic Plan 1987-1992 and is now engaged in implementing the first year's Operational Plan of the Strategic Plan. An element of the Board's Operational Plan for 1987-1988 involves proposals for the transfer of certain services and the consequent closure of some facilities."

Those proposals include the closure of the Cultra and Crawfordsburn hospitals. The elderly patients in the hospitals, many of whom have been there for a number of years, are to be dispersed to various other areas.

No regard seems to be paid to the wishes of the elderly patients, who naturally become accustomed to a particular place and a particular home, and who will undoubtedly be adversely affected by such a harsh move. Similarly, no regard seems to be paid to the relatives of those people who live in the area, and who will have more difficulty in travelling to new areas further afield. But pounds seem to matter more than people in the eyes of the Government, whose meanness and lack of concern are revealed in every public expenditure cut in health and social services in the area that I represent.

In addition to the closure of those two hospitals, which care for the elderly and the mentally handicapped elderly, the board intends to proceed with the further undermining of the Bangor and Ards hospitals, with the transfer of more acute services to the Ulster hospital at Dundonald. The Ards hospital will lose its surgical overflow beds, and the Bangor hospital will lose 18 surgical and six gynaecology beds, leaving a 16-bed ward in the Bangor hospital to provide general surgery and gynaecological services. That effectively amounts to a 40 per cent. reduction in general surgery beds in the district. The number of gynaecology beds at Bangor hospital will be reduced from 16 to eight. If that happens, no further major gynaecology surgery can be carried out there. Therefore, these proposals will drastically downgrade the Bangor hospital.

Despite the board's offer of consultation, these proposals will go ahead because the Government and the board are totally indifferent to the rights and needs of the people of the area. In addition to the permanent population, there is a steady increase each year, particularly from tourism, especially in July and August when up to 7,000 or 8,000 more people flood into the area.

Although the North Down and Ards areas comprise 20·6 per cent. of the population of the Eastern health board region, they are allocated only 6 per cent. of the total number of general surgery beds in the region. That is a disgrace. I protest most vehemently at this further attack on the people of the North Down and Ards areas and their right to proper medical facilities.

The Belfast area has numerous hospitals. There is the Royal Victoria hospital, the City hospital, with that monster block that cost more than £60 million of taxpayers' money, the Mater hospital and others. The Belfast area swallows up the vast bulk of the money available to the Eastern health board.

Do any of the bureaucrats who make these vital decisions in the comfort of their luxurious offices, and who travel to those offices by car, ever consider the hardship that most people endure when travelling long distances by public transport to visit their relatives in hospital? That hardship will be further increased if these proposals go through. It is exceedingly difficult for people living in country areas to make journeys that require one or more changes on public transport. Although this is regarded as an affluent area, a third of the population do not own cars and must depend on an erratic public transport service that involves one or more changes.

Mr. William Ross: Does not the hon. Gentleman agree that, given the present rate of car theft at the Royal Victoria hospital, it is probably advisable to go by public transport because anyone who goes by car will probably have to walk home?

Mr. Kilfedder: My hon. Friend highlights the truth. In my judgment, the Royal Victoria hospital ought to be closed and a new hospital built somewhere else. Most people who make use of the Royal Victoria hospital facilities do not like to go there, either as patients or visitors, because they feel intimidated. Far too many terrorist offences have occurred within the area of the Royal Victoria hospital, and, as my hon. Friend points out, many a car has been stolen within the hospital grounds. It might be better to go by public transport, but better still if people did not have to go there at all, certainly not from the Ards area, or Bangor or anywhere else in the North Down region. As well as the difficulties of travelling, the cost of doing so is now considerable.

If the board's proposals go ahead, it will not be possible for the staff at the Bangor and Ards hospitals to cope with the amount of work and number of admissions that have

[Mr. Kilfedder]

occurred in previous years. Already the waiting list at Bangor hospital has increased from 230 in 1985 to 395 in 1986, and it will increase further. More people will have to wait longer, and that will be exceedingly difficult for those who urgently need medical treatment.

There will be difficulties in admitting all emergency cases. I understand from medical practitioners that the Ulster hospital cannot always take emergency cases, and the board's policy is that central Belfast hospitals should not generally admit emergencies from the North Down and Ards area. So the decision by the Eastern health and social services board to remove the ear, nose and throat department from the Ulster hospital to the City and Royal hospitals adds to the problems that the people in my area face. It is another example of the total indifference of the Eastern health board and its officials.

In 1985, 41,000 new patients were treated in casualty at the Ulster hospital at Dundonald. Each week, 35 patients are seen as ear, nose and throat emergencies and the Ulster hospital has one of the fastest patient turnover rates of any hospital in Northern Ireland. However, the emergency services at the Ulster hospital will not be complete without the ear, nose and throat back-up facilities. Therefore, the Government and the board will need to re-examine the provision for the people of my area.

I demand — and I have made this demand before, both inside and outside the House — the provision of a new hospital for the North Down and Ards area. Of course, that will take some time, and in the meantime I therefore demand the upgrading of the Bangor and Ards hospitals to provide an effective acute hospital service for the people of the area. I demand the provision of adequate casualty services for the district. I demand the provision of purpose-built accommodation for every patient, which ought to be provided in the area before the Cultra and Crawfordsburn hospitals are closed.

Surely, in this day and age, a Government should take pride in looking after the elderly. It is no use saying that they have finished their lives and can therefore be dispersed as so many numbers — people without names, pasts or relatives. I demand the retention of the ear, nose and throat services at the Ulster hospital and at Ards and Bangor.

Finally, I refer to the expenditure on the housing services in the Estimates. It is beyond comprehension that the Housing Executive should refuse to give a grant if only one wall of a room has been disturbed or damaged as a result of work that is carried out. Such work includes the replacement of gas with another form of heating and the renewal of old electric wiring. As we would expect, most tenants are house proud. They have often spent considerable sums of money on papering and painting their rooms, and if one wall has been disturbed the whole room has to be renovated — unless the Housing Executive expects tenants to put up with having one wall out of character or to accept being treated as second-class citizens. Many families, and many houses and flats, are affected by the refusal of the Housing Executive to pay for such work. I believe that the executive ought to be ordered to give grants to carry out that work.

Does such a rule apply in England? Do councils in Britain refuse grants to tenants of public sector housing where council work has damaged one wall of their homes? It is not the fault of the tenant, but is a result of necessary work being carried out by the district council. No matter how much they may be criticised by hon. Members, I do not believe that district councils here would be so mean as to deny grants to tenants in such circumstances.

Mr. Michael J. Martin (Glasgow, Springburn): Here on the mainland some houses have been in a worse state after they have been modernised.

Mr. Kilfedder: The hon. Gentleman's remarks arouse my deepest sympathy. I have come across cases where work has been carried out by sub-contractors for the Housing Executive in Northern Ireland and they have left the houses in a dreadful state. It does not matter to a tenant who does not care tuppence about the state of his house, but that is not the sort of tenant who should be looked after by the Housing Executive. The Housing Executive, and the housing authority in the hon. Gentleman's area, should take greater care of its tenants.

Mr. Seamus Mallon (Newry and Armagh): The Housing Executive in the north of Ireland believes that it is required to inspect only 10 per cent. of all improvement work carried out. That is why so many houses are left in such a state. The hon. Gentleman and others will agree that it is ridiculous that only 10 per cent. of the work carried out by outside contractors is inspected by those who are paid public money to do the work.

Mr. Kilfedder: I could spend some time pursuing that point, but I will take up the matter later. I do not wish to take up any more time of the House on this, except to say that I wish we could go back to the old days when the rent collector would come round and could report back to the Housing Executive or the council what had to be done on a house or if work had been badly carried out. There is a great distance between the Housing Executive and the tenant, who is often treated as a nuisance.

I urge the Government to reconsider the payment of grant only when more than one wall must be redecorated. Common sense must dictate the payment of the grant. This may be a matter of amusement to some people, but it is very important to tenants, and I back those tenants in their demand for fair treatment.

9.53 pm

Mr. Seamus Mallon (Newry and Armagh): I wish the new Under-Secretary of State well in his post. In many ways, he has drawn the short straw with Northern Ireland. I know that he will do his very best for the people of Northern Ireland and I wish him well in his stay with us. I pay tribute to his predecessor, the hon. Member for Chelsea (Mr. Scott), who was in the north of Ireland for longer than any other Minister. He is a man of great humanity and he gave his all to help the people of the north of Ireland, and I wish him well in his new post.

Nothing highlights the differences between North Down and my constituency better than the points so validly made by the hon. Member for North Down (Mr. Kilfedder) in relation to housing. I wish to mention housing because problems are developing which are not being catered for by forward thinking and which are not being anticipated. They will catch up with us, if they have not already arrived.

I bow to no one in my admiration for the Northern Ireland Housing Executive, its concept and the way in which it has grappled with what was an almost impossible situation at the time when it was charged with that

responsibility. I defend with everything at my disposal the decision to have an independent body such as the Northern Ireland Housing Executive which can and will deal independently with the whole question of housing in what is a sensitive area. However, I see problems arising and it would be wrong if we did not look at those problems to try to get them right.

It may be overstating it to say that there is some flab within the Housing Executive and its approach to the housing problem in the North of Ireland. That flab to some extent comes from a lack of public accountability, which is one of the factors that is counter-productive for the Housing Executive. One only has to deal on a daily basis with the problems of the Housing Executive and of tenants to realise that something more is needed. I suggest that there are fears that it may be coming to the end of a cycle. It is time to get a new injection of imagination, dynamism and professionalism into the Housing Executive, because that is needed.

People in the Housing Executive have a herculean job and I take nothing away from them. However, there are times when there is a lot to be desired. The hon. Member for South Down (Mr. McGrady) dealt excellently with his constituency. Similarly, I will point to my constituency and try to draw some conclusions. My constituency is essentially a rural area. It has the three urban areas of Armagh, Newry and Keady. In the Armagh urban area, 236 people are on the waiting list and in the incoming year 12 new houses will be completed. In the Keady area, 53 people are on the waiting list and no houses will be completed in the incoming year. In the Newry area, 371 people are on the waiting list and three houses will be completed in the incoming year.

I made it clear at the beginning that I was talking about the larger urban areas. In those larger urban areas, where there is a waiting list of 660 people, 15 houses will be completed in the incoming financial year. That, by anybody's standards, is bad planning and simply cannot be allowed to continue. I challenged the Housing Executive on that and I continue to challenge it. However, I get expertly evasive answers when I ask it how it can justify the fact that, in a town such as Newry with 371 people on the waiting list, only three houses will be completed in the incoming financial year. I have not been able to get a satisfactory reply. I have not been able to get anyone within the Housing Executive, central Government or the Northern Ireland Office to tell me how three houses can cater for the needs of 371 people. I await that reply.

The same applies to the number of houses unfit for habitation that are evident throughout the whole of the north of Ireland. I accept that my constituency is not the worst. I believe that Fermanagh and South Tyrone has the highest incidence of unfit housing in Northern Ireland. In Newry and Armagh, which are not the worst by any means, 11·5 per cent. of housing is unfit for human habitation. In addition, 10·8 per cent. of houses lack basic facilities, so 23 per cent. of the housing stock in the constituency has that type of inherent defect.

I can understand that shortage of money prevents sufficient grants from being made and that extraneous factors may make it impossible to make the necessary grants, but I cannot understand the Housing Executive in the southern region failing to make any application for additional moneys in the autumn review. There must be something radically wrong when the authority that has responsibility for dealing with public housing does not make the necessary application. I have raised the issue with the executive and the Department of the Environment. There appears to be gross incompetence when those responsible in the southern area did not even ask for money that was available. That cannot be tolerated.

It seems incredible that only 10 per cent. of work carried out by the executive is inspected. Apparently the executive feels that that is the extent of its responsibility. In other words, 90 per cent. of the work carried out for the executive by outside contractors can go uninspected. I am sure that no Member from the north of Ireland can say that he has found that all works are properly undertaken. I have found examples where payment has been made and yet no work has been done. That is a matter of record. Proper inspection must be made, because it is clearly intolerable that public moneys should be spent without proper control. It is intolerable also that tenants should be treated in this way. In any improvement scheme in any executive estate, it will be found that the contractor is taking the easy way out and that the executive has taken it. It passes the buck to the consultants and at the end of the day no one is responsible. The public purse loses and the tenant most definitely loses.

I know that I shall be forgiven if I take the opportunity of referring to Belfast, West, which is not my constituency. It is unfortunate that the person elected to represent it in this place does not put himself in the position in which he can advance the arguments that I wish to put before the House.

I welcome the decision to demolish the Divis flats. I ask that the provision of proper and adequate replacement housing is proceeded with as speedily as possible, in consultation with local residents. That is crucial. Thinking should now extend to the removal of the Unity flats as well. Whatever else they have done, they have contributed nothing to unity within the community. They have contributed nothing also to the well-being of tenants.

There are 4,500 who are waiting to be rehoused in Belfast, West, and the majority are not nationalists. In broad terms they would be described as unionists. There is a huge waiting list because of the cycle of redevelopment. This relatively small constituency probably experiences more problems than any other area in any city under this jurisdiction.

I noted with interest that special reference was made in the Gracious Speech to inner-city development. There is the opportunity to take Belfast, West, be it the Shankill part of it or the Falls area, for example, and to end the present deprivation. I ask that a start be made to give the people decent and proper housing. That might be one of the ways of starting to deal with the enormous problems faced by the people of Belfast, West.

I wish to make a brief reference to the allocation of money for roads. I shall make a genuine point. The Minister responsible for the Environment will know the areas about which I speak. I challenge one of the theses of the Department's roads executive—that it gives an equal allocation to each area in the north of Ireland. That is exactly correct and absolutely fine if all areas start from an equal position, but that is not the reality. It was with some amusement that I listened to the hon. Member for North Down speak about transport and road conditions in North Down. I have no doubt that the worst system of roads in the north of Ireland is in south Armagh. For

[Mr. Seamus Mallon]

historical, political and various other reasons it is the worst road system in the north of Ireland. It is wrong to say that area should stand on an equal financial footing with, say, an area such as North Down or greater Londonderry, where there is a magnificent road system. I challenge such a statement.

Again I ask the Minister responsible for the Environment whether, at his convenience, he and his officials will assess the situation with me. Let us drive along the roads, and then let him tell me that it is not the worst road system in the north of Ireland. I ask that the roads be examined. The theory of equal allocation of money should be challenged. Unless all areas start on an equal basis, it is unfair.

I am disappointed that the issue of equality of employment in the north of Ireland has not moved as quickly as it should. I ask that my remarks not be interpreted as political, religious or sectarian points; they are not. Everybody who lives in the north of Ireland has a right to be treated equally, whatever his religion, politics, colour or creed. I was impressed by a "Panorama" programme last night, which dealt with the same subject in Britain. One set of words stuck with me. A person from America was interviewed and asked how changes were brought about effectively and quickly in America. He replied that, when he came down from the mountain, Moses did not bring down 10 recommendations, he brought down 10 commandments. In reality, if we are ever to get to grips with the abuse of privilege, be it in Northern Ireland or in Britain, we must have a proper sanction which will make firms do what they should do and make them act justly.

Rev. William McCrea (Mid-Ulster): Why has the hon. Gentleman's party, in all the years that it has talked about discrimination, never once spoken about deliberate bias in employment against loyalists and Protestants in Mid-Ulster and, in particular, in Omagh, in the Civil Service, the Department of Health and Social Services and the Department of Education? Why has there been silence from the hon. Gentleman's party?

Mr. Mallon: No doubt the Minister will have taken note of the hon. Gentleman's question. I have no doubt also that the hon. Member for Mid-Ulster (Rev. William McCrea) is aware that the Departments that he mentioned are directly governed by central Government. I agree with the hon. Gentleman about that, and draw to the attention of the House the situation that exists in Government training centres. I asked the Minister to look at that and over a year ago I was given categorical assurances that steps would be taken. I take up the hon. Gentleman's point: if one cannot end this type of discrimination in places where a Government Department is making the decisions, how can one end it in private enterprise and in semi-state bodies? I ask the Government to look carefully at the Government training centres.

Mr. Roy Beggs (Antrim, East): Does the hon. Gentleman agree that the absence of real employment opportunities creates great difficulties for people from both sides in Northern Ireland? Does he further agree that, until we get inward investment and commitment by Government to stimulate the economy and create worthwhile jobs, there will be continuing difficulties?

Mr. Mallon: I completely accept that point. The ultimate way to end any discrimination in job allocation is to have sufficient jobs to make it quite obvious that there is work for everybody.

I should like to make one final reference to west Belfast. In 1984 there was an official recommendation that another further education college would be needed in Belfast, and that there was an obvious need for it to be built in west Belfast. The Government then announced that money would be available for this project, but since then the Belfast education and library board has delayed any movement towards setting it up. The board has set up working parties, but we know what that means. The matter goes from a working party to a standing committee and that is worse. It seems that the Belfast education and library board is moving away from the initial recommendations. The Minister responsible for education in Northern Ireland should quickly move the board to get that fourth college established in west Belfast where there is an obvious need.

It is unfortunate that agriculture in Northern Ireland can seldom be debated with the Minister who is completely responsible. I make no criticism whatever of the present incumbent in the Department of Agriculture. However, agriculture is our stock industry and the north of Ireland depends upon it. We are waiting for the agricultural development programme that we thought we would have had before now. We were assured that we would have it by now, because it is crucial, especially for the small farmer. Also, unless the integrated rural development programme is adopted and pursued by Government under the terms of the Mather report, which has been accepted by the European Parliament and by the Commission but not yet by Government, we will not have the framework within which we can start to deal with the component parts such as housing, lack of employment or agriculture itself.

10.17 pm

Mr. A. Cecil Walker (Belfast, North): There are one or two matters in the order about which I should like to speak before addressing the House on the matters in my brief. They are based on the Department of the Environment vote 2, page 4, on housing services.

First, in connection with vote 3, page 4, under the Department of Economic Development, I am concerned at the large amounts of aid being given to companies to promote activities that are already more than adequately catered for by established companies. Such aid does nothing to create extra jobs; it leads only to closures and subsequent unemployment by transferring operations from one part of the Province to another. In many instances, the services offered by the new company are vastly inferior to those already in existence, largely because of lack of experience in that area.

Secondly, on the Department of Health and Social Services, vote 1, page 5, I stress the great need in north Belfast for extra resources for the development and maintenance of services for the frail and elderly. The cuts in home help provision are causing great handicaps to those sections of our population. Those people are finding it impossible to cope in the hours allotted to their welfare. In many instances, home helps themselves provide extra services out of pity and concern. There must be other areas in which economies could be made without endangering

the lives of our senior citizens who have contributed so much to the welfare of the Province throughout their working lives.

Some comment is also necessary about part II, page 4, vote 3, about the situation in Shorts regarding the flying of our national flag in the workplace. That flag is flown to commemorate the battle of the Somme and the sacrifice that was made by the valiant men from both parts of Ireland who gave their lives for freedom and democracy. There is now the suggestion that such displays are provocative to the Catholic work force. I can categorically refute such suggestions. I know many Roman Catholic workers at Shorts and, as far as I am aware, not one has ever complained of such intimidation.

During the time of the troubles in the Province, when riots were prevalent, members of the Protestant work force escorted their Roman Catholic fellow workers to and from their homes, many of which were in interface areas, so that they could pursue their occupations in peace and safety. Recently, a Roman Catholic worker in Castlereagh was presented with a £400 microwave oven as a wedding present from his largely Protestant colleagues on the factory floor. Those are not instances of provocation or intimidation, and I hope that the Roman Catholics who work in such places will make statements to that effect.

Rev. William McCrea: Does the hon. Gentleman agree that it is an absolute disgrace that, at a time of great unemployment in the Province, members of the SDLP are playing political games with people's jobs, as they are doing in Shorts and other factories?

Mr. Walker: I certainly abhor anyone of any party who plays politics with people's jobs. I noticed that the hon. Member for Newry and Armagh (Mr. Mallon) mentioned something along those lines in his answer to the hon. Gentleman's last question. I should like to put on record that I abhor such activities.

Turning now to the main thrust of my submission, as my party's spokesman for housing and construction, it falls to me to comment on this important matter which concerns us all in Northern Ireland—the part that the Housing Executive plays in the provision and repair of public sector housing. As I have said on many occasions, the activities of that autocratic and dictatorial organisation leave much to be desired. Its performance since the last time that I spoke on the Appropriation Order has been anything but satisfactory.

Mr. Beggs: Does my hon. Friend agree that the time has come for a thorough public inquiry into the operation of the Northern Ireland Housing Executive to expose the many cover-ups that take place and those that have taken place in the past?

Mr. Walker: I appreciate the interjection from my hon. Friend the hon. Member for Antrim, East (Mr. Beggs). If he listens to me as I go through my speech, some of the things that he has mentioned will become clear. It has been said—and I find it difficult to disagree with the feeling—that it was the Anglo-Irish diktat and the involvement of a foreign decadent state in the affairs of Northern Ireland, including many aspects of housing, that accounted for an attitude in the Housing Executive that can only be construed as anti-unionist. I feel that this is in some way responsible for the present situation in north Belfast. I shall confine my remarks to that area, although, from information received from other sources, I have no doubt that such allegations about the behaviour of this monolithic body would be applicable to the Province as a whole, but in particular to the urban areas.

North Belfast contains a wide spread of all religions and creeds, with a broad financial spectrum, which I have always endeavoured to represent faithfully and fairly. I am glad to say that this has been duly recognised by my constituents who have returned me once again to the House. In such representation, it is my duty to make sure that one section of the population is not being discriminated against in favour of another. In housing, this would be a just cause for consternation, leading to all kinds of accusations against the executive and particular individuals in it.

The area in which there is irrefutable evidence of imbalance in the provision of housing in both quality and quantity is in the Ardoyne. The Minister should look carefully at the disparity that is so glaringly obvious in this area. For some time, I have been trying for a commitment from the executive that it will do something to correct this imbalance between the Protestant and Catholic sections of the community. I have been told that extensive proposals are being formulated. This refers only to piecemeal and limited repair and renewal.

On the other hand, complete streets of houses in the Catholic Ardoyne are having rehabilitation programmes with new infill housing, together with large-scale environmental works. The quality of the work and of the materials used is of the highest order, expecially when compared to the standard pertaining to the adjoining area on the Protestant side, where strictly limited works are being done on individual houses.

To correct this unacceptable state of affairs would require funds to be made immediately available for the complete rehabilitation of the Protestant Glenbryn/Alliance area under a housing action area scheme. I strongly suspect that the area has been allowed to decline in the hope that the people will be forced to leave, thereby creating further interface problems between the two communities, leading inexorably to continuing strife.

Another apparent discrimination arises in the provision of the auxiliary works to complement and secure new buildings. I am referring to small walls and gates to ensure privacy and security. It is not just the prerogative of the Catholic residents to have such facilities to protect them from the vandals and hooligans who take great delight in preying on defenceless people living on such estates. The Protestant people of the Old park, Crumlin and Shankill areas have as much right to estates completed to high standards as their Catholic counterparts.

I can name many other incidents where the Protestant communities have not been treated as fairly as their Catholic neighbours. Two spring readily to mind—the rehabilitation at Jaffa street and the broken promises on the Yarrow street, Rosewood street area, which has now been designated as a private investment priority area. The residents of Jaffa street, having suffered the trauma of an enveloping scheme extending over years due to a mediocre builder working with cheap materials to a cheap specification, now have to suffer the indignity of not having the fronts of their houses completed with garden walls and railings, as promised. In the meantime, the broken stones that have been spread outside their doors

[Mr. Walker]

as a temporary measure are a natural lavatory for the dogs and cats in the neighbourhood, the products of which are inadvertently tramped into the house.

On making inquiries as to why that job has not been completed, I am fobbed off with the answer that although a scheme has been drawn up, it has not yet been approved, due to the cost consideration. When these unfortunate people, many of whom are elderly and infirm, see the wonderful, completed enveloped projects in the New Lodge enjoyed by the Catholic community, is it any wonder that they consider that they are being blatantly abused?

I am not, for one minute, criticising my Catholic constituents for being treated as they deserve in the matter of their housing needs, but as the Member representing Belfast, North I demand the same rights and privileges for the Protestant people in the matter of their pressing housing requirements.

With regard to Yarrow street and Rosewood street, I wish to expose the deceitful way in which promises given have been broken by the executive. It is another glaring example of discrimination against one section of the community. When the Lower Oldpark area was being redeveloped, it was stated that the area of Yarrow street and Rosewood street would be upgraded in conjunction with the adjoining new building so that the basically good brick terraced houses would be retained. During the tour of this area with the then Under-Secretary of State for Northern Ireland, the hon. Member for Bath (Mr. Patten), along with a Mr. Cameron, who has now been elevated to a higher position within the executive, it was again repeated to me that the scheme would progress as a matter of urgency. That was in 1984. Now I am informed that proposals will not be brought forward during the present financial year. However, most magnanimously, the executive assessed the needs during the private investment priority area review and will now bear in mind the views of the residents and their representatives on how this matter should be progressed. What unmitigated gall from a thoroughly discredited body.

I would now like to turn to another criticism that is causing public representatives serious concern in their relations with the executive. There is now a belief among unionist councillors that the executive has drawn so far away from the public it is supposed to serve that it is now incapable of responding in a constructive and sympathetic manner to the problems of tenants and home seekers. I note that there must be some form of recognition by the executive of its failure to respond to complaints from the public as it now appears that a complaints procedure will be set up to ensure that complaints are duly investigated. I suggest that before that procedure is established the causes within the executive, responsible for people's complaints should be investigated in depth. It should not be overlooked that such assurances given in the past to public representatives have, in reality, resulted in no improvement.

I have already stated that Belfast, North has the greatest population and proportion of elderly in the Province. Many of those senior citizens are living in completely unacceptable conditions and are not receiving the support to which they are entitled. I am concerned about the lack of provision in the matter of sheltered accommodation for this section of the population in Belfast, North. The executive will say that levels of accommodation have been met, based on the criteria of 35 per 1,000. However, if the executive is basing that on its existing lists, it is naive in the extreme. Relatively few elderly people have completed registration forms. The vast majority of the elderly do not appear on any list, nor does there exist within the executive any means of identifying such elderly people with special needs.

There are many housing associations prepared to build for this deserving section of our population, but they are being stymied by the executive, which is again abrogating its responsibility in this respect.

There is also a serious problem with the glass-fronted room heaters that have been installed in houses for the elderly. These unfortunate people cannot manage the mechanism connected with these fires. All their lives they have been used to open fires, and in many cases they are treating these unsuitable appliances in the same way. Thus, they are exposing themselves to great danger in the process. Communication with the executive, with the tenants and the coal advisory service is just not working in the interests of those old people. The response to calls for repairs and inspection is much too long and in the meantime there is suffering and sometimes death because of the delay. There should be the alternative solid fuel option in the shape of the wrap round boiler open fire that also copes with smokeless fuels. There is a crying demand for that system from many executive tenants, particularly as it makes full central heating applications economical.

I am still concerned with the current selection scheme for main contractors for building and repair programmes for executive contracts. There are too many so-called builders being given contracts that they have not fulfilled. In spite of so-called controls to govern the employment of unscrupulous subcontractors, they are still flourishing to the detriment of the executive, its tenants and the housing stock.

Rev. Ian Paisley (Antrim, North): Does the hon. Gentleman agree that the Housing Executive falls down very badly with regard to the inspection of work done? The idea of inspecting one house in 10 under a contract leads to corruption because the contractor can take the inspector along to the one house that has been well done, while the other nine houses are not inspected.

Mr. Walker: I thank the hon. Member for Antrim, North (Rev. Ian Paisley) for that. I am reliably informed that the inspection rate in Belfast is one in 20. I agree with the hon. Gentleman about inspections. It is a diabolical disgrace to see the way in which jobs are carried out in such a lousy way with respect to all types of housing and building repairs.

I was referring to the cowboys. Many of them are subcontractors. They employ people who are already drawing the dole, pay them deflated wages and pocket a 30 per cent. tax deduction. That illegal form of horse-trading precludes the employment of legitimate, self-employed and other workers who pay tax. As a prerequisite of the contract, the main contractor should be required to give lists of all those employed in any capacity on the site. Those lists would be rigorously checked against DHSS records. That would expose those unprincipled subcontractors, many of whom have chequered backgrounds in the building trade.

The Government should also strengthen the hand of the RUC through more covert operations in its efforts to

apprehend the perpetrators of the protection rackets operating on many executive housing sites. It is completely unrealistic to expect contractors to expose the parasites engaged in that illegal activity. Only through the persistent and diligent application of orthodox and unorthodox, methods by dedicated officers will that abhorrent practice be minimised.

I am still not at all happy at the low level of satisfaction with Housing Executive repairs. I have a constant stream of tenants to my constituency office complaining about a lack of attention and expressing complete dissatisfaction with all forms of repairs. Some time ago I advocated a tenant certification scheme for the approval of repairs. Such a scheme has been in operation on the mainland most successfully for many years. In a letter to me, the chairman of the executive refused to consider such a suggestion. When we consider that on average only one repair in 20 in Belfast is checked and when we consider the low level of satisfaction with repairs, it seems that anything that would improve such an unacceptable record should be considered seriously and would be to the benefit of all concerned.

The Housing Executive has proved to be a monumental failure in all aspects of housing management. The reports from the public auditor every year reveal the results of that gross mismanagement for all to see. Millions of pounds of taxpayers' money that should have been used for the building and repairing of homes for the needy are carelessly or even criminally squandered. The whole structure of the Housing Executive requires to be fully investigated by an independent body so that it is made more amenable to what the public expect from an organisation which they had no part in setting up and in which they have no practical input. Its performance in comparison with the number of staff it employs is pathetic. We have heard of criticism of the old Belfast corporation and other local government housing bodies concerned with the provision and administration of housing, but they were streamlined and cost-effective because of accountability to the public and their record was commendable, compared to the operations in their place.

I hope that the Minister will make it his business to consider my accusations seriously in the interests of justice and fair play. The evidence is there for him to see, if he cares to look. I shall be happy to expand on any matter that needs clarification and, if necessary, will furnish his office with many other examples of unfair practices pursued within the Housing Executive.

10.35 pm

Mr. Clifford Forsythe (Antrim, South): I protest at the introduction of Northern Ireland legislation by Order in Council. I do not want to take part in the debates on the other orders on the Order Paper. Under the appropriation order, reference is made in the vote for the Department of Economic Development to the training of labour and to the grants and assistance given to industrial firms. It is commendable that we should be trying to increase employment in Northern Ireland. What is being done to help those threatened by the Irish Republican Army, which prevents firms from carrying out work and threatens and prevents workers from working? Having worked in the construction industry, I realise the difficulties faced by those men.

In the past, workers were threatened and firms continued to work. Firms said to the workers, "If you wish to continue, your job is there for you." But when pressure was put on firms, the employers suddenly discovered that there was an awful threat to them and immediately pulled out of jobs. Perhaps security does not come under this appropriation order, but it is relevant to industry to consider whether the Northern Ireland Office is doing anything to prevent that, to encourage those workers and firms willing to do the job and take the risk and to assist workers to do the job if firms do not have the courage to take the risk.

I come to vote 5 for the Department of the Environment. The hon. Member for Newry and Armagh (Mr. Mallon) referred to the Divis flats, which are to be demolished. He did not refer to the Rossville flats, which I understand are in the same position. Who made that decision? Was it made, as Mr. Barry claims, by the Anglo-Irish conference? Was it made by the Northern Ireland Office or, as someone else has claimed, by the Housing Executive? If it was made by the Housing Executive, that is a complete U-turn—if I may use a phrase that is not particularly welcome on the Conservative Benches—from what was said by the Housing Executive board and its officers—that they had decided not to demolish Divis flats. After the Anglo-Irish conference and the signing of the Anglo-Irish Agreement, we suddenly discovered that the Divis flats and the Rossville flats are to be demolished. Mr. Barry announces it in Dublin, and says that he is claiming the credit because it was achieved through the Anglo-Irish conference. Perhaps, when he winds up the debate, the Minister will put on record who made that decision.

I disagree with what some hon. Members have said about Housing Executive grants. Perhaps I should not be disagreeing with other hon. Members, but I should point out that when grants are given by the executive, it is the responsibility of those who receive them to employ the contractor and to see that he carries out the work properly. It would be feasible to inspect about 10 per cent. to ensure that, at least in that percentage, the work was carried out according to specification.

In DED vote 8, there is a reference to an electricity subsidy. As is well known, proposals have been made providing for major changes to that industry. Northern Ireland's dependence on oil for electricity generation is also well known: in fact, it is 90 per cent. Because electricity cannot be stored, and because a balance must always be maintained between supply and demand, the fuel used to generate that electricity is very important in economic terms. The Northern Ireland electricity system is the smallest non-interconnected service in Europe. A well-known reason for that is the loss of the interconnector between Northern Ireland and the Republic—which, I remind the Minister, has been out of commission since 1975.

On 15 November 1985, the Anglo-Irish Agreement was signed, with its reference to peace, stability and security. In view of the supposedly greatly improved relations between Northern Ireland and the Republic, I wonder why the interconnector could not be protected from the IRA. Why has it not been reinstated? It seems, unfortunately, to fall into the same category as peace, stability and better security.

My party is not opposed to private enterprise where it provides proper, lasting jobs—not simply paper jobs—but each enterprise must be taken on its merits. When lignite was discovered at Crumlin, and was hailed as Northern Ireland's first natural resource—which is not strictly true; its people are its greatest natural resource—the view that cheap fuel was just around the corner was uppermost in everyone's mind. Since then, however, things have changed. There is a great debate about a lignite power station—about whether it should be situated in Crumlin, which incidentally would place it in my constituency, or in Ballymoney; and about whether we should wait to see whether a bit of competition in other ways would bring down the price.

It now seems that it would be more sensible to finish Kilroot No. 2 as soon as possible, which would give time for a reassessment of lignite and lignite potential as a means of working towards a satisfactory one third coal, one third oil, one third lignite formula for the generation of electricity in Northern Ireland.

It would also be sensible for the new lignite station to be built by private enterprise, but we contend that it should be run by Northern Ireland Electricity, which has increased its efficiency and productivity in the last 10 years and which has maintained a 99·9 per cent. reliability of supply, even though the system has two of the oldest, least efficient power stations in Belfast, West and Coolkeeragh.

Northern Ireland has few resources that it can call its own. When lignite is developed, we must ensure that its benefits, both financially and practically, stay in the Province to benefit its citizens rather than lining the pockets of speculators who may come in from outside.

Since I became a Member of this House, I have strenuously objected to the system of Orders in Council by which Northern Ireland is governed. I still feel the same as I did when I first entered the House in 1983.

I have referred to proposals that will be put to the House at a later date and to the way in which the electricity supply industry—which is so vital to Northern Ireland—will be dealt with by Orders in Council. My party's offer to give evidence to the Select Committee on Energy was not taken up. Instead, the Northern Ireland Office has chosen to bring forward orders which can go through in one and a half hours. That will be pointless, because we will be unable to amend those orders. In addition, we know that representatives of a foreign country, meeting with Her Majesty's Ministers behind closed doors in secret conclave, are in a far better position to influence decisions than the publicly elected representatives of Northern Ireland.

I do not intend to dignify that charade with any contribution whatever. I can only hope that the remarks made during the previous direct rule debate will lead to a change in this unacceptable position.

10.49 pm

Rev. Martin Smyth (Belfast, South): Honourable Members on both sides of the House have voiced their concern about the way in which Northern Ireland is legislated for.

I am aware that funds for security may come within the terms of the Consolidated Fund and that we cannot debate that subject tonight, but perhaps the Minister will tell us whether sufficient arrangements have been made to provide adequate funds for the prison service in Northern Ireland. For a time, the numbers in our prisons were reduced, and people were happy about that. However, I understand that there has been an upturn in the past few months and that, in addition, there are plans afoot to repatriate prisoners from the mainland to Northern Ireland. Have adequate funds been provided for that, and, if so, why cannot we in Northern Ireland have prison visits on public holidays or on Sundays—times that are more convenient for friends? On the mainland, visits are permitted at those times. If the funds come from the United Kingdom Consolidated Fund, why do not the same arrangements pertain?

Following the settlement arising out of the hunger strike, why has not adequate provision been made for those who wish to do work in the prison system to do so? Earlier tonight I spoke to some prison officers who were visiting the House. They gave me to understand that the answer normally given is that prison visiting arrangements are governed by prison officers' requirements, but that financial restrictions are the real cause. Unfortunately, the subject does not fall within this Vote. However, I ask the Minister whether the information is correct, because the question impinges upon how we are governed. If we were dealing with the United Kingdom Consolidated Fund instead of an Appropriation order for some of the Northern Ireland Departments, we could probe the matter more deeply.

Vote 5, under the heading "Department of Economic Development", refers to "services for the disabled". What does that mean? Is the care of the disabled being taken away from the social services? Is their training being taken away from the Department of Education and Science? What is going on? Many disabled people want to be trained to the utmost of their ability; they are not keen just to have services provided for them. They want to live, and many of them could live remarkably useful lives. I must put on record that many of us felt a sense of distaste recently when the Eastern board withdrew some payments from mentally handicapped people on training schemes because similar incentives were not given in other places. It was a classic case of robbing Peter to pay Peter, and I do not think that that was a proper way to allocate the funds. It was wrong to remove incentives and encouragement from such people.

I refer to Vote 1 under the heading "Department of the Environment". No doubt the Minister is aware that for many years people in the city of Belfast have been concerned about the state of at least 300 unadopted entries, for which no one will claim responsibility. Has not the time come to set aside the follies of the past and bring our city up to the standards of the present? Some of the funds that seem to be lavished elsewhere could be used for the common good and spent on the basic sanitary provision of proper entries.

Many of my colleagues on both sides of the House have spoken about the Department of the Environment—in particular about Vote 2, which deals with housing services. I regret to report that some years back I wrote to the chairman of the Housing Executive, drawing attention to the lamentable work that was going on in the Dunluce-Ulsterville avenue area of my constituency, and the problem of the building contractor there. I was amazed to discover that his officials had told him that the contractor was a good contractor who had had no problems and that he was adequately insured. I asked why, if the work that he had done which had been drawn to the attention of the Housing Executive was not proper, he had been given contracts on the north side of Belfast. I have now discovered that not only did he not have proper insurance cover, but he has left the country.

The Housing Executive cannot claim that it was unaware of the position. It is galling to Members of Parliament who highlight such issues to be fobbed off with such answers.

I do not know how my right hon. and hon. Friends felt yesterday when they received a communication from the Housing Executive to the effect that, under the Data Protection Act 1984, hon. Members would have to provide evidence when we made queries that our constituents had asked us so to do. May we have some guidance on this? The order deals with records and with financing for computers. Does the rule apply to every Member in the Chamber? I am not sure that many of us believe in works of supererogation and not many of us are gluttons for punishment. I doubt whether any of us would raise issues that had not been brought to us by constituents. It is ludicrous that our time should be wasted and public money spent on such a letter.

Mr. John David Taylor (Strangford): I join the hon. Gentleman in expressing my concern at the receipt of that letter this week from the Northern Ireland Housing Executive. It states that, in future, Northern Ireland Members cannot raise questions with the Housing Executive on behalf of their constituents unless we provide evidence that we have been requested so to do. That is to comply with the new computerised system that the Housing Executive is using. Does the hon. Gentleman agree that this may be a breach of privilege by the chief executive of the Northern Ireland Housing Executive in trying to control the activities of Members of this House?

Rev. Martin Smyth: I appreciate the right hon. Gentleman's observations. I leave it to others in the House to decide whether it is a breach of privilege. I suspect that it is very close. It also manifests some lunacy, because we know the problems that the Housing Executive encounters with the computer. Many people are told that their applications have not come up on the computer. If they are relying on the computer to stop Members from probing on behalf of their constituents, they are leaning on a bent stick.

Towards the end of last November and at the beginning of December, in the Lisburn road in south Belfast, there was a massive explosion outside an RUC station which demolished a considerable number of houses and wrought tremendous havoc. Six months later, much of the repair

[Rev. Martin Smyth]

work has still not been done. I congratulate the Housing Executive on the immediate work that it carried out, but I have not been impressed by the continuity of that work. The executive says that it is obliged only to weatherproof the houses. To me, that means keeping the water out. I have visited some of those homes, and six months later they are still not properly waterproofed.

There is another tragedy, especially for the elderly with limited savings who put their limited savings into the purchasing of property. I understand that there is accountability and that the Northern Ireland Office is sending assessors to carry out evaluations, but if they know the value of the work that is to be done, cannot there be intervention between cowboy builders and old-age pensioners who are under pressure to get their houses repaired and who do not know the values and the prices that are involved? At a later stage an assessor will tell a pensioner that only a certain sum is available, and quite often there is a shortfall of 50 per cent. Those who have only a pension on which to live are then left in dire straits. If the Northern Ireland Office's assessors know the value of the work that is to be carried out, they should be prescribing to the builders rather than to the residents, who have suffered enough.

Rev. William McCrea: On the point about the lack of proper tradesmen being employed by the Northern Ireland Housing Executive, will my hon. Friend take it from me that in a town in my constituency it was discovered that, instead of tradesmen being employed on the improvement public buildings scheme, one man was employed on the Monday by a contractor as a plumber, to return on Tuesday as an electrician and on Wednesday as a joiner. On Thursday, he slipped down to the unemployment office to sign on the dole.

Rev. Martin Smyth: Clearly a Jack of all trades and product of private enterprise who should go places. Lest anyone should think that I have been unduly critical, I acknowledge that some fine work has been done by the Housing Executive. I have in mind, for example, St. George's gardens, which runs parallel to Great Victoria street. It is one of the finest developments that I have seen anywhere. I wait for another year to see what the development looks like when the paint begins to wear and the papering begins to show cracks before I comment on the structure. However, it is a delightful area that is pleasing to the eye, and I congratulate the executive on that piece of work.

I should like to know how the conservation area around Queen's happened to stop magically short of Queen' own plans for developing the area, which involves the demolition of some of the finest old houses in the area. The Royal Society of Ulster Architects has said that the houses in question are some of the finest of their type in the area and in the city. Why did the effect of the conservation order stop miraculously at a point that will allow the barbarians of the new red brick, if an old university person might use that term, to demolish some of the finest remains of historic architecture?

This afternoon I questioned the Secretary of State for Education and Science about the implementation of the ruling of the European Court. The effect of it is that people from the European Economic Community should be entitled to attend British universities and polytechnics at the British taxpayers' expense. I do not know whether the Minister has seen the report in *The Times* of last Saturday that was headed "Irish invasion for free education." This is happening at a time when we have seen the curtailment of grants to people in the United Kingdom for education opportunities.

Perhaps this is an appropriate moment to raise a matter which has been a long-standing bone of contention not only for hon. Members who represent Northern Ireland constituencies but for others as well. I understand from a newspaper cutting that universities and colleges throughout Great Britain and Northern Ireland are bracing themselves for an invasion of Irish students. People have an entitlement, especially in universities, to move about. I do not question that, but I ask whether funds have been made available, or will, for example, the Belfast education and library board in my constituency have to curtail its budget to provide the necessary funds for such fee payments? An article in *The Times* stated that, for the academic year 1986-87, about 3,000 students took advantage of the opportunity to study in the United Kingdom.

I realise that the Minister is not in a position to answer directly for the Secretary of State for Education and Science, but can it be confirmed that the cost over three years may be as much as £5 million? I understand that, whereas there were 3,000 students in the past year, there are an estimated 5,000 for the coming year. Certainly, as I understand it, *The Irish Times* is planning a three-day conference in Dublin to help would-be students to familarise themselves with British application procedures. About 10,000 sixth formers have applied for places. Has the matter been discussed in the Anglo-Irish Intergovernmental Conference? What provision has been made for British students to have the same opportunities in the Republic of Ireland? Have we been aware that middle class people in Dublin know the good bargain that they are getting? They will pay reduced tuition fees, and the cost of living is much easier in the United Kingdom than it is in Dublin. How will that matter impinge upon our people?

I can understand colleges and universities in which there are plenty of vacancies because of financial restrictions that the House has imposed upon them trying to get help from other sources and get students in, but it seems absolutely ridiculous that, again, we are subsidising a country which obviously is having difficulty in financing its young people's education. It is a marvellous bargain at the expense of the British taxpayer. The average cost of fees in the Republic of Ireland is £1,500 compared with £550 in Britain.

Mr. William Ross: Is my hon. Friend aware of a court case of which, so far, only university students are taking advantage? From my reading of the case, it seems that there is a possibility that not only university students but students in secondary education could make the same claim and go across the border every day to schools in Northern Ireland or even live there and receive benefits.

Rev. Martin Smyth: I understand that that is a possibility. Certainly there can be movement without much difficulty if people so desire.

I do not wish to prolong the debate, and I wish to give the Minister an opportunity to respond. I shall raise one other specific point on education and then refer to health and social services.

I notice that Vote 1, Department of Education, is for £191,390,000 for schools,

"excluding grants to education and library boards."

Vote 4 is for grants to education and library boards and is £142,770,000. Do those Votes draw a distinction between direct grants to direct grant schools, to maintained schools compared to controlled schools? Are they a portent of the continuing move towards privatisation in education by which the public sector is being cut, especially in inner Belfast?

In south-west Belfast there is a tragic situation. Plans were made to move the Kelvin secondary school to the Blythfield site. That would have left the Kelvin school site free for the development of facilities at the Royal Victoria hospital and would have allowed the provision of a new primary school to serve a new and growing community. Now, because of the attitude of one councillor and one principal, the board and the Department are hiding behind the statement that the people are divided and do not know what they want. However, that plan was made by previous Ministers in consultation with the people. Is it just a matter of curtailing public expenditure on the public schools and opening the way for the continuing provision of some schools that give a portion of the capital cost and get the rest from the state?

I have two questions about the Department of Health and Social Services, Vote 3. There is reference to expenditure on social security and similar services. Will this provide funds for the Shankill road social security office or will it be like a nomad encampment moving from pillar to post with resulting demoralisation of the staff and inadequate facilities for the people?

Is the Minister satisfied that people who wish to take up their entitlement to attendance and mobility allowances are treated properly? On too many occasions I have had to press for an appeal after people have been turned down for mobility allowances. Those people had to go through a year of agony until, finally, an appeal was granted. I urge that closer attention be paid to the methods of providing such mobility allowances. It seems that at times people who ought to have received them have been held back.

11.12 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Peter Viggers): Before I attempt to deal with the points raised in this long and interesting debate, I should like to impose on the House briefly to describe a significant report from my Department. It is the Pathfinder interim report on the theme "Building a Stronger Economy" which I launched this morning at a press conference in Belfast. This programme is fundamental to the economy and related directly to the way in which public funds in this Appropriation order and its successors, will be spent. The Pathfinder programme has analysed the strengths and weaknesses of the Northern Ireland economy and aims to light the way ahead to a stronger and more resilient future.

In approaching this task, my Department has asked itself some very basic questions about the nature of Northern Ireland's economic problems, and about its own approach to tackling them. In doing so, it has demonstrated a willingness to look critically at existing policies for stimulating economic development, to examine their effectiveness, and to judge whether a change of direction is necessary.

This process has identified a number of root causes of Northern Ireland's economic performance which in some ways has been poor. The document focuses on the need to look for changes in the way we do things. In some cases it will mean attempting to change attitudes. It sets out an agenda to raise the level of enterprise, improve competitiveness, and increase exporting by local industry. More fundamentally, it emphasises the active role that people in the Northern Ireland communuity can have in influencing their economic destiny, it invites their ideas, and seeks their commitment.

Briefly the programme identifies six areas of weakness. First, Northern ireland has traditionally been a dependent economy, with company ownership and control being exercised from outside the Province. The entrepreneurial tradition is not strong. Secondly, products have frequently been uncompetitive in price, design or delivery. Thirdly, business men have concentrated on the Northern Ireland home market to the exclusion of exports. Fourthly, the large Civil Service sector has played little part in the direct field of exports. Fifthly, the substantial support to industry in Northern Ireland could lead to a business environment in which Government subsidy crowds out the better business judgments; and finally, we stress the importance of communication ensuring a business and customer input into the Government's own decision making.

If I concentrate this evening on weaknesses in the economy, it is because we are determined to learn from them and point the way to improvement. There are excellent companies in Northern Ireland, but more can be done.

I turn briefly to the wide range of points that have been raised by right hon. and hon. Members during the debate. The hon. Member for Middlesbrough (Mr. Bell) included in his speech some praise for enterprise and initiative. He referred to a number of successful companies, and to tourism. He then went on to talk about the importance of the Lagan bank development in Northern Ireland. However, he then tempered that praise by saying that if he were a member of the Government, he was sure that his Government would do much the same. Indeed, he claimed some credit for Lagan bank, the origins of which date back to 1978. If that is a development of concensus politics, we welcome it, and we welcome the hon. Gentleman's contribution to the debate. The hon. Gentleman referred also to recent statements by the chief officer of the Western education and library board about the condition of buildings in his area.

A wide range of points were raised by hon. Members about education and hospital issues. I must point out that education issues are primarily the responsibility of the education and library boards and that hospital and health issues are primarily the responsibility of the hospital boards. However, I have noted the points raised by the hon. Member for Middlesbrough and I shall arrange for the reply by my hon. Friend who is responsible for such matters to be sent to him.

Similarly, the hon. Member for Londonderry, East (Mr. Ross), whom I see resuming his place, raised a point about nurses and the pressures and strains on them because of the long hours that they must work. We have noted the hon. Gentleman's points, especially in relation to the Altnagelvin hospital and we shall write to him on that subject.

[Mr. Peter Viggers]

The hon. Member for Londonderry, East also raised the question of the application of rating reforms to Northern Ireland. The answer is that the proposals that are currently before England and Wales do not apply to Northern Ireland, but nonetheless we are closely following and monitoring the proposals in England and Wales and shall consider whether there are applications that will be appropriate to apply to Northern Ireland.

In a wide range of points, the hon. Member for North Down (Mr. Kilfedder), referred especially to hospital developments in North Down and the Ards peninsula. His points were of considerable detail. We noted them and again we shall write to the hon. Gentleman.

A point of substance was raised by the hon. Member for Newry and Armagh (Mr. Mallon), who asked for progress on the proposals for equality of opportunity in employment, in which the Government believe strongly. The Government remain firmly committed to the promotion of the more effective practise of equality of opportunity in the Province. Responses to the consultative paper on this topic are being carefully analysed and consultations are taking place with key interest groups on the content of a revised guide to manpower policy and practice. The Government hope to issue the revised guide as soon as practicable and are considering the most appropriate way forward on the consultative paper in the light of the responses received.

The hon. Member for Belfast, North (Mr. Walker) raised a point about the show of flags, especially at Shorts in Belfast. I do not want to comment on the situation at Shorts. It is for the management at Shorts to manage the company. However, we cannot walk away from that issue and, in the words of a press comment that I made on Saturday, I should like to repeat the Government's attitude.

The Government are committed to equality of opportunity in employment. That requires dedicated effort by management, trade unions and the community generally to ensure that scrupulously fair practices are followed. That includes ensuring that the workplace offers an environment in which no section of the community feels threatened or offended. However well intentioned the display of bunting and flags by one section of the community, that community must also try to see the same events through the eyes of the other community. They can offend.

Mr. Peter Robinson (Belfast, East): Does the Minister believe that a photograph of Her Majesty or the flag of this nation take away from the neutrality of the work place?

Mr. Deputy Speaker (Mr. Harold Walker): Order. It is difficult to see how any of this arises under the Appropriation order.

Mr. Robinson: On a point of order, Mr. Deputy Speaker. Why did you have to raise that point on my intervention and not when the Minister spoke about the matter?

Mr. Deputy Speaker: I was glad that the hon. Gentleman raised the matter. It gave me the opportunity, by implication, to reproach the Minister for having done so. I hope that the hon. Gentleman is not going to challenge my ruling.

Mr. Viggers: I was seeking to respond to points made in the debate. I note your ruling, Mr. Deputy Speaker.

Rev. Ian Paisley: On a point of order, Mr. Deputy Speaker. Surely, terms of employment are in order under this legislation. The Minister was in order to deal with the matter, and my hon. Friend the Member for Belfast, East (Mr. Robinson) was in order to ask about it.

Mr. Deputy Speaker: The hon. Gentleman has been here long enough to know that he should not challenge a ruling from the Chair, I hope that he is not doing that.

Mr. Viggers *rose*——

Rev. Ian Paisley *rose*——

Mr. Deputy Speaker: Order. I have already ruled on the point of order. I hope that we can proceed. It is late at night and we have spent a lot of time on these matters. I hope that we can get on.

Rev. Ian Paisley: Further to that point of order, Mr. Deputy Speaker. I respect your ruling, but we are dealing with a matter relevant to Northern Ireland, whether it be 20 past 11 or not—that is an early hour for Northern Ireland orders. Is it in order for a Member representing a Northern Ireland constituency to raise a matter relevant to one of the votes in the order?

Mr. Deputy Speaker: I have told the hon. Gentleman and the House that this matter does not arise under this order. I hope that the hon. Gentleman will not persist in challenging my ruling.

Mr. Viggers: There remain a considerable number of detailed mattes raised by hon. Members. I appreciate that they spoke with feeling about their constituencies. It would be unfair to select, from the wide number of points that still remain to be dealt with, a particular one or two. We shall note those points, particularly those that have not been dealt with in this brief winding-up speech. I commend the order to the House.

Question put:—

The House divided: Ayes 253, Noes 10.

Division No. 10] **[11.23 pm**

AYES

Aitken, Jonathan
Arnold, Tom *(Hazel Grove)*
Baker, Nicholas *(Dorset N)*
Beith, A. J.
Boscawen, Hon Robert
Bowis, John
Brazier, Julian
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, Kenneth *(Lincoln)*
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger

French, Douglas
Gale, Roger
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Harris, David
Haselhurst, Alan
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Irvine, Michael
Jack, Michael
Janman, Timothy
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
MacGregor, John
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Mans, Keith
Maples, John
Marland, Paul
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patten, Chris *(Bath)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Redwood, John
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roe, Mrs Marion
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Alan Howarth.

NOES

Beggs, Roy
Forsythe, Clifford *(Antrim S)*
Kilfedder, James
Maginnis, Ken
Molyneaux, Rt Hon James
Paisley, Rev Ian
Robinson, Peter *(Belfast E)*
Smyth, Rev Martin *(Belfast S)*
Taylor, Rt Hon J. D. *(S'lord)*
Walker, A. Cecil *(Belfast N)*

Tellers for the Noes:
Mr. William Ross and
Rev. William McCrea.

Question accordingly agreed to.

Resolved,

That the draft Appropriation (No. 2) (Northern Ireland) Order 1987, which was laid before this House on 7th May, in the last Session of Parliament, be approved.

Northern Ireland (Electricity Supply)

11.34 pm

Rev. Ian Paisley (Antrim, North): On a point of order, Mr. Deputy Speaker. I want to say, on behalf of my colleagues, that we will not take any part in this debate as we do not agree with the way in which the orders are laid before Parliament. You have called attention to the lateness of the hour and the subject to be debated. On behalf of my hon. Friends on both sides of the House, I am making a protest, and accordingly we will take no part in the debate.

11.35 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Peter Viggers): I beg to move,

That the draft Electricity Supply (Amendment) (Northern Ireland) Order 1987, which was laid before this House on 30 June, be approved.

This has been described as a most controversial draft order and the forerunner to privatisation of electricity in Great Britain. Those criticisms are utterly misconceived. It is nothing of the sort. The draft order works broadly on the lines of the Energy Act 1983 and permits the private generation of electricity in Northern Ireland in much the same way as that Act permits it for Great Britain. To that extent, the order should not be controversial. Nor, I hope, should it be opposed.

Another controversial issue—it was described as the only one by a number of people who made representations about it — is the obligation on Northern Ireland Electricity to buy electricity from a private generator. Following representations, that admittedly controversial point has been withdrawn, and is no longer in the draft order.

Of the gathering of the Federation of Unions Supplying Electricity, under the name FUSE, to fight the draft order and the alleged privatisation, yesterday's *Belfast Telegraph* said:

"The Federation of Unions Supplying Electricity has welcomed changes in the draft order as a victory for their organisation.

FUSE secretary, Mr. Pat McCartan, said the removal of the proposal to direct NIE to purchase electricity from a private generator was 'exactly what we wanted.'

'We are naturally delighted that our representations to the Secretary of State and the Minister, Mr. Peter Viggers, have resulted in changes.

'It means that consumers in Northern Ireland will not get private electricity unless it is going to be cheaper.

'The legislation will be similar to Britain and FUSE has no reservations about NIE competing with the private sector on an equal basis.'"

I believe that that removes the most controversial point from the draft order and it should therefore be welcomed by the House.

Right hon. and hon. Members may wish to raise another matter—the future of private power generation in Northern Ireland. It has been very difficult to ascertain the facts and the long-term price of coal and lignite. It has also been difficult to agree a form of contract, which is necessarily complicated with a private generator.

Decisions have not been made, but we hope that they will be made before long. It has not been possible to identify all the facts and complete all the contractual arrangements. We are listening to those who make representations to us, and I repeat that decisions have not been made. On the basis of what I have already said, and on the basis that the draft order also contains a number of quite detailed points, most of which replicate and mirror the Energy Act 1983 that applies in Great Britain, I hope very much——

Mr. James Wallace (Orkney and Shetland): One of the criticisms made of the Energy Act 1983, especially in relation to the generation of electricity by wind generators, is that the buy-back arrangements by public utilities were not sufficiently generous to encourage private generation of electricity by wind generators. Does this order contain anything that will make people more likely to generate electricity privately?

Mr. Viggers: The order will enable private generation of electricity and NIE is already under a statutory obligation to acquire electricity at the most advantageous price from the point of view of the consumer. To that extent, the enablement of private generation will meet the point raised by the hon. Gentleman. That will be enabled in the draft order.

On the basis of what I have said and with the assurance that if detailed points are raised by right hon. and hon. Members I will do my best to answer those in my reply, I hope that in the circumstances this very brief introduction to the order will be acceptable to the House.

11.40 pm

Mr. Peter Archer (Warley, West): The House embarked on this debate at 11.35 pm. Whatever the Minister might say to try to persuade us, this is the most controversial measure to be introduced into the House today. It is introduced on an unamendable order in a debate limited to an hour and a half. A number of right hon. and hon. Members earlier made clear their views about this. I do not always agree wholeheartedly with the interventions of the hon. Member for Antrim, North (Rev. Ian Paisley), but on this occasion he was absolutely right.

I want to begin by placing on record the view that this is not a responsible way for a democratic Government to behave. The procedure places everyone under an impossible pressure of time and it discourages some hon. Members from contributing. It offers no opportunity for discussions on detail. It manifests a contempt for Northern Ireland and for this House. And it strips away all pretence that the Government retain an open mind to the arguments. I fully understand that the Minister has tried to make amends by his very brief introduction. I do not criticise him for that. He was in difficulty and he did his best.

Mr. Viggers: With respect to the right hon. and learned Gentleman, I was in no difficulty at all. I sensed that it was the mood of the House that this motion should be introduced very briefly. I could happily have spoken for 25 minutes to introduce the draft order. I can happily do that in my reply should that be required.

Mr. Archer: The problem when the House gets into this mood at this stage in the evening is that, even when one tries to be helpful and friendly, that is misconstrued. I was not suggesting that the Minister did not have a case. I have no doubt that if he wanted to speak for 25 minutes, he would have found something to say. I meant that he was in difficulty because the Government business managers had placed him in that position. I think that he was trying to be helpful.

However, it simply will not do for the Minister to say that this is not really a controversial measure but only an enabling order. We might have thought from what the Minister said that the matter was academic and that it is not a matter of what the Government are intending to do, but simply a way of passing the time. The Government are proposing to take certain steps in relation to the electricity industry in Northern Ireland and that is why they are seeking these powers. If they do not propose to use them, perhaps the Minister will say so now and will withdraw the order and we can all go home.

We know what the order is really about. It is about the Prime Minister's unshakeable conviction that nothing is really worth doing unless it produces a private profit. If the facts do not support that conclusion, so much the worse for the facts. I will try to be brief, but let us consider the facts. Everyone agrees that within the next decade there will be a need for an increased generating capacity in Northern Ireland. One of the reasons why the need has arisen is that the Government decided that it would be appropriate to close down the gas industry. There are other reasons and, in the medium term, we will need increased generating capacity in Northern Ireland.

Realistically, there are only two options for achieving that. As the hon. Member for Antrim, South (Mr. Forsythe) said in an earlier debate, one is to complete phase two of the Kilroot power station, owned by Northern Ireland Electricity, with a choice of burning oil or coal, and the other is to construct a new power station, probably at Crumlin, burning lignite. It is true that, if the calculation begins from the time that the new station is commissioned, the costs of production are less if the lignite option is taken. But the capital cost of constructing the lignite station has been estimated at £400 million. At Kilroot, much of the infrastructure work has already been completed in phase one. Much of the plant and equipment was purchased at that time and it is accepted that the cost will be only about £150 million.

The Minister may have seen the detailed report by Professor Barooah and Mr. Smyth, two distinguished economists, who have considered the options, and their calculations of comparative costs. I have no doubt that the Secretary of State has not tried to follow the arithmetic —but we cannot all be numerate. Assuming interest at 10 per cent. on the capital costs, the total production costs for Kilroot would be 2·2p per kW hour while the comparable figure for a lignite-burning station would be 3·2p. If the Government's purpose is to encourage cheaper electricity, the advantage lies clearly with Kilroot 2. As the hon. Member for Antrim, South pointed out, there cannot be any comparison between the two.

That option would not mean turning our back on lignite. One day it may well be needed. But the exploration of lignite is still in its infancy, as is the research into its implications. An additional advantage of proceeding with the Kilroot option is that it spares us the necessity of being bounced into the construction at Crumlin before the other sites have been assessed and before the effects on the environment or wildlife have been considered.

Everyone now agrees that a vital element in energy policy is husbanding our resources. Kilroot 2 will offer an option at any given time whether to burn coal or oil. The station can use whichever is cheaper and it has the flexibility to switch from one to the other. There is no necessity to set out hell for leather using up all the stocks of lignite as quickly as they can be excavated and burnt.

Of course, we know what this is really about. The construction and operation of a lignite-burning station could be put out to private tender. It is the shortest route to privatisation of the electricity generating industry. One might have thought that, when dealing with an industry that is so basic to the economy, where the costs and the assurance of regular supplies are so important to the whole of manufacturing industry, there would be general agreement about the importance of keeping it under public control. After all, that is not some newly invented doctrine from the political Left. It was the conclusion of the McGowan commission for the whole of the United Kingdom back in 1935. It was accepted by successive Conservative Governments from 1951 to 1964. It was generally thought that it would no longer be a political issue. And in Northern Ireland, where we are discussing the construction of one power station, which will supply some 40 per cent. of the needs of the Province, one might have thought that, if the Government were coming to the House to provide a framework for privatisation, they would at least have explained how they proposed to reconcile that with consumers' needs.

Northern Ireland Electricity is under a statutory obligation to meet the needs of consumers. Presumably a customer could enforce that obligation against the board by bringing an action in the courts. But the Government propose that a substantial proportion of the generating capacity will not be under the board's control. The board may well have to buy from private generators what it needs to fulfil its obligations. As the Minister reminded us, the original edition of the order proposed to empower the Department to direct the board to buy from private sources. There would be no danger that private generators would be left with unused capacity. The loss on any spare capacity would be borne by the public. But, on reflection, even the Government saw that that revealed too clearly the political purpose behind the order. That was the first draft order—and they were proposing to knock the letter "r" out of "draft".

We give the Government due credit for having responded to the representations made by the trade unions. Very fairly, the trade unions have given them credit too. But the Government do not need power to direct the board: the board will have to buy in electricity from the private sector to meet its statutory obligations, if it has not the additional power itself. Those are statutory obligations that lie on the board, but are not imposed on private producers. Nothing in the order says that private producers must charge reasonable prices, or must not exploit their bargaining advantage. Indeed, there is nothing in the order about protecting consumers.

The Minister reminded us about the Energy Act 1983. It empowers boards in Great Britain to buy from private generators, but it imposes conditions about the effect on consumers. It says that the price to be paid to the private generators shall not be such as to increase the prices charged to the customers of the board. There is no corresponding restriction on prices payable to private generators in this order. If they are in a position to hold the board to ransom, the board is in no position to resist exorbitant prices.

The original order—the Electricity Supply (Northern Ireland) Order 1972 — imposes on the board an obligation to act in a manner compatible with the best commercial practice. This order contains no comparable obligation on private speculators. There is no obligation

[Mr. Archer]

on them to place construction contracts, or any sub-contracts, with United Kingdom companies, or so as to create the maximum number of jobs in the United Kingdom. Their concern will be to maximise their profits, and their sole obligation will be to their shareholders.

Another safeguard is conspicuously absent. If a private company can no longer produce electricity at a profit, it may go into liquidation, and the liquidator may repudiate its contracts. He is then under no duty except to pay the maximum dividend to the commercial creditors and then to the shareholders. The generating station will remain in existence, but no one will have the right to insist that it continues to meet the company's former contractual obligations to Northern Ireland Electricity, and the board may be faced with an obligation to consumers which it has no means of fulfilling. If that were a statutory obligation on private generators, that obligation would pass on to the liquidator, as it does, for example, in the case of the liquidator of a private water company. But no such obligation is to be found in the order. Indeed, there is no guarantee that the service will have any say in the arrangements under which private companies supply it. If we are to go by the present form, there is real doubt about the matter.

One of the contenders already negotiating for the fruits of the order is the Antrim Power Company Ltd. The company is insisting that its negotiations are conducted with the Department, and will not negotiate with the Northern Ireland electricity service, presumably because it hopes to obtain a deal from the Department to which the service would not agree.

If the service is left with no means of fulfilling its obligations, except to take power from the Antrim Power Company on such terms as it can then obtain, it may well find that its power to negotiate has gone. There will be only one supplier, which will have obtained that position by negotiating with the Department when the service was not even present.

None of this is an oversight by the Government; there are too many precedents in the legislation for even this Government to have overlooked them all. Clearly the Government have thought about the implications of what they are doing. They have thought carefully about how they can ensure so far as possible that every risk is borne by the public, and that every opportunity for profit lies with the private companies.

In article 5 of the order, the draftsman clearly considered possible circumstances in which the board may need to buy in electricity to meet its obligations, and the private company says, "We cannot generate additional electricity unless you help us to increase our capacity. We will sell you our electricity at a profit, but you must provide the capital, and you must bear the risk." So the public are empowered to make interest-free loans or outright grants. That is all in article 5. It cannot have any other purpose. Clearly the Government contemplate that the sums necessary to be invested should come from public sources, because in article 9 the service is given power to borrow money

"in connection with any agreement or arrangement"

which it makes with a private producer. In article 7, the Department—in effect, the Minister—is given power to acquire land "compulsorily" and make it available for a private generating station.

If the argument for private generation of electricity is that there should be competition, let the obligations of the private sector be comparable with those of the public. If the Government seek to extol the virtues of private risk capital, let private capital be genuinely at risk. But the Government want to create a game in which for one side only every ball counts as a no ball, and one can make runs without the risk of being out.

Of course the talk of competition is academic. None of this is about the real world. The Government clearly recognise that if industry and the private consumer are to be guaranteed a supply of electricity to meet their needs, plans for that supply must be made for periods of at least a quarter of a century, and the investments entailed in that kind of planning are not the investments that private speculators are prepared to undertake on a straight basis of shouldering the risk and competing on equal terms as to cost.

If consumers are to be guaranteed their supplies, and if the work force, with its experience and special skills, is to have a better prospect of job stability than colleagues in the gas industry, the community must ensure that the capital is available and take the necessary risks. The private speculators are prepared to let the community plough the fields, supply the fertilisers and plant the seed, and then to come along at harvest time and offer to help with the reaping on condition that they are allowed to take the crop.

The proposals for privatisation are not intended to provide a solution to any problem. There is no problem. They are irrelevant to the real issues about the future of generating electricity in Northern Ireland. They are about a mission on which the Government have embarked for wholly doctrinaire reasons, and the people of Northern Ireland are the first in the firing line.

The ultimate argument in this debate is the size of the payroll vote and the efficiency of the Government Whips. But we will be registering our protest on behalf of the people of Northern Ireland, and we hope that some hon. Members on the Government Benches will have the intellectual integrity to say that they are not just Lobby fodder and that they will not wear it either.

11.58 pm

Mr. Simon Hughes (Southwark and Bermondsey): I shall not detain the House for long, but I wish to record the same two substantive objections that the right hon. and learned Member for Warley, West (Mr. Archer) has just registered.

The first goes back to our debate on the first order. Yet again, this is an example of a procedure that is entirely inappropriate. This order amends an earlier, long order passed in 1972. Clearly, it ought to be debatable in all its component parts. It contains a substantial number of articles — 21 in all. It should be amendable and the subject of proper debate. Certainly, it should not be introduced at this time of night because the debate should last as long as is necessary.

I hope that this is further evidence of all the arguments for an urgent review of the procedures by which Northern Ireland business is conducted. The argument was made earlier when we discussed the constitutional issues. It has again been made in this debate, and it is important that during this Session the Government's very general commitment be converted into a specific commitment to

ensure that such legislation is considered properly via the Committee structure rather than subjected to this cursory treatment.

The other substantive objection is that the order is not nearly as innocent as the Minister made out. On the face of it, his announcement that the order does not have the compulsion that it had when originally drafted is correct. Whereas previously the Government would have had the power to direct the board in Northern Ireland to accept private generation of electricity regardless of the cost, that has been replaced and there is now an enabling provision. The Minister can say that that leaves entirely free the continued practice that governs the electricity services of Northern Ireland at present. But here is the hidden agenda of the Government in relation to the energy supply industry. Evidently, on the basis of the planning of the electricity supply industry in Northern Ireland, the Government will be able to interfere in the near future to ensure that private generation of electricity for profit becomes a substantial component part of electricity supply in Northern Ireland. If they start there, it is likely that, in this Parliament, the Government will want to do the same on the mainland.

Over the years, my hon. Friends and I have made clear our objections to the privatisation of the electricity supply industry—whether in Northern Ireland or elsewhere in the United Kingdom. The fact that that could be a result of the order is sufficient to make us highly suspicious and to register our objections by opposing it in the Lobby.

As the right hon. and learned Member for Warley, West said, Kilroot 2 is the subject of work at the moment. It is undergoing conversion to coal. I am advised that the work could be completed by 1992. Kilroot 2 would meet the needs until the end of the 1990s, and that would allow at least two years to assess the present work on lignite power generation at Crumlin. Clearly, that is likely to be a private generation project, but there is no need — let alone tonight — to enable that private site to be developed when the Kilroot 2 site will have the necessary facility.

Another objection further along the line is that it is likely that the Government would give a private company a 30-year contract to supply electricity but without a statutory duty to supply it at agreed prices. If that company had between 20 and 40 per cent. of the total supply, it would be in a strong position to increase prices and influence the pricing structure of the industry in Northern Ireland. It would not be competitive. It would be a growing private monopoly. The argument that if there is to be a monopoly, it should operate in the public sector, in the public interest and with money recycled for the public benefit is as strong in Northern Ireland as it is anywhere else. The case for lignite is not proven; it has not been demonstrated that the prices would be lower and it is fairly obvious to the informed observer that the order, and the amendment that it would make to the substantive order, are intended to enable the Government to negotiate privatisation, not for reasons of energy efficiency but because of their policy on privatisation in the energy supply industry.

I hope that, even if the Government secure a majority tonight, they will realise that there is widespread opposition to any attempt to go further and privatise the energy supply industry in Northern Ireland. I hope that even if they have the power to do that, they will nevertheless ensure that the energy supply industry remains in public hands, and for public profit, as the public have always asked.

12.3 am

Mr. Dave Nellist (Coventry, South-East): The order opens the door for the Government to award a contract for a public power station in the north of Ireland to be constructed and operated by private operators. That would be the precursor for the introduction of similar initiatives on the mainland. It is not surprising that Northern Ireland is being used as a test-bed. In a number of instances over the past 15 to 20 years—particularly those involving the draconian limitation of civil liberties — Northern Ireland has been the test-bed. Crowd control, surveillance, snatch squads and the rest have appeared first in Northern Ireland and then on the mainland, from Grunwick to Wapping via south Yorkshire and Nottinghamshire. There is no difference between using the energy industry in Northern Ireland and using public order as a test-bed.

The Tories have been open about their intention to privatise electricity. That is why they rehabilitated the right hon. Member for Hertsmere (Mr. Parkinson) and put him in charge of the Department of Energy. This enabling legislation is a preface to selling off the British electricity supply industry, and especially the private operation of nuclear power stations. If there is one thing that is worse than publicly-owned and run nuclear power stations, it is privately owned and run nuclear power stations. The bottom line will be profit and the return on shareholders' investments.

Many organisations in the north of Ireland are vehemently opposed to the private building and operation of this 450 mW, lignite-fuelled electricity generating station. First and foremost, as has been mentioned by both opening speakers, the trade union movement is against it. The staff of Northern Ireland Electricity is totally united in determined opposition to the proposal, not just because a private operator would require a higher rate of return than the NIE is statutorily required to maintain, but because of what would flow from it: a worsening attack on the wages and conditions of those who worked in such a station, so that the higher rate of return could be maintained and electricity costs reduced. It is bound to come out of wages and reducing manning. That will happen especially if the management of the private power station is anything like the management of Abbey Meatpackers in the North of Ireland, which yesterday sacked all of its work force in a battle over their wages and conditions.

The Secretary of State is sitting here quietly tonight, but it was reported in the *Electrical Review* at the beginning of the year that he sees the profit incentive in such stations as increasing efficiency and cutting production costs. The unions in the industry see themselves as the main target of his attempt to cut production costs.

The Government cannot even count on bodies from which they would normally expect support, such as the Northern Ireland Economic Council, which was set up and run effectively as an arm of Government. It has five representatives from the CBI and the chambers of commerce, five representatives of the "great and good" in Northern Ireland and five from the Northern Ireland Committee of the Irish Congress of Trade Unions. Four or five weeks ago, it put out a press release saying that it

[Mr. Dave Nellist]

had concluded, through a consultants' study that it had organised, that there was nothing to do but to "reserve judgment" on the matter of a privately-operated power station, especially one that was lignite-fuelled.

My right hon. and learned Friend the Member for Warley, West (Mr. Archer) mentioned Professor Vanni Barooah and the study that he carried out for the University of Ulster. He did not have time to mention the fact that the study showed that the use of lignite would be more expensive at £79·5 million a year, compared with £49·9 million a year for the expanded Kilroot oil and coal-fired station. It would also cost about £400 million to build, compared with about £150 million for the development of Kilroot.

If all those people are against the private building and operation of that power station, who is in favour? One set of people who are in favour are the private consortia which have put in bids to build the station. Of course, it is pure coincidence that involved in those consortia are companies such as GEC Turbines, which happens to be headed by Jim Prior, a former right hon. Member of the House and a former Tory Secretary of State for Northern Ireland. It is just coincidence that firms such as Hanson Trust are involved. Last year Hanson Trust gave £50,000 to the Tory party. There is an old saying among working people, and probably other sections of society, "You scratch my back, and I will scratch yours."

Inherent in the applications and the considerations of these construction projects is that sort of smell—that sort of scratching of the back of those who have paid money to the Tory party in the past and who are now looking for their rewards. They hope to achieve those rewards in the same way as Unilever set itself up with British Gas, with fixed-price contracts over a long period. GEC entered into an agreement with the Central Electricity Generating Board to be the majority supplier of heavy switchgear on fixed-price, fixed-profit contracts.

According to those at the universities who drafted the contracts, the operation of private power stations would be based on a 30-year fixed-price contract with indexation. Public funding would lead to private profit from such a contract.

The order and the press release issued by the Northern Ireland Office knock on the head the suggestion that appeared in the draft document in January that in the north of Ireland statutory periods of notice would be reduced before disconnection. However, we on the mainland have discovered that the Tory promise to remove the reduction of statutory notice means nothing after privatisation has taken place. Following privatisation, British Gas has increased disconnections by 27 per cent., but over the same period there has been only a 1 per cent. increase in disconnections by the electricity supply industry. It should be understood that there are exactly the same statutory codes of conduct. It is clear that when privatisation takes place there follows the introduction of a far harder school of management with a different attitude from that adopted by the management of public services. The new management is a private profit-making machine whose responsibility lies only with shareholders and their dividend cheques. It is unfortunate that the order will not receive the full attention that some of us expected earlier.

There is an underlying assumption that an extra power station must be built in Northern Ireland. I have read the material that has been produced by the Northern Ireland Electricity Service, including graphs that project a 30 per cent. climb in peak demand over the next 13 years to the year 2000. It is estimated that by the end of that period there will be a deficit of 500 MW, hence the conclusion that a new power station is needed. That approach ignores the downturn and collapse of manufacturing industry in Northern Ireland that has taken place already, the realities of the next 12 to 18 months with the onset of another world recession and the way in which Northern Ireland, which is especially weak within the capitalist economies of western Europe, will be hit by it.

We have already seen a loss of 33 per cent. of manufacturing jobs in Northern Ireland over the past eight years. If we take the real unemployment figures, including youth training programme entrants and the older workers who no longer feature in the official figures, it is clear that about 170,000 people are chasing about 3,200 vacancies. The real rate of unemployment in the north is twice that of employment in manufacturing industry, which is 21 per cent. of the economy, and unemployment will worsen in the next two or three years.

According to the NIES and the Government, we should be talking about building an extra power station at a cost of £400 million instead of completing the half-built oil-coal-fired power station at a cost of £150 million. If the issue is confined to saving money, increasing efficiency and nothing to do with opening the door to private profits for the mates of the Tory party, why not complete the oil-coal-fired station at Kilroot instead of building a new lignite-powered station?

There are still battles to be fought and won in Northern Ireland by the trade union movement against the stalking horse or Trojan horse of privatisation of the electricity supply industry. The responsibility for such a campaign lies not only with the Northern Ireland Electricity Service unions, which have grouped together and declared total opposition to the private building and running of a power station, but with the entire leadership of the Northern Ireland Committee of the Irish Congress of Trade Unions. That must be the main vehicle for the defence of wages and conditions of workers and their families in the north. If it is to succeed in such a campaign, it will be well advised to set up its own political arm to give genuine political expression to the only unifying force in the divisive politics in Northern Ireland—the working class.

12.15 am

Mr. Viggers: It is difficult to argue with those who believe in the conspiracy theory of history, but I shall try.

I am aware that the future ownership of the electricity industry in Great Britain has recently become a matter of wide public debate. We as a party recognise the benefits of private enterprise and we are fully committed to privatisation of the industry in Great Britain. Hon. Members will be aware that my right hon. Friend the Member for Hertsmere (Mr. Parkinson) is taking the matter forward with all possible speed. The situation in Northern Ireland, however, is different. The draft order is not connected to Her Majesty's Government's new initiative in Great Britain, but rather has two purposes: to facilitate the private generation of electricity in Northern Ireland, broadly on the lines of the Energy Act 1983, and

to effect a number of amendments to the Electricity Supply (Northern Ireland) Order 1972, which have become necessary since that order was made.

As I explained recently to the House in a parliamentary answer, private generation of electricity offers many potential benefits for Northern Ireland. Among them are the possibility of cheaper electricity as a result of private sector efficiencies, the welcome boost that a new station would give to the construction industry and the economy in general, and the favourable impact which such a significant demonstration of confidence would have on Northern Ireland industry. However, no decision has been taken on the various future generation options, and I make it quite clear that our eventual decision will be made in the best interests of electricity consumers in Northern Ireland.

It is important, in formulating a future generation strategy for the Province, that we do not allow any artificial constraint to prevent us from achieving our aim of securing the cheapest possible electricity. Private generation is a real option, but present legislation in Northern Ireland prevents the generation and supply of electricity as a main business by any undertaking other than Northern Ireland Electricity. In facilitating the private generation of electricity in Northern Ireland, the draft order makes provision for such a contingency and brings Northern Ireland more into line with the situation in Great Britain.

Mr. Archer: If the hon. Gentleman is saying that the Government have not taken any decisions about the matter, what is the purpose of introducing the order and seeking such powers at 16 minutes past 12 tonight?

Mr. Viggers: As the right hon. and learned Gentleman will appreciate—even the hon. Member for Coventry, South-East (Mr. Nellist) appreciated this — this is enabling legislation. It enables NIE in Northern Ireland, in a similar way to the way in which CEGB was enabled in the Energy Act 1983, to buy private electricity and enables a private generator to supply electricity to the grid. Indeed, there are private generators—large industrial operations—in Northern Ireland. One that I can think of in particular is available to supply electricity to the grid. The enabling legislation will legitimise such an arrangement should it be possible to achieve it. That is why we want to bring Northern Ireland as much in line with Great Britain as the legislation applied to Great Britain in 1983.

The right hon. and learned Gentleman quite rightly said that there is nothing in the draft order covering the detailed arrangements about the supply of electricity to NIE by a private generator. This is, of course, because the detailed arrangements which might govern the purchase by Northern Ireland Electricity of electricity supplies from a private generator do not come within the scope of the draft order. In the event that Her Majesty's Government should give their consent to the construction of a private sector power station, such arrangements would be contained in a power purchase agreement between the two parties. That agreement would also contain appropriate provisions to ensure the continuity of electricity supplies to Northern Ireland Electricity.

Mr. Archer: Does the Under-Secretary of State think that such arrangements should be the business of the House? Should not the House have some control over them?

Mr. Viggers: It will be for the Government in Northern Ireland to assist in the negotiation of a contract, which would be a contract between the private generator and NIE. NIE has a range of statutory duties; they are, to acquire electricity at the most advantageous price, to supply electricity to consumers, and so on. The terms of that contract would protect individuals because of the statutory duty of NIE to buy on a commercial basis.

There has been little comment about the other detailed provisions in this draft order, but these too are important for the generation of electricity in Northern Ireland. That is because these detailed and modest measures also bring the legislation more into line with legislation in Great Britain. For the purpose of enabling private generation to take place in Northern Ireland and for the purposes of the other modest measures, I ask the House to approve the order.

Question put:—

The House divided: Ayes 236, Noes 201.

Division No. 11] **[12.19**

AYES

Aitken, Jonathan	Gower, Sir Raymond
Arnold, Tom *(Hazel Grove)*	Grant, Sir Anthony *(CambsSW)*
Baker, Nicholas *(Dorset N)*	Greenway, John *(Rydale)*
Boscawen, Hon Robert	Gregory, Conal
Brazier, Julian	Griffiths, Sir Eldon *(Bury St E')*
Butler, Chris	Griffiths, Peter *(Portsmouth N)*
Butterfill, John	Grist, Ian
Channon, Rt Hon Paul	Ground, Patrick
Chapman, Sydney	Grylls, Michael
Chope, Christopher	Hamilton, Hon A. *(Epsom)*
Churchill, Mr	Hamilton, Neil *(Tatton)*
Clark, Dr Michael *(Rochford)*	Hampson, Dr Keith
Clark, Sir W. *(Croydon S)*	Hanley, Jeremy
Colvin, Michael	Hannam, John
Conway, Derek	Harris, David
Coombs, Anthony *(Wyre F'rest)*	Haselhurst, Alan
Cope, John	Hayes, Jerry
Cran, James	Hayhoe, Rt Hon Sir Barney
Currie, Mrs Edwina	Hayward, Robert
Davies, Q. *(Staml'd & Spald'g)*	Heathcoat-Amory, David
Davis, David *(Boothferry)*	Heddle, John
Day, Stephen	Hicks, Mrs Maureen *(Wolv' NE)*
Devlin, Tim	Higgins, Rt Hon Terence L.
Dickens, Geoffrey	Hill, James
Dorrell, Stephen	Hind, Kenneth
Douglas-Hamilton, Lord James	Hogg, Hon Douglas *(Gr'th'm)*
Dover, Den	Holt, Richard
Dunn, Bob	Hordern, Sir Peter
Durant, Tony	Howard, Michael
Dykes, Hugh	Howarth, G. *(Cannock & B'wd)*
Eggar, Tim	Howell, Rt Hon David *(G'dford)*
Evans, David *(Welwyn Hatf'd)*	Howell, Ralph *(North Norfolk)*
Evennett, David	Hughes, Robert G. *(Harrow W)*
Fallon, Michael	Hunt, David *(Wirral W)*
Favell, Tony	Hunt, John *(Ravensbourne)*
Fenner, Dame Peggy	Hunter, Andrew
Field, Barry *(Isle of Wight)*	Irvine, Michael
Finsberg, Sir Geoffrey	Jack, Michael
Forman, Nigel	Janman, Timothy
Forsyth, Michael *(Stirling)*	Johnson Smith, Sir Geoffrey
Forth, Eric	Jones, Gwilym *(Cardiff N)*
Fowler, Rt Hon Norman	Jones, Robert B *(Herts W)*
Fox, Sir Marcus	Jopling, Rt Hon Michael
Franks, Cecil	Kellett-Bowman, Mrs Elaine
Freeman, Roger	Key, Robert
French, Douglas	King, Roger *(B'ham N'thfield)*
Gale, Roger	King, Rt Hon Tom *(Bridgwater)*
Garel-Jones, Tristan	Kirkhope, Timothy
Gill, Christopher	Knapman, Roger
Glyn, Dr Alan	Knight, Greg *(Derby North)*
Goodlad, Alastair	Knight, Dame Jill *(Edgbaston)*
Goodson-Wickes, Dr Charles	Knox, David
Gorman, Mrs Teresa	Lamont, Rt Hon Norman
Gow, Ian	Lang, Ian

Latham, Michael
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
MacGregor, John
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, P. *(New Forest)*
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Redwood, John
Rhys Williams, Sir Brandon
Riddick, Graham
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Wheeler, John
Widdecombe, Miss Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Alan Howarth and
Mr. Kenneth Carlisle.

NOES

Abbott, Ms Diane
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Ms Hilary
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beggs, Roy
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Cox, Tom
Crowther, Stan
Cryer, Bob
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Dewar, Donald
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, James
Evans, John *(St Helens N)*
Fatchett, Derek
Faulds, Andrew
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Forsythe, Clifford *(Antrim S)*
Foster, Derek
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Galloway, George
Garrett, John *(Norwich South)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Heffer, Eric S.
Henderson, Douglas
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, James
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Hume, John
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kilfedder, James
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Tom
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McFall, John
McGrady, E. K.
McKay, Allen *(Penistone)*
McLeish, Henry
McWilliam, John
Madden, Max
Maginnis, Ken
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Morris, Rt Hon J *(Aberavon)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
O'Brien, William
O'Neill, Martin
Paisley, Rev Ian
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Quin, Ms Joyce
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Robinson, Peter *(Belfast E)*
Rogers, Allan
Ross, Ernie *(Dundee W)*
Ross, William *(Londonderry E)*
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Smyth, Rev Martin *(Belfast S)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerald
Stott, Roger
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*

Taylor, Matthew *(Truro)*
Turner, Dennis
Vaz, Keith
Walker, A. Cecil *(Belfast N)*
Wall, Pat
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Don Dixon.

Question accordingly agreed to.

Resolved,

That the draft Electricity Supply (Amendment) (Northern Ireland) Order 1987, which was laid before this House of 30th June, be approved.

Northern Ireland (Jury Trial)

12.30 am

The Solicitor-General (Sir Nicholas Lyell): I beg to move,

That the draft Jury Trial (Amendment) (Northern Ireland) Order 1987, which was laid before this House on 11th May, in the last Session of Parliament, be approved.

I draw to the attention of the House the fact that this is the second draft of the order to be laid before the House. The draft that was laid on 8 May was defective in that it did not give the commencement date of the order, and, on the advice of Counsel to the Chairman of Committees, the original draft was withdrawn, and a new draft, giving a commencement date of 1 August 1987, was laid on 11 May.

The effect of the draft order would be to remove personal injury and fatal accident actions from the list of cases for which a party may request trial by jury in the High Court of Northern Ireland. This change would bring Northern Ireland into line with England and Wales. At present, in Northern Ireland, either party to a personal injuries action in the High Court can request a trial with a jury of seven persons. Although the majority of cases are set down to be tried in this way, the vast majority are settled either at the door of the court, or in some cases in the course of the trial. Court records show that 95 per cent. of cases are tried without a jury ever becoming involved. In view of the fact that civil juries seldom become involved in trying cases, the then Lord Chancellor announced in November 1985 that he had decided to conduct a review into the desirability of changing the High Court practice. A total of 16 organisations were invited to make submissions.

Of the submissions received, 11 were in favour of the abolition of civil jury trials, and that included employers' organisations, representatives of the insurance industry, and the accountancy profession, the Automobile Association and, notably, the General Consumer Council for Northern Ireland. Against this, three of the organisations invited to make representations opposed change. Those opposing change are the General Council of the Bar of Northern Ireland, the Law Society of Northern Ireland, and the Northern Ireland Committee of the Irish Congress of Trade Unions.

In January of this year, the then Lord Chancellor announced that, having carefully considered the views of the interested parties, he had concluded that there was no compelling reason why Northern Ireland should differ from England and Wales in the use of juries in personal injury actions.

Mr. Alex Carlile (Montgomery): Bearing in mind that the hon. and learned Gentleman is saying that Northern Ireland should be brought into line with England and Wales, may we have his assurance that this is not a step forward in changing the system for Scotland as well, and that civil jury trial will continue as a right under Scottish jurisdiction?

The Solicitor-General: The hon. and learned Member knows very well that I do not speak for Scotland. In consequence, I am not minded to be led down that road. However, I am glad to note that the hon. Gentleman is interested and perhaps shadowing the position that I do not hold.

[The Solicitor-General]

There are three reasons for making the proposed change. They relate to court procedures, court resources and costs.

On court procedures, the Government are satisfied that the findings of the Pearson commission of 1978 hold equally good for Northern Ireland as they did for England and Wales. That commission reported that jury trials militate against consistency and predictability in the award of damages and inhibits settlements. It was found that jury trials are more expensive than trials by judge alone and tend to take longer to arrange and complete. Finally, the commission reported that the increasingly sophisticated rules on the assessment of damages which had been introduced in recent years also militated against the use of juries.

The Government are satisfied that all those factors point to the change that is now proposed. It cannot be realistic to argue that trial by judge alone in personal injury cases could produce any less just results for litigants than the present system. Indeed, we are convinced that the advantages to be gained in terms of consistency and predictability will make this reform worthwhile.

The second reason for bringing this measure before the House relates to court resources. Virtually every day of each legal term men and women give up their time to do jury service in the High Court in Northern Ireland. If they stood even a reasonable prospect of seeing the inside of a court room and of hearing a case tried it might be argued that such service is a worthwhile aspect of their civic responsibilities. It could then be put forward as one method of involving members of the public in the administration of justice. However, I must tell the House that the reality is vey different.

The vast majority of cases—some 95 per cent.—are settled by lawyers at or before reaching the door of the court. Most of the men and women summoned to do jury service are sent home without having heard an argument uttered by the counsel involved in the case they were meant to try.

In 1986, 3,420 people were summoned to the High Court in Belfast to do jury service. However, 3,019 of them were sent home without ever having tried a case. I am sure that those figures will interest the hon. and learned Member for Montgomery (Mr. Carlile).

Although, in theory, civil cases in Northern Ireland involve trial by jury, in reality they are settled before they come before a jury. In 1986, of 2,742 cases dealt with in the Queen's Bench division of the High Court, only 43 —just over 1½ per cent.—were fully tried by a jury. At the same time, it will be appreciated that the time taken up each morning with balloting and swearing in juries for cases that are never fought is an inexcusable waste of court resources. It is estimated that the proposed change before the House could save up to two judge days a week and would also free valuable court room accommodation. The Lord Chancellor is convinced that those resources could and should be more productively used in trying cases.

The third reason for bringing this measure before the House relates to the question of costs. By this I mean not only the legal cost incurred by the parties involved in High Court litigation, but also the hidden costs to the economy that result from the present system.

I have already mentioned that, in 1978, the Pearson commission reported that jury trials are more expensive than trial by judge alone. That was borne out the following year by the findings of an inter-departmental working group made up of Northern Ireland Government Departments. It took evidence from a wide range of interest groups and established that employers' liability insurance costs—a matter of considerable interest to business people—were higher in Northern Ireland than in Great Britain. It found that those costs have a significant effect on the operating costs of firms, that awards granted under the jury system in Northern Ireland are higher than under the non-jury system in England and Wales, that legal costs form a higher proportion of the total costs of an award or settlement in Northern Ireland and that there is a greater delay in dealing with cases or achieving settlements in Northern Ireland.

Even those opposing this reform accept that the level of damages resulting from the present system is higher than in other parts of the United Kingdom. it is sought to justify this by pointing to the difficulty now experienced by persons involved in industrial accidents in re-entering the labour market in Northern Ireland. But the Government cannot accept as a matter of principle that the assessment of damages for factors such as pain and suffering and loss of amenity should in some crude sense be enlarged in Northern Ireland to take account of the economic climate. Indeed, it seems wrong in principle that an element of regional variation should come about in such an arbitrary manner, and in many ways it is counter-productive.

Another serious effect on the Northern Ireland economy arises from the present system. I have spoken of what I called the hidden costs to the economy which result from the present system. In its evidence to the review recently conducted by the Lord Chancellor, the CBI in Northern Ireland stated:

> "The use of civil juries in personal injury claims continue to create additional costs for employers throughout industry and commerce in Northern Ireland. The costs are substantially higher than those facing employers elsewhere in the United Kingdom and, of course, company closures have discouraged several companies from expanding and have prevented companies from setting up in Northern Ireland. The abolition of civil juries is essential to the viability of industry and commerce in Northern Ireland and would be a significant encouragement to future industrial investment in the Province."

That is what I mean by the hidden costs to the Northern Ireland economy which this reform seeks to redress.

The mechanics of the exercise are straightforward. The power to make the order is provided by section 62 of the Judicature (Northern Ireland) Act 1978, subsection (1) of which lists five classes of action in which a party may request trial with a jury in the High Court. The effect of the draft order is to remove paragraph (*e*) from that list, that paragraph being concerned with personal injury and fatal accident actions.

Removing personal injury cases will leave four classes of action—libel, slander, malicious prosecution and false imprisonment—in which a party will still be able to request trial with a jury. This, as I said, will bring the law in Northern Ireland into line with that in England and Wales. There will still be power for the High Court to order trial with jury even in a personal injury case where it is considered that that would be more suitable. However, the majority of personal injury cases from now on will be tried by a judge sitting alone.

It is proposed to bring the order into force on 1 August this year so that it will be in place at the start of the new

legal year, in September. A corresponding amendment to the rules of the Supreme Court will make it clear that from the beginning of the new legal year trial by judge alone will be the mode of trial in personal injury cases.

The reform that is now proposed will be no leap in the dark for the administration of justice in Northern Ireland. The equivalent change was made in England and Wales more than 50 years ago. The civil law and the rules of civil procedure in the Province are in most respects similar, if not identical, to those in England and Wales. The change now proposed will remove one of the few differences of any significance between our two systems and will provide for even greater parity in the methods of dealing with civil claims in the two law districts.

This measure represents a desirable and long overdue reform. The benefit for litigants that should result from reduced legal costs and the expedition of trials and settlements are reason enough for bringing this order before the House.

12.44 am

Rev. Martin Smyth (Belfast, South): It is regrettable that, as with nearly all Northern Ireland legislation, this important measure is being dealt with by the notorious Order in Council system at such a late hour. It is also regrettable that provisions affecting whole areas of life in Ulster — for example, such ancient and fundamental issues as jury trial and personal liberty—should be dealt with in a rubber-stamp way.

I appreciate that the issue with which the order deals has been under discussion for some years, and prior to the signing of the Hillsborough agreement. I assume that, because the Government have brought this measure forward, the Irish Republic has been consulted through the Intergovernmental Conference. Has there been such consultation? I understand from a parliamentary answer that I received last week that the cost of that exercise to the British taxpayer is about £313,000. Are we to take it that the Republic will put its legal system in order? I know of a civil litigation case which has taken four years to come to court. One can imagine the costs involved when hearings are deferred.

Although I am speaking to the order, I must protest about it as it is, once again, a matter of take it or leave it. The Solicitor-General told us that representations have been made by varous sources. I am aware that the Trades Union Congress has been in touch. Two and a half to three years ago, I asked it to spell out its objections more specifically, but I still await a reply.

The Confederation of British Industry and the Northern Ireland Bar are interested parties. One of the Bar's comments is that the jury system of trial will disappear if the order goes through. I do not agree. I would prefer a better system for trying non-civil cases and the eventual return of the jury system for such cases.

The order is to be operative from 1 August to take effect when the new term starts in September. What will happen in cases that are already pending and which have opted for jury trial? Are they not entitled to continue with that system after September? I am not au fait with all aspects of the legal system, but it seems only right that people who have opted for jury trial and who have not delayed through any fault of their own should have a jury trial. I am not referring to cases that come up henceforth or from 1 August.

The main demand for change has come from providers of insurance, who contend that excessive damages claims force up premiums. I am anxious that the Bar and the insurance world should realise that nobody wants to do them out of a living, but the victims of accidents must get fair compensation. Compensation should be neither excessive nor penny-pinching.

A member of my congregation was murdered in the Donegal street bomb explosion and his widow was awarded the princely sum of £1,500. When she queried the figure, her own solicitor responded, "You do not have to feed him any more." The sum was increased, but I am not convinced that the legal profession has always done an excellent job of defending people's rights. Thanks to representations to the Northern Ireland Office, we have had reviews of some cases. There is a responsibility upon the courts to be fair, and I trust that they may be so.

It may benefit the House if I put on record an example of the differences in insurance premiums provided for me by members of the insurance industry in Northern Ireland. The example is simple. It relates to a group 1 car—for example, a Vauxhall Nova, a Metro or a Mini. For a driver of 40 years of age seeking comprehensive insurance, the cost of cover in Cornwall would be £230, in inner London £413 and in Ulster £445. For third party insurance only, that man would have to pay £93 in Cornwall, £168 in inner London and £180 in Ulster.

If this order becomes law, I hope that the insurance companies which have claimed that they have to charge higher premiums because of the method of dealing with such claims, will show good faith and drastically reduce insurance charges in Northern Ireland. At the same time, if the order is passed, I hope that the companies that have said that premiums are putting them out of business will make their goods more competitive and bring business to Northern Ireland.

12.51 am

Mr. Nicholas Brown (Newcastle upon Tyne, East): I welcome the Solicitor-General back to legal affairs debates and to his enhanced responsibilities. I also welcome him to the late night shift, which is a feature of the workload of junior legal affairs spokesmen for the Government and the Opposition. Perhaps that is something that his right hon. and learned Friend the Attorney-General did not tell him about before he took the job. I welcome the Solicitor-General to these late night trysts and look forward to many more. May I also congratulate the hon. and learned Gentleman on having gained the title that accompanies his office. We Socialists are not moved by such things, of course. However, I would understand if the hon. and learned Gentleman felt that "Sir Nicholas" had a nice ring to it. I can certainly see how that could be so.

The matters under discussion are important, and no less so because we are discussing them late at night. The order, if passed, will remove personal injury and death claims from the list of actions that may be tried with a jury. That has been the case in England and Wales since 1933, as the Solicitor-General explained. There is no serious lobby in England and Wales for the reintroduction of jury trials in personal injury cases. The matter that we are considering tonight is the change in the Northern Ireland context. The Government must prove the case for change for Northern Ireland. That change must be shown, because successive

[Mr. Nicholas Brown]

Governments of different political persuasions have acquiesced in the present state of affairs from 1933 until the present day.

The case that the Solicitor-General has made is threefold. First, he argued that court costs are higher, and the legal costs that accompany those costs are higher, in Northern Ireland than in the rest of the United Kingdom. Secondly, he said that industry's costs—especially for employers' liability insurance — are higher in the Province. Finally, he said that the awards granted by juries in the Province are higher than those obtained in the rest of the country.

The Solicitor-General rightly made the point that 97 per cent. of all cases are settled before they reach court. That is the Northern Ireland figure and also the figure for the nation as a whole. The difference lies in the expense in getting juries together prior to trail and then having to dismiss them without their having heard a case. I fully accept that speeches made by members of the Bar to juries take much longer than speeches on the same subject made to judges. I accept that substantial extra expense may be involved there.

I understand, but am less sympathetic to, the point about industry's costs. I understand that the system means that those costs are higher in Northern Ireland, but it would be wrong to save money for the industrialist and do an injustice to the working people in Ulster. I could not support that. I do not think that the argument about industry's costs stands on its own.

The Government argue that in Northern Ireland juries make higher awards than a judge would. It is possible to argue that this reflects the Northern Ireland context and is not the effect of a jury rather than a judge making the decision. But I suspect that that is not what is happening. The reality is that juries are perhaps more generous than a judge would be in specific cases. Industrial deafness is a good example. I understand that a jury drawn from east Belfast, a shipbuilding community, could make a settlement in an industrial deafness case that was more generous and sympathetic than that made by a judge, who was perhaps, drawn from the English upper classes and whose knowledge of the shipbuilding industry was not as deep as the jury's. Had Tyneside local juries had the chance to vote on quantum in industrial deafness cases, their awards would certainly have been more generous to the shipbuilding community on Tyneside than the pathetically low amounts awarded in the series of benchmark cases heard about four years ago which set the going rate.

I cannot accept that the jury drawn from the local community is held to be too generous in such cases and that the judge is held to be too mean. I hope that the Government accept—although I suspect from what the Solicitor-General said that they will not—that damages, which the Government hope to reduce by their cost-saving measures, will be exempt. I know that there are savings to be made in trial costs and employers' costs and I can understand the Government seeking savings there, but I would be sad if the order resulted in a reduction in the amount of money given to an injured industrial worker in Northern Ireland. I would rather we preserved, even as an anomaly, the higher level of award in the Province. It would be possible for the Government to do that if they wished. The Province misses out in some respects, with a higher unemployment rate, more bad housing and a narrower industrial base than the rest of the country. The Government are not moving to bring those aspects into line with the rest of the country, so why should Northern Ireland not have higher personal injury settlements? If the other anomalies can stay, why not have this one?

I plead with the Government to be generous to the Province. What steps did they take to engage feeling in Northern Ireland before bringing forward this measure? The hon. Member for Belfast, South (Rev. Martin Smyth) said that the consultations had not been as extensive or thorough as one might have liked. I urge the Government to ensure that, in as far as they can, they are carrying the community with them in introducing this change. I know that the Solicitor-General will respond to that point.

It has been argued that trial by jury in personal injury cases is valuable in the Northern Ireland context because it is a substitute for not having trial by jury in criminal cases. I completely reject that argument. I was pleased that the hon. Member for Belfast, South said this as well, and I wholly accept his arguments. The two matters are separate. The arguments about trial by jury in criminal cases stand on their own, and to suggest that the lack of that civil right can be made up for by having trial by jury in personal injury cases is nonsensical.

With those two caveats, to which I should like the Solicitor-General to respond, I am, if not happy, at least willing to acquiesce to the order.

1 am

Mr. Alex Carlile (Montgomery): I join in the welcome to the new Solicitor-General, and congratulate him on his appointment.

Those who have from time to time practised in the mud of trading standards law have long known how distinguished a practitioner the hon. and learned Gentleman is. Indeed, in one very important case in which he appeared, the House of Lords sought to define what it described—if my memory serves me right—as the eyes and ears of a company. Henceforth we shall regard the hon. and learned Gentleman, with his right hon. and learned Friend the Attorney-General, as the eyes and ears of the Government on legal issues, and I am sure that he will fulfil that role with distinction.

No doubt all hon. Members start by accepting the proposition that the jury system is the bulwark of our common law system of justice. Yet in England and Wales, we have done without jury trials in personal injuries for, I believe, 54 years. Despite that, and despite changes that have been made by Governments of different complexions over the past 20 years, and despite the changes proposed in the second version of the Criminal Justice Bill, it would be wrong to suggest that the integrity of the jury system in England and Wales is in any sense under threat. However, the advent of the Diplock courts in Northern Ireland has meant that the integrity of the jury system there has been threatened. In criminal cases, we know not when it will be possible — for I accept that it was a necessary change — to restore the jury system in full. That means that the public in Northern Ireland have less opportunity to serve on juries than the public in England and Wales.

I hope that we all share the aim of restoring the jury system to criminal cases in Northern Ireland in due course, and that the hon. and learned Gentleman will confirm that that is the Government's aim as well as that of Opposition

Members. But if it is to be restored to criminal cases in Northern Ireland—in my view, there is a connection between the two issues—it must be a credible system. There must be evidence that it works in the Northern Ireland context.

The jury system in personal injury cases in Northern Ireland does work. It shows no evidence of sectarian problems, it is consistent and it is recognised by the public on both sides of the sectarian divide as an acceptable part of the Northern Ireland judicial system. It is clearly in the public interest that whatever there is of the jury system in Northern Ireland should be maintained.

That view is certainly shared by some unionists. I have in my possession a letter from the hon. Member for Belfast, East (Mr. Robinson) to a leading Queen's Counsel in Northern Ireland, in which he says of the case put forward by the Northern Ireland Bar:

"I am certainly sympathetic to the case which you have put forward and will do all I can within the parameters of the Unionist protest to express your views."

Some criticism has been made of the level of damages awarded by juries in Northern Ireland, but that criticism is based on the assumption that if the trial and assessment of damages in personal injuries cases is handed from juries to the judges, there will suddenly be a drop in the level of damages. Personally, I do not believe that to be the case. I do not believe for a moment that the judges in Northern Ireland will turn back the clock with regard to damages. Many of us recognise by now that the level of damages for pain, suffering and loss of amenity in the courts of England and Wales is very low compared with awards in other jurisdictions.

It is said that there will be a saving of costs, but where will such saving take place? There may be a small saving to employers whose employees are called to serve on juries for civil cases, but let us not forget that the economic burden on employers in Northern Ireland is mitigated by the fact that the Diplock courts exist and that far fewer people are called to serve on juries in criminal cases.

It is said that there will be shorter speeches by counsel, but the Solicitor-General should hearken back to some of his more difficult days in court—no doubt in tricky and complicated quantum cases. Juries do not interrupt. Judges do, and frequently. I suspect and suggest that if one analyses the time it takes to address the jury on quantum in a complex case and the time it takes to address the judge, who will interrupt, there is probably very little to choose between the two.

The Solicitor-General has said that the saving will be two judge days a week. If my mental arithmetic is right, it means that by removing juries from the civil jurisdiction in personal injuries cases we shall save approximately half a judge's salary a year. Is it really worth £20,000 or £25,000 a year to remove the right to jury trial, which is valued in Northern Ireland, in personal injuries cases?

It is said, "Well, of course, the Northern Ireland Bar, the Northern Ireland solicitors, the Northern Ireland Law Society and the trade unions which back personal injury action by plaintiffs would object to this order." But is that a fair criticism? The lawyers who appear in these cases in Northern Ireland surely occupy a position that is worthy of greater respect than simply brushing them aside on the basis that they are seeking to protect their own selfish interests.

Let us not forget that being a practising barrister in Northern Ireland is not an easy job. It is much more difficult than the same work in England and Wales, because it is fraught with personal risk. Those lawyers who are members of the Northern Ireland Bar base their opinion not upon the fact that they might earn a few extra guineas from taking cases before juries — I doubt whether there is any justification for that proposition—but on the fact that they not only work in the system and observe it but also live in the community, and they do so on both sides of the sectarian division which unfortunately exists in that community.

I ask the Solicitor-General and the Government to attend rather more closely than I suggest they have to the views that have been put forward by those experienced people who form the Northern Ireland Bar and Northern Ireland Law Society.

Indeed, in its submissions — which I am sure the Solicitor-General will have seen—the Northern Ireland Bar says that civil juries in Northern Ireland are an all-too-rare and successful social structure that transcends the cultural, political, social and religious bias that has characterised many troubled years.

It is not just the profession that is being ignored. I remind the Government that, as recently as 1970, the MacDermott committee conducted a detailed inquiry in civil procedure in Northern Ireland. In particular, the Committee examined the use of juries in civil cases, and recommended that they be retained. It is wrong to leap to the conclusion that civil juries should be abolished, bearing in mind that the MacDermott review was so recent. We should bear in mind, too, that as recently as September 1986, new Supreme Court rules were introduced in Northern Ireland. Among other things, those rules attempt to make the civil procedure in Northern Ireland speedier and more efficient. If we insist upon pushing the order through at this stage, we shall not be giving those rules a fair chance to show that they work.

The Northern Ireland Bar eloquently summarised the position. It said:

"The abolition of juries in personal injury cases in Northern Ireland may well diminish and endanger public trust in, and respect for the legal system."

If ever there was a part of the United Kingdom where that trust and respect need to be maintained it is Northern Ireland, and the abolition of juries is no way in which to achieve that aim.

1.12 am

The Solicitor-General: First, I shall reply to the points made by the hon. Member for Belfast, South (Rev. Martin Smyth). I hope that I shall comfort him a little in relation to the technicalities of this Order in Council. He may be pleased to hear that it is not an Order in Council under the Northern Ireland Act 1974; it is a perfectly ordinary order under the Judicature (Northern Ireland) Act 1978. It is an ordinary subordinate instrument being dealt with under the affirmative resolution procedure. Therefore, we are following the normal procedures of the House, not the procedures to which the hon. Gentleman objects.

I thank the hon. and learned Member for Montgomery (Mr. Carlile) and the hon. Member for Newcastle upon Tyne, East (Mr. Brown) for their kind words of welcome to me. They made a point on behalf of the Bar of Northern Ireland. I have the honour now to be called to and within the Bar of Northern Ireland, and I certainly do not dismiss lightly the points put by its members, who have a deep knowledge of their community. We have thought most

[The Solicitor-General]

carefully about those points, and I would be the last to say that they were put forward on grounds of self interest. Indeed, I would wholly repudiate any such suggestion. On the other hand, it is important to say firmly that whereas the effect of the order will be to abolish the use of the jury in almost all cases of personal injury, the use of the jury in Crown court criminal cases is working far more widely and, in many respects, better than many people—even in Northern Ireland—recognise. These brief statistics are illuminating. In 1986, no fewer than 75 per cent. of cases dealt with in the Crown courts in Northern Ireland involved non-scheduled offences triable by judge and jury. In other words, they did not involve the Diplock courts. A total of 1,325 cases was dealt with, of which only 329 —less than 30 per cent.—were scheduled cases. If one takes into account the number of scheduled offences in which the defendant pleaded guilty, which was 264, it is clear that non-jury trials accounted for only just under 5 per cent. of the total number of Crown court cases dealt with.

Recently, I had the pleasure and privilege of witnessing the ordinary jury system working well in Northern Ireland. Despite the great difficulties, which we all recognise and regret, those statistics are a measure of the way in which Northern Ireland still manages to carry on an excellent Crown court system with judge and jury in a way that we would all applaud.

The hon. Member for Belfast, South asked about those who have already opted for trial by jury under the present system. We have considered the matter carefully. This is a procedural matter. There is no vested right to trial by jury, and it will be dealt with by rules of court. After the new term, which in Northern Ireland begins in September, everyone will be tried under the new rules. But it is purely a procedural matter, and they are not being deprived of a vested right.

The hon. Member for Newcastle upon Tyne, East, the hon. and learned Member for Montgomery and the hon. Member for Belfast, South asked about the level of damages. I agree with all hon. Members that levels of damages are not a matter for Governments of any complexion. They are matters for the courts, and they will be decided by the judges of Northern Ireland, and the judges alone. Those judges live in and will understand the community, and we must wait to see how much they regard as the proper level of damages.

I have great sympathy with the points made by the hon. Member for Newcastle upon Tyne, East. In the unlikely event that I become a judge, I should be able to say that I worked on the Tyne and even went into a double-bottomed tank on one occasion. The hon. Gentleman, as a trade union official, has a deep knowledge of that matter and a deep interest in the proper level of damages for industrial deafness and all other forms of injury. That will be a matter for the judges; the Government cannot and should not control it.

The costs of trial and of court procedures under the present system and considerable. I gave the figures. From a total of about 3,400 jurors called to court, about 3,000 did not try a case at all, although they had gone to considerable expense and inconvenience.

The MacDermott committee was mentioned. Because of the high regard in which Lord MacDermott is held in the Province and here, I took the trouble to look up the report to see why it recommended the continuation of jury trial. I was pleased to note that the only reason that it put forward—I do not dismiss it—was that the ordinary juror well understood the proper level of damages, but no other reason was given. It is more than 50 years since we changed the system for England and Wales and, having considered the matter carefully, we believe that it is proper to introduce the change in the Province. Therefore, I commend the order to the House.

Question put:—

The House divided: Ayes 146, Noes 13.

Division No. 12] [1.18 am

AYES

Aitken, Jonathan
Boscawen, Hon Robert
Brazier, Julian
Butler, Chris
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Chapman, Sydney
Chope, Christopher
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Cope, John
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Favell, Tony
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Freeman, Roger
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Gill, Christopher
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, A. *(B'ham H'll Gr')*
Harris, David
Hayes, Jerry
Hayward, Robert
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Hind, Kenneth
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Irvine, Michael
Jack, Michael
Janman, Timothy
Jones, Robert B *(Herts W)*
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Latham, Michael
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
MacGregor, John
Maclean, David
McLoughlin, Patrick
Mans, Keith
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moss, Malcolm
Moynihan, Hon C.
Nelson, Anthony
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Page, Richard
Paice, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Raffan, Keith
Redwood, John
Rhys Williams, Sir Brandon
Riddick, Graham
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Tracey, Richard
Tredinnick, David

Twinn, Dr Ian
Viggers, Peter
Waddington, Rt Hon David
Waldegrave, Hon William
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen
Wheeler, John
Widdecombe, Miss Ann
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Alan Howarth.

NOES

Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Forsythe, Clifford *(Antrim S)*
Hume, John
Kilfedder, James
Maginnis, Ken
Mallon, Seamus
Molyneaux, Rt Hon James
Paisley, Rev Ian
Robinson, Peter *(Belfast E)*
Smyth, Rev Martin *(Belfast S)*
Walker, A. Cecil *(Belfast N)*
Wallace, James

Tellers for the Noes:
Mr. William Ross and
Rev. William McCrea.

Question accordingly agreed to.

Resolved,

That the draft Jury Trial (Amendment) (Northern Ireland) Order 1987, which was laid before this House on 11th May, in the last Session of Parliament, be approved.

BUSINESS OF THE HOUSE

Motion made, and Question proposed,

That, at tomorrow's sitting, the Motions in the name of Mr. Secretary Channon relating to the Channel Tunnel Bill may be proceeded with, though opposed, until half-past Eleven o'clock or for one and a half hours after the first of them has been entered upon, whichever is the later, and if proceedings thereon have not been disposed of by that hour, Mr. Speaker shall put forthwith any Questions necessary to dispose of them.—*[Mr. Kenneth Carlisle.]*

Hon. Members: Object.

Mr. Deputy Speaker (Mr. Harold Walker): Objection taken.

Birtenshaw Farm, Bolton

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Kenneth Carlisle.]*

1.29 am

Mr. Peter Thurnham (Bolton, North-East): I welcome my hon. Friend the Parliamentary Under-Secretary of State to her maiden Adjournment debate and apologise for keeping hon. Members up at this late hour. However, we are debating an issue that is of great importance to my constituents. I should be interested to know if my hon. Friend's Department has yet received anything like the many hundreds of letters that I have received in the last few years on this issue.

In July 1985 many of my constituents were most dismayed to learn of the decision of the then Secretary of State for the Environment to grant outline planning permission for 475 houses on 35 acres of land at Birtenshaw farm. This decision went against the recommendations of the planning inspector, the council, the elected representatives, the local residents' committee and the many other parties who had objected at the public inquiry.

My predecessor, Sir Charles Fletcher-Cooke, QC, had objected strongly to the land not being included in the green belt. I supported the objections of councillors to the proposed development, and had made these objections known to the council, the planning inspector, the then Secretary of State and to the other Ministers in the Department of the Environment. Indeed, Councillor Poulsom and I visited the then planning Minister in June 1984 to advise him on the great sensitivity of this site, which was the subject of one of a number of planning applications in the area.

The then planning Minister wrote to assure me that my objections would be carefully considered, and that he would notify me of his decision. It was unfortunate that when he did come to a decision which was to cause so much anguish to so many of my constituents he failed to notify me owing to what was said to be an oversight in his Department.

To understand people's feelings on this issue, my hon. Friend should appreciate the history. The land itself had been owned by the Ashworth family for many generations. On 12 July 1934, the Ashworth family entered into an agreement with the local council, Turton urban district council, to preserve the land as private open space for the benefit and amenity of the area.

In his report, the planning inspector said that the land is

"unique in the area in that it provides the only significant relief from the urban development stretching northwards from Bolton . . . Moreover, it enhances the still semi-rural character and appearance of the area".

He said:

"the proposed development would make Bradshaw and Bromley Cross very much less pleasant places in which to live".

How can the Secretary of State differ from this conclusion when he has not even visited the site, which many regard as a local beauty spot? Further objections to the development were based on the very serious traffic congestion, the lack of school capacity, inadequate drainage, and Bolton council's calculations of existing land availability.

Residents' feelings were so inflamed by the Secretary of State's decision to overturn the planning inspector's report

[Mr. Peter Thurnham]

that a petition was signed by 3,500 people calling on the Prime Minister to prevent the development. I then took a delegation to hand this petition in to Downing street in September 1985.

Meanwhile, Bolton council decided to appeal to the High Court for a judicial review. Unfortunately, on 28 April this year, Bolton council learnt that it had lost its appeal to the High Court on the ground that the Minister had misdirected himself on the narrow question of land availability. But this was a mere technicality compared with people's feelings about the sanctity of the convenant. It was also felt by many residents that the council had failed at the public inquiry sufficiently to press the other four main objections relating to the covenant, traffic congestion, schools, and drainage, and they had not even been mentioned at the High Court hearing.

The developers are now appealing to the Secretary of State formally to revoke the covenant, and he has requested that representations should be made to him in writing without delay. A petition by local residents to preserve the land as open space in accordance with the Ashworth agreement has been signed by over 5,000 people, some of whom have travelled to London today. I call on the Secretary of State to pay heed to the demonstrated strength of local feeling. Whether or not he is advised that the 1934 covenant still has full legal force today, he should recognise that it has great and continuing moral force in the eyes of all the residents who have made their views so abundantly clear, not least on the Sunday before the general election, when 3,000 "Stop Barratts" campaigners turned out to demonstrate. Many thousands of people have bought properties and settled in the area believing in the sanctity of this covenant. How can the Secretary of State not uphold such a covenant when it clearly has the backing of so many thousands of local residents? I call on the Secretary of State to respect the wishes of the people of Bolton that Birtenshaw farm should remain as open land — one of the last pieces of open land before entering 20 miles of built-up Greater Manchester.

Since the public inquiry in 1985, circumstances have changed. The council has now revised its calculation of land availability and there is a new structure plan for the Secretary of State to consider. Without doubt, traffic conditions have worsened and schools in the constituency have been closed. Therefore, the Minister now has good reasons for refusing to lift the covenant in the interests of constituency and good planning.

What possible grounds can the Secretary of State have for ignoring the clearly expressed wishes of the residents if the allows the development? Surely, he should now take full account of the wishes of the people and their elected representatives, as well as the former owners of the land, and reconsider the decision of his predecessor in 1985, which I and those who know the area well, believe to have been mistaken.

I urge my hon. Friend most strongly to visit Birtenshaw farm to see for herself the importance of this local amenity. It has infuriated local residents that neither the former Secretary of State, nor any other Minister from his Department, could be bothered to visit the site before making the shock decision to overturn the inspector's report. We were pleased to see my right hon. Friend the Member for Brent, North (Sir R. Boyson) during the election, in his former capacity as the Minister responsible for green belts, especially as he has such detailed and personal knowledge of the area and the history of the Ashworth family. I took that opportunity to hand him a petition signed by over 1,200 local residents, calling for the preservation of open land in the area. In this connection, if it would help the Minister to make up her mind to visit the site, I should be glad to make available to her a video showing the land in question, and the general area of Bradshaw and Bromley Cross, which has been so affected by development over the years.

One of the most disturbing aspects of this case has been the way in which the decision appears to have been made. It would appear that the civil servants in the Department have taken it upon themselves to make decisions in such an important matter in the name of the Secretary of State, but without even bothering to inform him. Is that really true? Can the Minister enlighten me as to whether the Department now runs on the basis of "Yes, Civil Servant," as the Secretary of State nods his head to everything that he finds has been done in his name?

I was told that it was an "oversight" that caused the Minister to fail even to inform me of his decision. I first heard of his decision when I was at the Harwood rose show in my constituency on the Saturday morning after letters from the civil servant in Manchester had gone out to local objectors. This may have been a mere discourtesy to fail to inform me, but I see it as symptomatic of the thoroughly unsatisfactory way in which this decision was made. When I demanded to see the Minister then responsible for planning on my return to Westminster, he at first refused to see me. After I stated that I intended to call publicly for his dismissal, he agreed to see me, but clearly was unaware of the facts, and could not give answers to my questions as to why the planning inspector's report had been overturned. His papers were poor-quality facsimiles transmitted down to London from Manchester, and it was only later that he was able to supply me with clear copies.

Local councillors have drawn the matter to the attention of the local ombudsman on the ground that the council had failed to present its case adequately. I have repeatedly requested the parliamentary ombudsman to take this matter as a clear case of maladministration. I have established that the decision letter was sent out from Manchester on the same day that the Minister in London was supposed to have given his approval. Did he really know what he was doing? Or was he given a few hundred pieces of paper to sign, with this one tucked away in the middle?

I have further established that this was no routine decision. In the previous year, only 20 planning appeals had been decided contrary to the inspector's recommendation, only six had involved residential developments, and only one was for more than 300 houses. It was hardly a decision at which the Minister could have decided that he did not need to look.

My hon. Friend may think that I am asking too many difficult questions, but I must remind her that 3,000 demonstrated against this decision on the final Sunday before the general election. Previous attempts to build on this land were refused, but it did not escape attention that in this case, the developers were a well-known national firm. Many local people have taken the view, which I reject, that this had in some way influenced the decision.

The people of Bolton now want a clear statement of the Government's thoughts on this matter. Perhaps Ministers feel under pressure to secure more building land, but other

land is available in Bolton, including derelict land in need of redevelopment. Why not respect the wishes of the people of Bradshaw and Bromley Cross that Birtenshaw farm should remain as open land in perpetuity? That is the question that I should like my hon. Friend the Minister to answer.

1.40 am

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): I thank my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) for his kind welcome. I appreciate his good wishes.

I know that the matter raised by my hon. Friend is one which deeply concerns many of his constituents in the Bradshaw and Bromley Cross areas of north Bolton. They have for long regarded the 35 acres of Birtenshaw farm, which lies alongside Turton road, as a valuable last remaining break in the development which would otherwise link their two communities. They regard the stretch of open farmland as an important local amenity which should not be lost to development. They have also expressed fears about the extra traffic which they say the development would put on to local roads and the strain on schools and other local services which they fear might result.

My hon. Friend has on several occasions written to my right hon. Friend the Secretary of State and his predecessors, and also to my right hon. Friend the Prime Minister, about the nature of the decision of my right hon. Friend the Secretary of State to grant planning permission for housing development at Birtenshaw farm and about the procedures which led to that decision. He has been given assurances that the matter was dealt with entirely in accordance with the Department's normal procedures.

The covenant on the land is an entirely separate issue from the planning appeal. It is the matter which is now before my right hon. Friend the Secretary of State for decision. It was mentioned during the course of the appeal inquiry but was not discussed there.

Under the covenant, the owners undertook to retain the land as a private open space. With the completion of recent High Court action on their planning appeal, Barratts has asked my right hon. Friend the Secretary of State to use the power available to him to discharge the restriction imposed by the covenant. He is able to do so if he is satisfied that the restriction is inconsistent with the proper planning or development of the area comprising the land.

My right hon. Friend the Secretary of State has asked Bolton borough council for its views on the request to discharge the covenant. He will exchange its representations with the applicants. He will approach his decision with an open mind and reach it after a thorough consideration of all the relevant facts. It would not be right in the circumstances for him to discuss the case with only one of the parties, or even to visit the site in company with any of them. It is necessary, in the interests of fairness to all concerned, that all representations made to him can be made available for comment to the principal parties—Bolton borough council and Barratt. They should therefore be in writing or, if in the form of a video presentation, be made available also to the other party.

The Secretary of State will of course take account of the views expressed by my hon. Friend tonight. I cannot express any view about what the outcome might be or otherwise comment on the merits of the matter.

It may help the House if I say that the case came to the Secretary of State in July 1984 as an appeal by Barratts Ltd. against the decision of Bolton borough council to refuse planning permission for the construction of 475 houses and bungalows on the land. Because it was for a large development, the appeal was not one for decision by an inspector but fell to be decided by the Secretary of State.

A local inquiry was held in February 1985 and the inspector reported to the Secretary of State in March recommending that the appeal be dismissed. The Secretary of State did not accept the inspector's recommendation and the decision that he gave on 18 July 1985 allowed the appeal and granted outline planning permission for the development.

There is no particular significance in the fact that the decision was contrary to the inspector's recommendation. Most planning appeal decisions do follow the recommendation, but there is always a small proportion where the decision departs from it. This was one such case. Indeed there would be no point in putting cases to Ministers if they were not free to disagree.

The decision to allow this appeal was of course made long before my appointment to the Department. I understand, however, that it was taken by the appropriate Minister in the light of all the evidence presented at the inquiry and having regard to Government policy for housing land set out in the relevant circular. The decision-making process was entirely in accord with the Department's normal practice; the Minister was fully aware of all the facts, and the decision was his.

Nor was there any significance in the fact that the promise to inform my hon. Friend of the decision was not fulfilled. Through an oversight, the correspondence recording this promise had not been attached to the appropriate file. This was most unfortunate and Ministers have expressed their apologies to my hon. Friend for the failure in this matter. I must emphasise, however, that it was a simple error and was in no way an attempt to hide the decision; nor did it suggest anything underhand or a desire to bypass normal Departmental procedures. As a result of that failure, our procedures have been strengthened to ensure that a similar failure to observe the proper courtesies does not recur.

The decision was in fact taken some days before the formal letters were ready for issue. They were prepared in the Department's Manchester office and despatched from there. That is why a copy had to be telegraphed to the Minister when my hon. Friend unexpectedly raised the matter with him.

The decision to allow the appeal was challenged by Bolton borough council, but was upheld in the High Court last April. The judge said that he was satisfed that the Secretary of State took proper account of proposed alterations to the structure plan for Greater Manchester, that he gave adequate reasons for his decision and that he and the inspector had correctly interpreted and applied the relevant circulars. The planning permission granted by the appeal decision therefore still stands. There are no further procedures for giving it further reconsideration.

As for the disquiet of local residents, it should be remembered that those responsible for preparing decisions on planning appeals must bear in mind the fundamental principle that the onus normally rests with the planning authority to show good reasons why permission should not be given, and that it is not for a developer to show why

[Mrs. Marion Roe]

it should. Planning authorities were advised by the Government in DOE circular 22/80 that they should always grant planning permission, having regard to all material circumstances, unless there were sound and clear-cut reasons for refusal.

Proposals for housing development are considered additionally in the light of the Government's policy set out in DOE circular 15/84, "Land for Housing". This asks authorities to ensure that at all times sufficient housing land is, or will become, available to provide a five years' supply when measured against the requirements of the development plan for the area.

If a five years' supply is not available, the circular says that there should be a presumption in favour of granting permission for housing, except where there are clear planning objections which in the circumstances of the case outweigh the need to make the land available for housing.

The circular says that the relevant factors which might outweigh the presumption should be clear from the development plan, and goes on to give examples. Among these are that the land is in a green belt or a national park, or area of outstanding natural beauty; that other land of lower agricultural or landscape quality is available; or that essential infrastructure is absent or inadequate.

In the case of Birtenshaw farm, the inquiry evidence showed that, on the basis of the method outlined in the Department's circular, there was a very substantial shortfall in the borough's housing land supply, amounting to land for at least 1,664 units. The presumption which the circular gave to granting planning permission therefore applied to the appeal site. The land was not in a green belt and was of low agricultural value.

Although objections on grounds of inadequate infrastructure—such as highways, schools and drainage — loomed large in the eyes of local residents, they lacked support fom the local authorities. In the inspector's view, they failed to stand up on their own.

As my hon. Friend said, the inspector nevertheless noted that the site was the only significant relief from urban development along Turton road north of Bolton. He thought that its suburbanisation would seriously diminish the semi-rural character and appearance of the area and would make Bradshaw and Bromley Cross less pleasant places in which to live.

The inspector's report was carefully considered in the light of the Department's published policies, and the decision not to accept his recommendation was taken by the responsible Minister. That decision accepted that development would detract from the present character and appearance of the area. However, because of the housing land shortfall, there was a presumption in favour of granting permission, and the Minister could not agree that the effect of the development on Bradshaw and Bromley Cross would justify preventing the site from making good some of the housing land shortfall.

Question put and agreed to.

Adjourned accordingly at seven minutes to Two o'clock.

House of Commons

Wednesday 8 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRADE AND INDUSTRY

Textile and Clothing Industries

1. **Mr. Doran** asked the Chancellor of the Duchy of Lancaster when he next plans to meet the Trades Union Congress to discuss the future of the textile and clothing industries.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): I have no plans to do so at present, but my hon. Friend the Minister for Trade has agreed to a request for a meeting with members of the TUC economic committee and textiles, clothing and footwear committee in connection with the GATT multilateral trade negotiations.

Mr. Doran: Given the strategic importance of the British textile industry and the fact that it recently reported a trading deficit—[HON. MEMBERS: "Reading."]

Mr. Speaker: Order. The hon. Gentleman is a new Member. We do not read our questions in the Chamber.

Mr. Doran: I shall repeat my question. Given the strategic importance of the British textile industry and the fact that it recently reported a trading deficit of £2·5 billion, what proposals does the Minister have for improving the position of the industry?

Mr. Clarke: First, I agree with the hon. Gentleman about the importance of the industry. I am glad to say that the performance and position of the industry are steadily improving. There has been a welcome increase in investment and productivity. That must the basis of its long-term survival and recovery, so that it can maintain its contribution to the British economy. We have also negotiated a new multi-fibre arrangement that will help to protect the industry against unfair competition.

Mr. Nicholas Winterton: Does my right hon. and learned Friend accept that the textile and clothing industries not only make a major contribution to the economy but are substantial employers? Will he pay tribute to the number of people who work in the industry, who have always been responsible and have not indulged in irresponsible industrial relations? Will he seek to ensure that the British Government will guarantee fair competition for this valuable sector of the British economy, and that if we guarantee access to our market for goods from overseas, those countries that supply us will reciprocate?

Mr. Clarke: I come from a Department in which I was particularly well informed about the contribution that the industry makes to employment, and also about the contribution that good industrial relations in the industry have made to its performance. I therefore endorse what my hon. Friend has said about that.

I am sure that my hon. Friend the Minister for Trade will continue to ensure that the industry is protected against unfair competition. I am glad to say that the competitive position of the industry in overseas markets is improving. I am sure that my hon. Friend the Member for Macclesfield (Mr. Winterton) welcomes the news that came out a few days ago, which showed that the textile and clothing industries had substantially increased their volume of exports overseas, particularly to the EEC.

Mr. McAllion: The Minister will know that the United Kingdom jute industry is now wholly located in the Tayside region in Scotland, and that a thousand jobs depend on it. He will also know that last January I led a delegation of employers and trade unionists to lobby Ministers and put proposals to them for safeguarding that industry. When can the jute industry expect a response to those proposals?

Mr. Clarke: I recognise the importance of jute in Dundee because of my recent visit to the city, when I spoke on behalf of the hon. Gentleman's unsuccessful opponent——

Mr. Ernie Ross: Come again.

Mr. Speaker: Order.

Mr. Clarke: There will be more visits to Scotland.

I also know that the hon. Gentleman presented a paper to my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang) earlier this year, which was handed on to my Department as well. That has been followed up by officials of my Department meeting representatives of the jute industry in Dundee. We shall certainly keep in close touch and continue to consider the case concerning overseas trade, and the position of the industry with regard to its competitors.

Mr. Burt: Will my right hon. and learned Friend also pay tribute to the changes of attitude in the industry in the past few years—its willingness to adapt, innovate and bring in new technology, which, like the very good industrial relations, has also been responsible for the industry's improving position?

Mr. Clarke: Yes, indeed. When I followed these matters in the late 1970s, I met many textile interests. I find now that there has been a considerable change in the industry's approach to the future. Nowadays it is a modern, forward-looking industry which has adapted to high technology and is becoming far more competitive, producing good quality products and improving its efficiency. That is how we must continue.

Sub Post Offices

2. **Mr. Matthew Taylor** asked the Chancellor for the Duchy of Lancaster what representations he has received on the future of the sub post office network.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): Since the election we have received one inquiry on this topic from an hon.

Member on behalf of a constituent. Nevertheless, we are well aware that there is widespread interest in the sub post office network and we are in no doubt about the importance and value of sub post offices and the high regard in which they are held.

Mr. Taylor: Bearing in mind the importance of the sub post office network to rural communities such as my own in Cornwall, will the Minister assure my constituents who are doubtless worried by the flotation of ideas about privatisation of post office services, that sub post offices will continue to be agents for the payment of benefits and pensions, and also car licence fees, and thus remain economically viable?

Mr. Butcher: Yes. I reiterate our commitment. In providing its services the Post Office has a statutory duty to have regard to economy, efficiency and the social needs of the United Kingdom. We have consistently stated our commitment to the maintenance of a network of sub post offices adequate to enable the Post Office to fulfil its statutory duties. That commitment stands and will be taken fully into account and respected in discussions affecting the Post Office.

Mr. Adley: I welcome my hon. Friend's comments about the invaluable service provided by sub post offices to individual communities. Does he accept, however, that in areas such as south-east Dorset, where there is considerable population growth, there is both a demand for more sub post offices and an understandable feeling among those currently running sub post offices that their revenue may be threatened? In conjunction with the Post Office, will my hon. Friend consider the possibility of increasing the duties that sub post offices may carry out so as to increase their earnings, and especially the possibility of increasing the number that may deal with vehicle licensing?

Mr. Butcher: Yes. I am pleased to respond to my hon. Friend's question. Very much on the agenda is our commitment to seek an early opportunity to extend the powers of the Post Office to enable it to offer a wider range of services in post offices. If those new services are successful, they will help to enhance the viability of the whole network. I am sure that the whole House will welcome that.

Mr. Wigley: May I press the Minister a little further on his earlier reply with regard to the statutory duties of the Post Office? Does he accept that the case for sub post offices goes further than that, as they help to sustain shops and other services in rural areas which could be hard hit if sub post offices were disbanded? Will he therefore increase the range of services and thus the throughput of sub post offices so as to sustain the general wellbeing of rural areas?

Mr. Butcher: The hon. Gentleman is entirely right. We all recognise that sub post offices have a social and community function and a cohesive influence especially in rural areas. As I have said, we hope to be helpful in that regard and to allow them to purvey more services over their counters.

Mr. Harris: I very much welcome my hon. Friend's replies. Does he recognise, however, that some smaller village sub post offices are going through a particularly difficult time and that the Post Office is resisting requests from many of them to deal with vehicle excise licences? Will my hon. Friend seek a meeting with the chairman of the Post Office on this important point and press that more sub post offices be allowed to provide that valuable facility?

Mr. Butcher: We shall bear my hon. Friend's comments about vehicle licensing seriously in mind. I should make it absolutely clear that there is no rural closure programme, although there have been cases in rural areas where the postmaster has retired or resigned and the sub post office has been forced to close because no suitable replacement could be found. However, I will take up the point that my hon. Friend has raised.

Nicaragua

Mr. Corbyn asked the Chancellor of the Duchy of Lancaster what export credit rating is given to Nicaragua by his Department.

The Minister for Trade (Mr. Alan Clark): The Export Credits Guarantee Department cover for Nicaragua was withdrawn in March 1979 because of the economic problems caused by the civil war and the acute shortage of foreign exchange which followed.

Mr. Corbyn: Is the Minister now prepared to reconsider implementing an export credit guarantee for trade with Nicaragua? Does he not realise that there is a great potential for exports, particularly for agricultural and forestry equipment, to Nicaragua? Does he also accept that by refusing to give export credit guarantee cover to trade with Nicaragua the British Government are in effect taking part in the economic blockade of Nicaragua imposed on that country by the United States Government?

Mr. Clark: Whether to extend credit is entirely a commercial decision for the Export Credits Guarantee Department. The present external debt of Nicaragua is $1·3 billion. Negotiations for rescheduling even part of that broke down as the Nicaraguan Government, unlike the Labour Government in 1976, refused to submit to IMF scrutiny.

Sir Geoffrey Finsberg: Does my hon. Friend accept that taxpayers of this country support his attitude and that they do not want to pump their money into the drain that is Nicaragua?

Mr. Alan Clark: I am grateful for my hon. Friend's support. Naturally, we hope that in the fullness of time Nicaragua and other South American countries which do not go along with IMF requirements will come into line. There is trade potential. However, we could not enter into that trade while it would be imprudent and profligate to do so.

Manufactured Goods

5. **Mr. Dixon** asked the Chancellor of the Duchy of Lancaster when he next intends to meet the Confederation of British Industry to discuss the trade deficit in manufactured goods.

Mr. Kenneth Clarke: My colleagues and I meet the CBI from time to time. I have no plans for a special meeting on this subject.

Mr. Dixon: Will the Minister call an urgent meeting with the CBI to say what the Government intend to do

about our manufacturing industry before there is none left, bearing in mind that when the Tories were elected in 1979 there was a surplus of £5 billion in the trade in manufactured goods, which was turned into a deficit of £8 billion this year? Does the Minister believe that the shipyard workers, the miners and all those who have been thrown out of work in the manufacturing industries should be employed selling ice cream cornets or something like that? Is it not about time that the Government took seriously the situation in manufacturing industry in the northern region, where there was a fall in investment in manufacturing industry between 1979 and 1984 of more than 42 per cent.? Why will he not take the matter seriously?

Mr. Kenneth Clarke: I am delighted by the fact that manufacturing output has risen so sharply since the bottom of the recession. It has risen by 16 per cent. Manufacturing investment is up by 20 per cent. and we are holding our share of world trade in manufactured goods. The CBI forecast for the immediate outlook for manufacturing exports and manufacturing industry is the most optimistic that we have seen for years. I do not believe that the particular figure of the deficit in trade of manufactured goods referred to by the hon. Gentleman is particularly significant. It is one of many economic indicators. It is seized upon by the Opposition only because it is one of the few non-encouraging figures that they can find among a plethora of other signs which show that the whole British economy, including British manufacturing industry, is doing very well indeed.

Mr. Waller: Is my right hon. and learned Friend aware that the CBI, the TUC and all parts of industry are concerned about the risks from United States protectionism especially the diversion of trade in the textile industry? Will he use every possible opportunity to make clear to Members of Congress that as a result of such diversion of trade we would be bound to take action in the GATT round with our European Community partners, and that no one would benefit from any trade war that ensued?

Mr. Kenneth Clarke: We have made it quite clear that the British Government believe that the current trade legislation before Congress would inevitably lead to European retaliation if it was enacted. We are very concerned about the whole question and we trust that the Americans will not take improper action against our exports to that country.

Mr. Cryer: What is the current balance of trade deficit in manufactured goods with the Common Market? Is it running at last year's annual rate of £10 billion? What will the Minister do to remedy that massive balance of trade deficit? When does he think that manufacturing industry output will reach the 1979 level?

Mr. Kenneth Clarke: We are not currently in balance of payments problems. I know that Labour spokesmen, most noticeably the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersely), were forcasting a balance of trade crisis later this year on the basis of National Institute of Economic and Social Research forecasts which came out towards the end of last year. The national institute has now revised those figures. It is clear that we do not have any particular problem with the balance of trade. It is also clear that our manufacturing industry is going through a substantial and continued improvement, and the outlook has never been so encouraging since the early 1970s.

Mr. Michael Marshall: Will my right hon. and learned Friend turn his mind particularly to the problem of Japan? I support what he said about not looking purely at manufactured goods, but does he see the relationship between manufactured goods and investment and the problem that we currently face, and what can he tell us about current Government thinking about trying to get inward investment into Japan on behalf of British companies?

Mr. Clarke: The most important thing is to persuade the Japanese to continue to open up their markets both to our manufactured goods and to our services. The Government have been devoting considerable efforts to that in recent months, and must continue to do so. We are achieving some success in opening up markets to goods, in getting places on the Tokyo stock exchange and in ensuring that English companies are entitled to a fair crack of the whip when new investment in, for instance, telecommunications comes along in Japan. However, we are looking for a substantial further improvement, as I am sure are all the rest of Japan's trading partners.

Mr. John Smith: Does the right hon. and learned Gentleman not realise how appalling it is for a Minister of the Crown to describe the turnaround from a £5 billion surplus to a £8 billion deficit in the balance of trade in manufactured goods as not particularly significant? Is he aware that, as North sea oil inevitably declines in volume, and, no doubt, in value, Britain will be left hopelessly vulnerable to balance of payments problems in the future unless we build a strong manufacturing industry?

Mr. Clarke: What matters most of all is the state of our manufacturing industry, which, as I have said, is increasing output and investment and has extremely good prospects for the immediate future in world trade. I do not accept that it is right, when we look at the whole range of economic indicators, to place excess weight on any one of them. At present, the economy has a good rate of growth, low inflation and improving productivity. It is a strong economy, and a quite disproportionate emphasis is being put on that one feature. Many wealthy countries go into deficit on manufactured trade from time to time, and, taken in isolation, that deficit does not justify the weight placed on it by the Opposition. I understood their doing so in the pre-election period, but I am surprised that it is being sustained post-election.

Mr. Dykes: As British and European manufacturing industry have many opportunities to build up an increasing share of free and fair trade throughout the world, does my right hon. and learned Friend agree that they should not, in contrast, seek the excuse of accusing far eastern countries of unfair trading and constantly send complaints to the EEC Commission, as witness the latest anti-dumping complaint that the Commission is launching on compact disc laser readers?

Mr. Clarke: This country, more than most countries, has an interest in a liberal trade regime, with free trade between countries. Our response to free trade if we are in difficulties should be to improve the competitiveness and keep down the unit costs of our products, and improve their quality. Obviously, however, on some occasions unfair trading practices arise and our interests are exposed to dumping. That includes selling below cost and other improper trading practices. It is only right that the British

Government should act promptly, and expect the European Commission to do so, when our industries are exposed to that kind of unfair competition.

Inner-city Programmes

Mr. Frank Cook asked the Chancellor of the Duchy of Lancaster how much more will be spent in 1987-88 on his inner-city programmes in the north.

Mr. Clarke: Inner-city task forces aim to ensure a more efficient allocation and better targeting of the considerable resources already being spent in inner cities under central Government programmes.

In addition, the inner-cities initiative has been allocated £14 million for the current financial year. The seven task forces in the north — Hartlepool, Middlesbrough, Preston, Leeds, Rochdale, Doncaster and Manchester— will be able, or continue to be able, to draw on this central top-up fund.

Mr. Cook: Will the right hon. and learned Gentleman readily acknowledge that the main problem of the north is that it is work hungry—in fact, work starved? Will he acknowledge that the amount of money that he has mentioned today is no more than a flea bite in comparison with the kind of help that is necessary? Will he admit that what is needed is an allocation of real resource that will provide real work in real jobs doing real community refurbishment?

Mr. Clarke: What I have mentioned today is what the hon. Gentleman asked me about, that is, one feature of the Government's programmes to help the north and establish the basis for a strong and competitive economy there. The hon. Gentleman's constituency is within the borders of the new urban development corporation. The Government's Cleveland initiative is spending a great deal of money on cleaning up derelict land in Stockton. There are enterprise zones in the north-east of England and a substantial amount of regional grants go there. We are looking to new education and housing policies to help improve the living conditions and the preparation for work of the people who live there. All of that, together with the Government's economic policies and the creation of strong competitive industries in the north, will be the solution to the problems.

Mr. Fallon: Does my right hon. and learned Friend agree that central to the task of regenerating the inner cities of the north is the need to lift the political blight of high rates and municipal Socialili? Will he accept that the Cleveland task force and the Tesside urban development corporation are practical, non-political initiatives supported by everybody on Teesside except a few bigots in the Labour party?

Mr. Clarke: I agree with my hon. Friend's propositions. In fact, there is a high degree of support in the north for many of the things that the Government have done. The Government have responded by putting money into the Northern Development Company, which is a locally-generated intitiative of potentially great value. I agree with my hon. Friend that changing the system of business rates will be a great advantage to industry in the north and I look forward to the new arrangements for the non-domestic rate, which will be of great advantage to existing and new industry in my hon. Friend's part of the world.

Mr. Madden: Will the right hon. and learned Gentleman explain why Bradford has been left off all the lists, excluded from the partnerships and missed out of all the initiatives? Will he give a clear assurance that Bradford is not being punished or penalised because its citizens elected a Labour council? Will he do his best to persuade the Secretary of State for Trade and Industry to accept a request that I made this week for him to meet a deputation from Bradford and to visit the city so that we can discuss with the Government what they will do to help us overcome the social and economic problems that we have there?

Mr. Clarke: Whenever one of my right hon. or hon. Friends or I announce an initiative in a particular town or city, we tend to find that we are being denounced by the Labour Member of Parliament for that town because what we are doing is inadequte, and then we are denounced by Labour Members in other cities or towns who want us to set up the same sort of arrangements in their constituencies. I would be happy to consider the unexpected request from the hon. Gentleman that we look at the possibility of a task force or further assistance for Bradford. We have given considerable support to all the efforts that Bradford has made to promote tourism in the city as a major source of employment. We will certainly give every other assistance to the people in Bradford who want to improve the commercial base of the city.

Mr. Holt: May I emphasise the point made by my hon. Friend the Member for Darlington (Mr. Fallon) that the trouble in the north-east of England is endemic Socialism from municipalised power over many years? That was exemplified by the recent decision of Cleveland county council to spend £250 million of its pensioners' money on a speculative newspaper which everybody knew was bound to fail. The leader of the council justified that by saying that there was always a sum of money available for speculative ventures. However, it never has any money available to help entrepreneurs set up businesses.

Mr. Clarke: Those responsible for pension funds should use those funds for the benefit of the pensioners and exercise their judgment on solely commercial grounds to look after the interests of the pensioners and their future. That is not a matter for me. However, I accept that we have to get more people in the north-east to look at ways in which more private industry might be encouraged. We have to create a climate that will attract more inward investment and new job opportunities. We still have some municipal Socialism, less in the north-east sometimes than elsewhere, which tends to work in the opposite direction.

Mr. Gordon Brown: How can the right hon. and learned Gentleman claim that there are more resources for the regions and the inner cities when, as a result of cuts in rate support grant and regional aid, less is being spent on those areas this year? Will he tell the House and the people of the north and the inner cities how the process of urban regeneration will be assisted by a 59 per cent. cut in regional development grants this year and the biggest ever cut in regional aid—£300 billion taken out of the budget — making a total of £3 billion of cuts since the Government came to power?

Mr. Clarke: The Government allocate rate support grant according to the respective needs of authorities and according to the levels which authorities need to spend on

running their services in an economic and efficient way. The rate support grant system involves a substantial shift of resources from the south to the north. I do not believe that simply increasing rate support grant to allow high-spending councils to continue to waste money is a very significant contribution to inner city revival. Regional development grants have been reformed to make them more useful and to concentrate the resources available on the creation of jobs and on those areas where, otherwise, investment might not take place. Simply going back to spending huge sums of money on the old development grants would be wasting resources that could be better used elsewhere.

Dr. Hampson: Does my right hon. Friend accept that one of the major problems in rejuvenating northern cities has been the long-standing drift of industry to London and to the south-east and that there is real concern in the northern cities that the Channel tunnel will intensify the magnet effect of the south? Will he do his level best to ensure that a major freight terminal is established, preferably around Leeds or Bradford, with freeport status so that industry is held in the north and it can be proven that they can get access from Leeds to Lyon direct?

Mr. Clarke: One of the major advantages of the Channel tunnel for the economy of all parts of the United Kingdom will be the prospect of a direct rail link through to the European terminals. The Channel tunnel is as attractive to the north as it is to the south. The prospect of through travel from Leeds, Manchester or further north, all the way through to Milan is one of the brighter features of the whole scheme.

Manufacturing Industry

7. **Mr. Pike** asked the Chancellor of the Duchy of Lancaster what five sectors of the manufacturing industries have suffered the worst deterioration in balance of trade since 1979.

Mr. Alan Clark: The worst deterioration in the balance of trade between 1979 and 1986 has been suffered by the following industries: motor vehicles; miscellaneous electronic equipment; pulp; paper and board; motor vehicle parts, and cotton and silk.

Mr. Pike: Will the Minister accept that his answer rather than the nonsensical answers that we have had from Ministers on the Government Front Bench earlier this afternoon puts in true perspective exactly what is happening to Britain's manufacturing industries? Will he accept that the nation has prospered in the past through our manufacturing industries and that, if we are to have jobs and employment in the future, we have to get those industries right, and that the Government must take action and not continue to accept the position in the way that they indicated earlier this afternoon?

Mr. Clark: That sort of perspective is what one gets if one looks through the wrong end of a telescope. The extraordinary backward-looking attitude of the Labour party is reflected by the fact that it always asks for the worst five sectors. Had it asked for the five best, it would have found that there was a £7·9 billion improvement and a net improvement of £2·1 billion.

Mr. Oppenheim: Would my hon. Friend like to remind some Opposition hon. Members who do not have very long memories that manufacturing output in 1979 was lower than in 1974 and that between 1974 and 1979 the ratio of manufactured imports to exports worsened threefold?

Mr. Clark: That is correct, and it is continuing to improve as is borne out by every forecast except those that are now admittedly somewhat muted by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley).

Mr. Hoyle: Will the Minister tell us when manufacturing output will reach the 1979 level? Will he also tell us what talks have taken place with the manufacturers of motor vehicles for the development of power trains in this country? Would he agree that an expansion of power trains is not only high technology but would provide employment and help to reduce the deficit?

Mr. Clark: It is not possible, and it would not be prudent, to make forecasts of the level of manufacturing exports for any given year. All the forecasts—these are from bodies other than the Government—are uniformly optimistic.

Mr. Neil Hamilton: Does my hon. Friend agree that the actions of Opposition Members on this matter are absolutely fatuous? If we were in deficit on services and invisibles they would be up in arms about that, but if every country had a Government who thought they should be in balance in every aspect of their trade the whole of world trade would be brought to a grinding halt, to the impoverishment of everybody.

Mr. Clark: That is true. As I have said, the surplus in the five best sectors greatly exceeds the deficit—

Ms. Clare Short: Tell us what the figures are?

Mr. Clark: The figures can be circulated—[Hon. Members: "Answer the question."]—I have replied to it. The figures can appear in the *Official Report* by the morning.

Mr. Robin Cook: How can the Minister reconcile the confidence that he and his colleagues have in British manufacturing industry with the fact that investment in manufacturing industry has declined by one fifth since 1979? Is the hon. Gentleman aware that Britain is the only member of the OECD in which plant and machinery is depreciating faster than investment in it, that our investment in civil research and development is lower than that of any other member of the OECD, and that we are training only half the number of apprentices that were receiving training in 1979? If from time to time wealthy countries go into deficit on manufactured trade, will the hon. Gentleman tell us when this trend will come to an end and when the underlying strength of our economy will be reflected in a manufactured trade surplus?

Mr. Clark: If there is a surplus in every other sector of our trading account, why is the hon. Gentleman so obsessed about one sector in which we are in deficit but which is improving?

Mr. Favell: Would it not be sensible if we stopped lumping together all manufacturing industry for the purpose of these figures? Is it not true that the majority of our manufacturers are doing extremely well and that, but for the automotive trade deficit, which during the first quarter of this year was almost £900 million, we would be in surplus? As any car purchaser knows, if only we

produced a car at the right price of the right quality on time we would not have a problem with that sector of manufacturing industry.

Mr. Clark: It is true that the manufacturing deficit in consumer goods is to a large extent the result of a series of individual choices. These choices are made on the basis of quality, price and delivery. To give an example of a sort that Opposition Members seem always to reject, all our oil exports to the European Community are absorbed by the entirety of German automotive exports to Britain.

Knitwear Industry

8. **Mr. Tom Clarke** asked the Chancellor of the Duchy of Lancaster what assessment he has made of the future prospects for the knitwear industry.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Robert Atkins): The Government recognise the importance of the knitwear industry. As in the case of textiles and clothing as a whole, there has been significant new investment and a sharp rise in productivity in recent years.

Mr. Clarke: Given the loss of over 100,000 jobs in these industries over the past five years and our deficit of over £1 billion with our EEC competitors, despite us having one of the lowest unit labour costs within the EEC, why is investment inadequate, why are there so many redundancies, and why is Mackinnons in my constituency the subject of closure?

Mr. Atkins: The hon. Gentleman will know that the action that the Government are taking in respect of Mackinnons is a matter for my right hon. and learned Friend the Secretary of State for Scotland. I understand that the Scottish Industry Department has offered substantial financial support to parties who are interested in acquiring the company. The hon. Gentleman has received a reply from my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang), the Minister of State, Scottish Office, who has dealt with the matter at some length.

Sir John Farr: May I first congratulate my hon. Friend on his elevation, which has given a great deal of pleasure to many of my right hon. and hon. Friends and myself and, indeed, to Members on both sides of the House? We hope that he will remain on the Government Front Bench for many years to come.

I ask my hon. Friend to recognise the splendid achievement of the textile and clothing industries, and especially the textile sector, in increasing exports by 14 per cent. in the previous quarter. It should be recognised that the clothing industry increased its exports by 21 per cent. Is he able to assure the House that the United States Government are aware of the danger of the Bill that is now passing through Congress, which could be extremely damaging to the industry?

Mr. Atkins: I am extremely grateful to my hon. Friend for his kind remarks. We shall see whether they are deserved as I continue to stand at the Government Dispatch Box. The Government are taking the American Bill extremely seriously and view it as a dangerous threat to United Kingdom exports and businesses. When my right hon. Friend the former Secretary of State for Trade and Industry went to the United States recently he made it clear to the United States Administration and Members of Congress how strongly we felt about the measure. We shall continue to take a firm view of it.

Ms. Clare Short: Is the Minister aware that the textile industry in Britain has been in long-term decline and has suffered from a wage-cutting strategy, a cut in investment and a cut in training, and that if we do not intervene it will decline further and die? Intervention is required to get investment, decent training and decent wage levels. Do the Government have any plans to make such an intervention?

Mr. Atkins: The hon. Lady's point has been answered this afternoon and on previous occasions. The industry is successful, having undergone some difficult times, as I well know from my own part of the world. Although we obviously take a continuing interest in matters affecting the textile industry, the hon. Lady's points will need to be considered.

Outer City Housing Estates

9. **Mr. Stern** asked the Chancellor of the Duchy of Lancaster if he has any plans to encourage trading initiatives in outer city housing estates.

Mr. Atkins: The inner-cities initiative is already piloting projects encouraging trading in housing estates, and we are looking at the particular contribution community businesses in general might make to tackling urban problems.

Mr. Stern: I am most grateful for my hon. Friend's reply. Does he agree that there is a danger that the inner-city initiative could be decided purely by geography? There is as much deprivation and as much need for the sort of initiatives that we are talking about in some outer city housing estates—many of which I represent in the city of Bristol—as there is in inner city areas. Will he seek to encourage such initiatives where they are needed, rather than base them purely on geographical terms?

Mr. Atkins: I am aware of the problems of outer city areas such as those in my hon. Friend's constituency and the interest that he takes in such matters. The lessons that we learn from the inner city initiatives will be put to good use in due course in areas such as his.

Mr. Leighton: Is the Minister aware that there is a great mystery about the Government's policy on cities? He knows that city action teams and task forces have had only puny funding, hardly any of which seems to have been spent, and have had hardly any effect. Is there anything new in the Government's approach to cities? If there is, will he tell us what it is? Does he accept that, if there is to be something new and effective, it will mean more resources? Can he give us any assurance that resources will be made available?

Mr. Atkins: The hon. Gentleman has asked a number of questions. The point about the inner cities initiative is that it is an experiment to investigate whether the various initiatives that have been taken in the eight pilot areas, and now the further eight pilot areas, can come up with ways of focusing resources, money, community action and a variety of other things on areas of deprivation which need such assistance. The £14 million to which he referred, and which was the subject of an earlier question to my right hon. and learned Friend, is by way of a pump-priming

operation, because resources are already available in a number of Government schemes, adding up to hundreds of millions of pounds.

Saudi Arabia

10. **Mr. Amess** asked the Chancellor of the Duchy of Lancaster what representations he has received regarding trade between the United Kingdom and Saudi Arabia.

Mr. Alan Clark: None. Provisional figures for January to April 1987 show a satisfactory increase in United Kingdom exports to the market.

Mr. Amess: Will the Minister take this opportunity to congratulate Yardleys of Basildon on winning substantial new orders for its products in Saudi? Will he and his colleagues tackle the French about imposing trade barriers in the form of complicated labelling requirements on aerosol sprays and the like?

Mr. Clark: I am certainly glad to congratulate Yardleys on winning further orders. Indeed, total cosmetic exports to Saudi Arabia total over £39 million. At present there are difficulties relating to labelling and the definition of standards in that market. I hope that Yardleys will take up the matter with officials in my Department, who will try to help the company to overcome the difficulties.

Mr. Dalyell: When Shorts of Belfast exported Blowpipe missiles to Saudi Arabia, did the end user certificates reveal how many of those Blowpipe missiles found their way to Afghanistan?

Mr. Clark: The disclosure of end user certificates is something that is not—*[Interruption.]* It has been the practice of Governments not to make public information relating to end user certificates — [HON. MEMBERS: "Reading."] I am reading from my own answer, which was in the *Official Report* yesterday in reply to a question by the hon. Member for Monklands, West (Mr. Clarke).

Debt Registers

11. **Mr. Kirkwood** asked the Chancellor of the Duchy of Lancaster if he is satisfied that individual liberties are sufficiently protected in the provisions governing national debt registers held by commercial credit agencies.

The Parliamentary Under-Secretary of State for Corporate and Consumer Affairs (Mr. Francis Maude): Yes, Sir. The Consumer Credit Act 1974 gives an individual the right to see any file held on him or her by a credit reference agency and to correct any false or misleading information.

Mr. Kirkwood: Why did the Department resist the opportunity that I gave them in my private Member's Bill last Session to give people unfettered access to information held manually by credit reference agencies? Why did the Government indicate, through the Home Office, that they would not be willing to include the Department within the scope of that Bill, which is now an Act?

Mr. Maude: The hon. Gentleman will understand that I have been at the Department of Trade and Industry for only three weeks, and that I am certainly not able to answer for the Home Office.

Mr. Janner: During the next three weeks, will the Minister be kind enough to follow up the question asked by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood)? The personal access provisions of the Data Protection Act come into force in November. It is wrong that access is given only to automatically processed data and not to data held by traditional or other means. Will the hon. Gentleman be good enough to undertake to look into that matter while he remains with the Department?

Mr. Maude: The hon. and learned Gentleman is energetic and ingenious, and I really cannot believe that he is not capable of pursuing the matter in his own way with the Ministers responsible.

Bankruptcies

12. **Mr. Ashdown** asked the Chancellor of the Duchy of Lancaster what is the latest available figure for bankruptcies among small businesses.

Mr. Kenneth Clarke: The provisional estimate of the number of bankruptcies in England and Wales for the first five months of 1987 is 2,940. Almost all of these related to insolvent individuals and we estimate that between 70 and 75 per cent. were unincorporated businesses.

Mr. Ashdown: Does the Minister realise that many have severe doubts about the accuracy and comprehensiveness of those figures—particularly the National Federation of Self-Employed and Small Businesses, which believes that the Government need much better figures to judge bankruptcies and the reasons for them, and that that could be done without increasing the burden on small businesses? Will the Minister take steps to improve those figures to ensure that the start-ups of today are not the bankruptcies of tomorrow?

Mr. Clarke: I prefer my figures to other people's. However, I am happy to examine what the National Federation of Self-Employed and Small Businesses says about the figures and to consider suggestions for improving them. My figures show a fall in the number of bankruptcies. In addition, any bankruptcy figures have to be set against the very encouraging increases in the number of new businesses and in the number of self-employed people.

Mr. Andrew MacKay: Does not the whingeing of the hon. Member for Yeovil (Mr. Ashdown) demonstrate the reason why the Liberals did so badly at the general election? The electorate is pleased that we have a very large number of new small businesses setting up and relatively few bankruptcies. The public are realistic enough to recognise that there will always be some bankruptcies, which is quite healthy in a free economy.

Mr. Clarke: Last year's VAT registration figures show a net growth of 20,000 new businesses, and there has been a growth in the number of new businesses every year since 1979. I agree that it was rather off-beat of the hon. Member for Yeovil (Mr. Ashdown) to ask a question about bankruptcies, but that is rather typical of the Liberal party's approach.

Mr. Allen McKay: Will the Minister confirm that when the poll tax is introduced there is to be a revaluation of business property, which will result in a tremendous increase in the rates on those premises? *[Interruption.]* No, business premises. In many instances the revaluation will increase the rates, and that will lead to further bankruptcies.

Mr. Clark: Like my hon. Friends, I am intrigued by the wide-ranging nature of questions to the Department of Trade and Industry. However, because of my interest I pay close attention to what is being proposed for business rates. We are, indeed, due for a revaluation of business rates, which is essential to bring the valuations up to date. However, I assure the hon. Gentleman that his constituents' interests are very much served by the proposals. The updating of valuations and the transfer to new national non-domestic rates will be of great advantage to large parts of northern England and its industry.

Aid and Trade Support

13. **Mr. Page** asked the Chancellor of the Duchy of Lancaster what calculations are made of the value of the additionality when considering applications for aid and trade support.

Mr. Alan Clark: The aid and trade provision is used to counter the tied aid credit practices of other Governments. Offers are made where aid is appropriate as an element in securing the business for the United Kingdom, and in making such calculations due regard is paid to a number of factors, notably the maintenance of employment in the United Kingdom and the likelihood of follow-on orders.

Mr. Page: I thank my hon. Friend for pointing out the wide benefits that flow from the aid and trade provision. Has he seen that same point elaborated by Hawker Siddeley's paper "Harvest for Britain" on the scattered diesel programme for Indonesia? Is it not a fact that countries such as France, Japan and Germany have increased their aid and trade provision, or its equivalent, to four to 12 times ours to secure those same wide benefits? If my hon. Friend agrees with me, will his Department push to increase our aid and trade provision programme, so that this country can also enjoy those wide benefits, such as jobs and prosperity?

Mr. Clark: I very much agree with the thrust of my hon. Friend's comments. I saw the Hawker Siddeley report and thought it extremely valuable. Since 1978 there has been some £460 million of ATP, which has secured 121 projects worth more than £2 billion. Part of the reason for the difference between our provision and that of some of our competitors is the different standards of assessing project merit applied by the designating bodies in those countries. I have no doubt that my hon. Friend either has seen or will shortly read the report of the Select Committee on Foreign Affairs on this subject.

Mr. Wells: On the question of the recent report of the Select Committee on Foreign Affairs on bilateral aid, will my hon. Friend take account of the recommendation that the ATP should be separately funded, so that we can at least try to equal the efforts made by our competitors and, therefore, allow British businesses to compete on fair terms with their overseas competitors?

Mr. Clark: I do not know whether by separate funding my hon. Friend means separating the ATP from the bilateral aid programme under which the developmental value of projects is one of the primary considerations. We will respond in due course to the Select Committee. We are very much aware of the feeling of the whole House on this subject.

British Telecom

14. **Mr. Beith** asked the Chancellor of the Duchy of Lancaster when he next plans to meet the chairman of British Telecom to discuss consumer interests.

Mr. Butcher: My right hon. and noble Friend met the chairman of British Telecom last week. Consumer interests were amongst the matters discussed. My right hon. and learned Friend also expects to meet the chairman soon.

Mr. Beith: Will the Minister tell the chairman that the results of the consumer survey and the report of the official monitoring body demonstrate that British Telecom's privileged monopoly position is allowing it to treat its consumers appallingly badly? Is the hon. Gentleman aware that, during my time as a Member of Parliament, I have never heard so many complaints about the telephone service and that in my consitutency the public telephone call box service is on the verge of collapse because it is not adequately maintained, the money is not emptied from the boxes and the service is disgraceful?

Mr. Butcher: This Government's legislation has beefed up consumers' rights to make representations through the Director General of Telecommunications. It is for the director general, if he finds abuse of that monopoly position, to request a change in licence conditions. I should have thought that that would be welcomed by both sides of the House. It would be unwise for me to comment at the moment on the survey. It will go to Oftel's director general. I understand that the survey was carried out between 6 and 10 March when BT was still affected by the aftermath of the National Communications Union strike action.

Mr. Hayward: Are not people forgetting the problems faced by consumers, both individual and business, before BT was privatised? Was it not common for consumers to wait 26 weeks for any particular piece of equipment before privatisation and liberalisation?

Mr. Butcher: Yes, there were immense difficulties pre-privatisation, especially for business users. Our programme of liberalisation of the supply of peripheral equipment to those users had a great effect. It is interesting to note that, by comparison with one of our major competitors, Germany, the cost of our business lines per business user is now significantly better than that for German business men. We should welcome the fact that alternative network provisions for business users are now being completed through the network supplied by Mercury.

Mr. Allen: When the Minister next meets the chairman of British Telecom, will he raise with him the subject of blind and disabled persons and demand guarantees that they will not be charged for directory inquiry services? Will he then make that statement public?

Mr. Butcher: BT's licence allows it to charge for directory inquiries. However, BT must provide services to blind and disabled persons free of charge or with reasonable compensation. We bore this matter very much in mind when framing the original legislation and enshrining the rights of the hard of hearing.

Mr. Aitken: Does my hon. Friend understand that the OFTEL organisation does not seem to many people to be doing a vigorous enough job in defending the interests of

consumers against the monopoly that currently exists? Will my hon. Friend consider two areas of concern? The first is the apparent discrimination against Mercury customers, and the other is the discrimination against small independent engineers who wish to fit all sorts of extension devices to customers' equipment, but are unable to do so because of British Telecom's stranglehold on the master switches, which is apparently defended at the moment by OFTEL. That is a totally unacceptable situation.

Mr. Butcher: The Director General must publish an annual report and it is on that basis that we make judgments on his efficacy. My hon. Friend has raised two serious matters. When we next meet the Director General of OFTEL, with whom we have periodic meetings, I shall ensure that those two items are on the agenda.

Mr. Flannery: Is it not a fact that, despite what the Government say and all the gimmickry, the telephone system is now worse than it was? [*Interruption.*] At lunch time I had to telephone on three occasions and had difficulty in getting the number that I wanted. Everybody to whom I speak says that that is happening and that telephones are giving small tinkles and rings at times when nobody is ringing. Why will the Government not admit that something is wrong, because only when they admit that something is wrong will they try to set it right?

Mr. Butcher: Waiting lists for telephones numbered 200,000 prior to privatisation. That is now almost eliminated. On the question of business use, I can recall from vivid personal experience that if one wished to get a modem from the old BT network one had to put one's name down and was privileged to receive it within five or six months. We do not say that all is universally well with BT. We say that it should be held to account and where it abuses its monopoly position we have given the DG OFTEL powers to request variations on licence conditions, which, in my view is an effective sanction.

Mr. Grylls: Does my hon. Friend agree that any supplier or company as large as BT, with still a dominant market share, will attract a good deal of criticism, because that is what people are like and what happens? However, as my hon. Friends have said, it would be unwise not to recognise that there has been a huge improvement throughout the service and a massive investment programme in British Telecom of thousands of millions of pounds, which has benefited large and small firms up and down the country and which, to a large extent, has been responsible for creating many new jobs, which we all welcome.

Mr. Butcher: My hon. Friend is exactly right. There has been a massive investment programme. Since 1983 an additional 2 million exchange lines have been installed. Our consumer and business expectations are increasing and that is exactly right. However, through the regulatory and other mechanisms, we must ensure that BT delivers according to customer preferences.

Mr. Alan Williams: Instead of quoting the odd selective statistic, why does the Minister not force British Telecom to publish the comprehensive consumer figures that it used to publish when it was in public ownership? Will he now admit that British Telecom has become a sick private joke? Its enormous profits come solely from the fact that it uses its monopoly power to milk the domestic consumer, and it has shown itself to be completely incapable of operating a public telephone kiosk system. Does the Minister condone the latest abuse of its monopoly power—the imposition of blackmail premium charges on those of its customers who have the temerity to want their telephones repaired in a reasonable time?

Mr. Butcher: The right hon. Gentleman's comments had more to do with his dogmatic antipathy towards privatisation than with the facts. During the past three years controlled telephone prices have declined in real terms by just over 8 per cent., thanks to the RPI minus three formula. I do not recall that happening when British Telecom was in public ownership. Last November's changes resulted in an average reduction of 0·3 per cent. For the average domestic consumer OFTEL estimates an increase of 1·9 per cent., which is still a fall in real terms. The right hon. Gentleman went right over the top. In empowering the regulators to call for precisely the sort of information that he defined, we gave them the teeth to keep the public better informed.

Questions to Ministers

3.30 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker, arising from questions. Was it within your hearing that, in the course of his perfectly courteous reply to question 10, the Minister gave it as his personal opinion? On a subject as important as missiles exported to Saudi Arabia finding their way, without the use of end user certificates, to countries such as Afghanistan, surely we need a Government reply rather than a personal reply, especially in the light of today's news that the Russian Government have officially complained to Sir Bryan Cartledge, the British ambassador in Moscow, on this subject.

Mr. Speaker: Order. I am not responsible for answers that are given from the Front Bench, or for questions. I am afraid that I cannot adjudicate on that.

Statutory Instruments, &c.

Mr. Speaker: With the leave of the House, I will put together the two motions on statutory instruments.

Mr. Nigel Spearing (Newham, South): On a point of order, Mr. Speaker. Am I correct in saying that if you put the motions separately, as I ask you to do, and if 20 hon. Members rise when the first one is moved, the debate will be taken on the Floor of the House instead of in Committee? Is that a possibility?

Mr. Speaker: Let us see how we go. I will put them separately——

Mr. A. J. Beith (Berwick-upon-Tweed): Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. It is perfectly possible to divide on these matters.

Mr. Beith: Further to that point of order, Mr. Speaker.

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I cannot listen to two at a time. I call the hon. Member for Berwick-upon-Tweed (Mr. Beith).

Mr. Beith: Further to that point of order, Mr. Speaker. Would it not be unfortunate if the important point raised by the hon. Member for Newham, South (Mr. Spearing) led the House to believe that if a debate in Standing Committee was resisted the matter would automatically come to the Floor of the House? Is it not the case that there is no guarantee that the matter would ever be brought to the Floor of the House?

Mr. Speaker: That would be a matter for the Government, but the hon. Member for Newham, South (Mr. Spearing) is correct. If 20 hon. Members stand in their places, the matter could only be dealt with on the Floor of the House, albeit at the Government's discretion.

Members' Dress

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. Yesterday, you said to the House that hon. Members should wear jackets and ties. When the hon. Member for the revolutionary tendency and Islington, North (Mr. Corbyn) asked his question today, he was not wearing a jacket or a tie. Of course, he had marked question No. 3 on the Order Paper. Do you have any discretion as to whether to call a right hon. or hon. Member who has a question on the Order Paper?

Mr. Speaker: I have no discretion if an hon. Member has a question on the Order Paper. I must call it if he is here.

Ms. Clare Short (Birmingham Ladywood): Further to that point of order, Mr. Speaker. I am very disturbed by this series of points of order about the clothes people wear. We are not in school. This place might imitate a public school, but it should not. We are accountable to our constituents and to the public, and we should be responsible for our own clothing. People can then make judgments about us. It should not be for you, Mr. Speaker, to enforce the wearing of the sort of uniform that some people in the House expect us to wear. It is ridiculous.

Mr. Speaker: I rather agree with the hon. Member for Birmingham, Ladywood (Ms. Short). In reply to the numerous points of order raised on this matter I have said that, since this Chamber is air-conditioned, my concern is for the health of hon. Members. If hon. Members come in without jackets, they are quite likely to get a cold. I had a bad cold last week.

STATUTORY INSTRUMENTS &c.

Motion made, and Question put, forthwith, pursuant to Standing Order No. 101 (Standing Committees on Statutory Instruments &c.),

That the Urban Development Corporations (Financial Limits) Order 1987 be referred to a Standing Committee on Statutory Instruments. &c.—[*Mr. Alan Howarth.*]

Not fewer than twenty Members having risen in their places and signified their objection thereto, MR. SPEAKER *declared that the Noes had it.*

Ordered,

That the draft Job Release Act 1977 (Continuation) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.—[*Mr. Alan Howarth.*]

Orders of the Day

Finance Bill

Order for Second Reading read.

3.35 pm

The Chief Secretary to the Treasury (Mr. John Major): I beg to move, That the Bill be now read a Second time.

As the House will recall, many of the measures announced in the Budget in March were approved in the Finance Bill passed by the House before the general election. They included the 2p reduction in the basic rate of income tax and in the small companies' corporation tax; extra help for the blind and the elderly; a package of measures to help small businesses with their VAT liabilities; and further reforms of inheritance tax. All those were welcome measures to the majority of hon. Members.

The Bill before us today completes the proposals contained in my right hon. Friend's Budget. Both that Budget and the two consequential Finance Bills have been set against the most favourable economic climate we have seen in this country for many years. It is a background of steady and sustained growth, of low inflation; and of falling unemployment. It is also a background which has enabled my right hon. Friend in one year to cut taxes, to cut borrowing, and, at the same time, to increase resources for priority services by £4¼ billion. That combination of events represents a remarkable tribute to my right hon. Friend's stewardship of our national accounts.

However, I am acutely conscious that the House debated the state of the economy, and the latest economic indicators, only last Thursday and I shall deny myself the pleasure of reopening that debate, enticing though the prospect may be, particularly because the Bill contains a number of important matters to which I want to turn without delay.

Before I do so, I should like to extend my congratulations to the hon. Member for Dagenham (Mr. Gould) on his success in the shadow Cabinet elections today. I am not at all sure whether that means that the hon. Gentleman will leave his present responsibilities for Treasury matters or perhaps assume those responsibilities in an enhanced capacity. In either event, I congratulate him unreservedly on his election success today.

Mr. Bruce Grocott (The Wrekin): Will the Minister give way?

Mr. Major: I shall do so a little later.

Clauses 1 to 17 reintroduce our proposals for tax relief for profit-related pay. The detailed provisions follow very closely those in the earlier Bill, although we have taken the opportunity to incorporate the Government amendments that were put down on this subject before the election. We have also made other minor detailed changes and improvements in response to representations.

Essentially, however, the proposals are the same and they represent a significant initiative. They form an important, and I believe imaginative, element in our strategy to improve the supply performance of the economy. The working of the labour market remains one of the greatest weaknesses in this country. Its rigidities are well known and well acknowledged and they are a major obstacle to the continued strengthening of our economic

[Mr. Major]

performance. And all too often the labour market has been dominated by the outdated concept of "them and us". Profit-related pay can play an important part in tackling that obstacle precisely because it underlines the shared common interest in building better and stronger businesses.

In recent years there has been a rising interest in profit sharing of all types. There has been a growing take-up of schemes for employees to acquire shares in the companies in which they work, and I have little doubt that the take-up has been stimulated by the tax incentives available. But, at the same time, there has been a developing interest in cash-based profit sharing. That is what we now call profit-related pay, an arrangement where a part of employees' pay is linked to the profit record of the business. Hitherto there have been no specific tax incentives for this type of profit sharing, but this Bill remedies that omission. It does so particularly because the benefits of such an arrangement are valuable and far-reaching — probably more so than for share-based schemes. Employers, employees and the economy at large all stand to gain from its wider spread.

For the employer it means a more committed work force, with better incentives to profitability and productivity. It means that if times are difficult, and profits fall, part of the necessary strain may be taken by a temporary fall in pay, perhaps as an alternative to redundancies. That extra flexibility helps to make output more secure. It means something else as well — more certainty and less caution about hiring extra labour to increase output when prospects look good. In short, profit-related pay is part of successful management.

Nor are the benefits simply for the employer. For the employee, profit-related pay means a direct stake in business success. It means higher pay if that has been earned by higher profits, and if business conditions are difficult it means greater job security.

The proposed tax relief from this scheme can be extremely valuable. For a man on average earnings with 20 per cent. of his pay as profit-related pay — the maximum that will be eligible for tax relief — it is equivalent to 4p off the basic rate of income tax. Not only is this of major benefit to employees; it also provides employers with a very useful and practical tool to help them to introduce the scheme. Nor are the benefits limited to the businesses in which the schemes are introduced. The whole economy gains as well, because a broad spread of profit-related pay schemes means higher productivity, higher output and employment from which everybody stands to benefit — not least those who are at present unemployed and who have a special interest in that success.

Even without the benefit of tax relief, a number of firms have already seen the value of profit-related pay and have introduced their own schemes. It is quite clear that they have found them valuable. The proposals in this Bill provide a substantial incentive to employers and employees to build on that initial success.

The detailed provisions in the Bill represent more than a year's consultation with a wide variety of interests. Before tax relief can be given it will be necessary for profit-related pay schemes to meet certain basic statutory requirements and to be registered with the Inland Revenue in advance of their first profit period. We believe that we have struck the right balance between the regulation that is necessary with any tax relief and flexibility for employers to tailor schemes to the particular circumstances of their own businesses. We have aimed to keep the criteria for registration as simple and flexible as possible. In particular, that should help smaller and unincorporated businesses, which should be able to benefit from profit-related pay in the way that they cannot at present benefit from share-based schemes.

It is clear from what I have said that profit-related pay offers a major opportunity further to strengthen our economic performance, and I hope that all employers and managers who are not already doing so will think now, without delay, about how to introduce a scheme that will qualify for the tax relief.

It is exceedingly encouraging that already more than 20,000 employers have contacted the Inland Revenue to establish their interest in the details of these proposals and to order copies of the guidance notes that will be published later this year. I hope therefore that the whole House without exception will want to see this measure on the statute book as soon as possible.

I turn now to the largest group of clauses in the Bill — clauses 18 to 57 — which contain important and far-reaching changes for private pensions. Again, the legislation is substantially the same as that proposed in April, although it has been amended to repair certain technical defects that have become apparent. Our proposals have two main objectives — first, to widen individual choice and to encourage job mobility; and, secondly, to ensure a fairer deal for the taxpayer.

I suspect that there will be general agreement that it is desirable to widen the coverage of private pension provision, and much has already been done in this regard. Many employers have established occupational pension schemes for their staff, with the help of generous tax reliefs. At present, more than 10 million people are currently members of occupational schemes, of which all but about 1 million are contracted out of the additional component of the state scheme. However, to make clear the scale of private pension provision, I should perhaps add that an increasing number of people — currently about 5 million — are already receiving pensions from occupational schemes, and, as the family expenditure survey recently revealed vividly, there has been a steady improvement in the average real income of pensioner households over recent years. The success of occupational schemes has played a material part in that.

However, more can be done. There are still some 10 million employees who are not in an occupational scheme and who make no private provision for retirement. A central feature of our strategy is to bring private pensions within the reach of these employees for two reasons: to provide them with a pension of their own, and to increase their independence of the state. We propose to do that through the new personal pensions, which will be available to all employees who are not in an occupational scheme; to the minority of employees who choose to opt out of their occupational scheme; and to the self-employed.

Clauses 18 to 57 and schedule 2 of the Bill introduce the tax regime for these schemes, which will be available from next January. The legislation has no novel ingredients but is based on the present, broadly similar, retirement annuities provisions enacted over 30 years ago. In addition to being brought up to date, the new measures also incorporate a number of new features which have been

widely welcomed. The Social Security Act 1986, which I recall with some affection, enables employees to contract out of the additional component of the state scheme through taking a personal pension. Clause 42 provides the necessary tax procedures to achieve that result.

We propose other improvements in the rules in order to make personal pensions more attractive. In particular, we shall allow people to have more than one personal pension plan, which will enable risks to be spread and choice to be greater. The amount of contributions will be limited, but there will be no limit on the benefits which such schemes can provide.

In addition, clause 20 enables a much wider range of pension providers to establish personal pension schemes. As well as insurance companies and certain friendly societies, the field in future will be open to banks, building societies and unit trusts; and, in response to representations, all registered friendly societies — not only those with income above a certain level—will be able to offer such schemes.

The House will also be aware that the Bill contains provision to allow members of occupational schemes to make additional voluntary contributions to a pension plan that is completely separate from their employer's scheme, up to the tax approval limits on contributions and benefits. That development has been widely welcomed and, taken together with the other changes, will dramatically increase the choice of how to provide for retirement.

A further purpose of our reforms is to remove, as far as possible, the pension obstacles to job mobility. The House will be well aware of the early leaver problem—the person who changes jobs in mid-career and whose pension expectations are, in consequence, much reduced. There is no quick and easy solution to that problem. However, the very existence of the new pension opportunities will have the additional advantage of greatly reducing its worst impact. Personal pensions and free-standing additional voluntary contribution schemes, together with much greater transferability of pension rights from the Social Security Act 1985, will mean that, when someone changes his job, he will be able to take some or all of his pension with him. That is clearly a great improvement.

The changes that we have proposed do not increase the already generous tax regime for retirement provision, but they extend it potentially to every employee. I believe that these reforms will greatly improve the pension position and the freedom of choice of every employed and self-employed person in this country.

However, the improvements that we propose can be justified only if the tax reliefs for pensions are not abused. We have felt it necessary to impose some limited restrictions, to guard against misuse of the tax reliefs, particularly by a small number of very high earners. The legislation is contained in schedule 3. The tax rules for pensions were never intended merely as a tax-sheltered medium for investment generally, with scope for the postponement—and, for lump sums, complete elimination—of a tax liability.

These restrictions will have no impact whatever on the vast majority of pension scheme members. For ordinary working people, the scope for abuse has never been available. For a few highly paid people, however, the new rules will ensure that the tax reliefs are used only for their originally intended purpose.

I have seen suggestions in recent days that these changes will restrict job mobility, particularly among senior executives. I understand the argument, although I believe that this would generally be only one of many factors which influence the decision to move.

In response to representations, however, we have amended our proposals in one important respect. We originally proposed that new members of occupational schemes should be permitted to have maximum lump sum benefits after as little as 20 years only if they obtained maximum pension benefits after the same period. In all other cases, maximum lump sums could be obtained only after 40 years. It was put to us that this was somewhat harsh on an individual with less than 40 years' service whose pension was boosted, but not completely up to the maximum possible. In such cases, it was argued, it should be possible for the lump sum to be boosted to the same extent. We have accepted that point and the legislation in schedule 3 has been amended accordingly.

The measures that I have outlined comprise some of the main changes in a continuing process of pensions reform initiated by my right hon. Friend the previous Secretary of State for Social Services more than three years ago. The proposals in the current Finance Bill build on and extend the changes made in recent social security legislation, and I believe that they will provide a better pensions deal for millions of employees and for the self-employed in this country. I hope that they will be generally welcomed by the House today and during the remainder of the Bill's passage.

There are a few changes to the pre-election Bill which I should mention to the House. Clause 70 deals with the tax treatment of Lloyd's reinsurance to close arrangements. It reintroduces in revised form the proposal in clause 58 of the April Finance Bill. The House will recall that the need for legislation arises because of a defect in the present tax law. As matters stand, the Revenue does not have an effective locus for examining the justification for reinsurance to close and, if necesary, adjusting it for tax purposes. If nothing were done, Lloyd's underwriters would be in the unique position of being able to determine the amount of a tax deduction without effective review by the inspector of taxes.

When my right hon. Friend the Chancellor announced these proposals in his Budget speech, he said that there would be immediate consultation with Lloyd's on the details of the legislation. Those discussions have been extensive and thorough. We have considered Lloyd's representations very carefully indeed, recognising there are two considerations to be satisfied. The first is that there must be an effective system for ensuring that the amount of the reinsurance premium can be properly scrutinised for tax purposes and adjusted where necessary. This is clearly right in principle and necessary to achieve fairness to other taxpayers, whose claims for tax deductions have to satisfy scrutiny by the tax inspector. The second consideration is that the system must be fair to Lloyd's members and take account of the special features of Lloyd's.

Lloyd's has very properly made it clear from the outset and throughout the discussions that it recognises that there should be a proper system for ensuring that tax deductions for reinsurance to close are not excessive, but it expressed concern about the original wording, which treated reinsurance to close as a provision. The concern was directed at the principle of equating reinsurance to close premiums paid by one syndicate of Lloyd's members

[Mr. Major]

to another syndicate with the provisions for outstanding liabilities made by insurance companies. The revised clause meets Lloyd's anxieties about the form of the original clause.

Mr. Robert Adley (Christchurch): I am not a name at Lloyd's, but I am considering becoming one. Is my right hon. Friend aware that the view taken of the agreement that he has announced differs markedly between the "establishment", if I may so put it, at Lloyd's and a number of individual underwriting agencies? My right hon. Friend used the word "unique" to describe the situation of Lloyd's names. Does he accept that the contribution made by Lloyd's is also unique and depends entirely on people's willingness to submit all that they own or possess to certain risks? Before commending even the amended Bill to the House, will my right hon. Friend please take care to ensure that it will not so damage Lloyd's that large numbers of names resign their membership, thus depriving the country, not to mention the individual names, of a unique organisation?

Mr. Major: I certainly agree with my hon. Friend about the contribution of Lloyd's. Lloyd's has certainly made a substantial contribution. It is a major force in world insurance markets and is a substantial contributor to invisible exports. It is also a major contributor to London as a world financial centre. It would be no part of our policy to damage the reputation of Lloyd's or to ensure that it was treated anything other than fairly. We believe that the proposed arrangements in the Bill will strike a fair balance between the interests of the taxpayer and the interests of Lloyd's and the members of the syndicates.

We believe that the revised clause meets Lloyd's anxieties about the form of the original clause. It now provides a free-standing test for the tax deductibility for reinsurance to close. The test is that the figure must be a fair and reasonable value of the liabilities, designed to produce neither a profit nor a loss to the Lloyd's members who assume the outstanding liabilities.

In its revised form, the clause meets the twin objectives I set out a moment ago. It meets the objective of ensuring that the tax deductibility of reinsurance to close can be properly reviewed by the tax inspector, but it does so in a way which is fair to Lloyd's. It takes account of the special features of Lloyd's reinsurance to close arrangements, and meets its concerns about the proposals in their original form.

There is another important modification we have introduced that I wish to mention.

Mr. Dennis Skinner (Bolsover): Before the Chief Secretary leaves the point about Lloyd's, what would he say to the man in the street who has no interest in Lloyd's, who has found himself out of a job, who has not been rescued by the Government, who has not been guilty of any fraud or crime like those in Lloyd's, who has not been part of a process in which £40 million has been fiddled and in which the fraud squad has not been involved because of the self-regulation applying at Lloyd's which is their system of law, when he found that the Tory Government were proposing to change the law to suit those people who have done nothing whatsoever about the massive fiddle that has taken place at Lloyd's to induce the Inland Revenue—the taxpayer—to provide sums of money as a means of rescue? Would it be fair to say that the man in the street would say, "I thought that this Government didn't believe in throwing money at things"? Today the Government are throwing money at Lloyd's and the names involved.

Mr. Major: The hon. Gentleman frequently see things that others cannot. On this occasion he has done so again.

With regard to the first part of the hon. Gentleman's remarks, I would say to the mythical man in the street that much of what the hon. Gentleman has said has nothing whatsoever to do with the contents of this Finance Bill. I would say to the hon. Gentleman and to his mythical friend in the street that the legislation that we propose tightens the present position. It is effective. The test that we propose is fair to the taxpayer and to Lloyd's. It is wholly misleading of the hon. Gentleman to suggest otherwise.

Mr. Skinner: The Minister is fiddling the figures to bail them out using taxpayers' money.

Mr. Major: I said a moment ago that the hon. Gentleman can always see things that others cannot. If he had been at the walls of Jericho when they fell, he would have blamed the Government for poor maintenance.

We have introduced another important modification to the Bill's provisions on the taxation of companies' capital gains. As the House will know, we received a number of representations about the impact of this change on the life assurance industry. The particular point of concern was whether the change to charging gains at the main corporation tax rate should apply to the gains which life assurance companies earn for their policyholders. We considered this issue very carefully and concluded that we needed to take a general look at the tax arrangements for life assurance which have developed piecemeal over a long period.

There will be a full opportunity for the life assurance industry and other interested parties to contribute to the review. In an area as complex as this, the exercise is bound to take time but the Inland Revenue will be initiating consultations as speedily as possible. In the meantime, we have decided that the tax rates on gains earned for policyholders should remain at 30 per cent. pending the outcome of the review.

Mr. Jerry Wiggin (Weston-super-Mare): It can be validly argued that clause 75 is retrospective taxation on all life insurance policyholders. In the light of his welcome assurance that the industry will now be consulted on the entire taxation process, will my right hon. Friend give further thought to postponing the introduction of clause 75 until the review has taken place?

Mr. Major: I am afraid that I cannot give my hon. Friend that assurance. The proposition that I have just put before the House is very limited, and I fear that I am unable to go further on this occasion.

Mr. Terence Higgins (Worthing): I raised this matter on Second Reading on the pre-election Bill. But will my right hon. Friend consider carefully the point about retrospection? Does he accept that there ought not to be any element of retrospection when changes of this kind are made?

Mr. Major: I shall bear in mind what my hon. Friend has said. However, I cannot add anything to what I said a moment ago.

Although the Bill is substantially unchanged, I should mention briefly four new clauses.

Clause 71 is simply designed to put it beyond doubt that tax relief for losses arising from capital gains indexation is not available against income where the loss arises on a withdrawal from a building society account.

Clause 80 is similarly designed to protect the spirit of existing legislation, and makes it clear that capital gains rollover relief is not available for gains or the disposal of interests in oil licences.

Clause 103 gives effect to the measure affecting fish processing ships known as Klondykers, which my right hon. Friend announced in his speech in Perth in May and which will, I suspect, be particularly welcomed by Scottish fishermen. The clause will give a useful new relief from duty for stores imported for use on those factory ships. Without that relief, there is a risk that the ships, which provide a significant market for United Kingdom fishermen, would stop using British ports.

Clause 102 supplements existing legislation in relation to fees and charges for services and facilities provided by Government Departments.

Mr. Michael Grylls (Surrey, North-West): Will my right hon. Friend be able to think again about the original clause 57, which introduced retrospective legislation with regard to the overturning of cases when the view of the law before had been widely accepted in one way but the Revenue accepted it in another way? Is not that sort of retrospection very dangerous and rather unconstitutional? In my view, we should not be doing it.

Mr. Major: I shall certainly reflect on what my hon. Friend has said. However, in view of the nature of his question, it would be unwise for me to do more than reflect on it for the moment.

Clause 102 supplements existing legislation in relation to fees and charges. It enables Ministers to extend by order the range of matters that they may take into account by setting such charges in order to implement the normal policy of full cost recovery.

Mr. Dafydd Wigley (Caernarfon): Will the Minister confirm that the powers given by order can in no way extend the number of subject areas in which fees can be charged, and that they do not open a Pandora's box?

Mr. Major: No doubt we shall debate that point in Committee, which is the appropriate time for us to do so.

Finally, I should like briefly to mention a few minor changes to the Bill. We have made a number of improvements to the pay and file provisions in response to representations from business groups. Again in response to representations, we have made a change to clauses 67 and 68 which end the present over-generous treatment of tax credit relief for foreign withholding tax paid on interest on bank loans. This change will have the effect of doubling the length of the transitional period for loans already in existence on 1 April.

There are also a couple of amendments to the Finance Act passed before the election. Clause 97 fulfils our undertaking to extend the inheritance tax interest waiver facility created by section 60 of the Act to estate duty and pre-1985 capital transfer tax.

Clause 101 and schedule 8 make technical amendments to the oil taxation provisions in sections 61 to 63 of the Finance Act. They include a measure to counter arrangements to circumvent the petroleum revenue tax nomination scheme. That will take effect by Treasury order only if it becomes apparent that such arrangements are being made.

The measures that I have outlined, taken together with those enacted before the election, continue our strategy of reducing rates of taxation overall, while using the tax system to help the economy to function better. At the same time, we have also taken the action necessary to ensure that loopholes, which the few can exploit but which increase the taxes of the many, are closed.

In previous Finance Acts, we introduced measures to help small businesses and to spread share ownership. We are already seeing the benefits of those changes. Small businesses are now a major source of new jobs. One million were created between 1982 and 1984 alone. 1·5 million employees now hold shares in their own companies, and individual share ownership has tripled since 1979. Those positive developments are due in no small part to the encouragement that has been given through the tax system.

The two substantial measures that we have introduced today will, I believe, have a similarly dramatic effect. Once employers and employees see the benefits that profit-related pay can bring—benefits that go far wider than the tax relief—such schemes will spread rapidly, just as employee share schemes have done. The new pension proposals will end the discrimination in old age, the two nations in pensions that we have had for too long—those who have occupational pensions, and those who have not. That will be a significant improvement.

The House and the country have already approved the centrepiece of the 1987 Budget—the reduction in tax for all basic rate taxpayers. The measures in this Bill complete the implementation of the measures introduced in my right hon. Friend's Budget. They further our objectives of increasing freedom and widening choice, and I commend them to the House.

4.6 pm

Mr. Bryan Gould (Dagenham): I begin by thanking the Chief Secretary for his kind remarks, and by in turn congratulating him on his appointment. Let me express the wish that he does his new job well, but not too enthusiastically.

It would be idle to pretend—as the Chief Secretary clearly did not—that this is a major piece of legislation, as the centrepiece of the Budget, as the Chief Secretary described it, has already been put in place. However, this Second Reading gives us the opportunity to pause for reflection and perhaps, for a change, to look forward rather than backwards, to the prospects for our economy over the next four years.

When we ask the question, "How is the economy likely to perform?", we must first take account of the likely development of the world economy. It must be worrying to hon. Members on both sides of the House that the prospects for that world economy are now, by common consent, rather more worrying and less favourable than they appeared even a few months ago. The substantial trade imbalances, the misaligned exchange rates and the unresolved international debt problem still pose difficulties. However, I do not think anyone need be too alarmed. No major crisis is in prospect. I would argue that the

[Mr. Bryan Gould]

prospects for our own economy depend very much on our own efforts rather than on the impact of the development of world economic factors.

Our economic performance will, of course, be very much influenced by where we are now, and by our recent economic history. I am afraid that that history offers little ground for optimism. In 1979-81, we broke with a post-war trend—indeed, an even more long-standing trend—of gentle but steady decline. However, we broke with it in precisely the wrong direction. Within not years but months, one fifth of our industry had been wiped out; unemployment had been sent soaring upwards, and output and investment downwards. That was clearly the consequence of extreme and avoidable mistakes of economic policy, wrought in the name of monetarism and by what I describe as the monetarist ratchet of tight money, high interest rates and an over-valued exchange rate.

Since then, I believe that those mistakes have been recognised, not least on the Conservative Benches; if not in words, at least in actions. But they have been remedied by an agonisingly slow process. True, we have begun to climb up from the bottom of the precipice over which we were thrown, but we have yet to reach the point at which we would have been if the trend had been maintained. The consequence is that when we look at our economy we see that manufacturing output, manufacturing investment, employment, inflation and competitiveness are all comparatively worse than in 1979 and worse than the records established by other comparable countries.

The real question is not the attribution of blame but where we go from here. Do we take advantage of the opportunities that Conservative Members consistently told us during the election campaign are now opening before us? Are there grounds for confidence that the Government have at last learned their lesson and that they will now, if not actually admit their mistakes, at least remedy them in full?

At first sight, let me be quite frank about this, the prospect is not entirely unpromisng. Let us concede immediately that output is rising relatively fast. Unemployment does appear to be falling, although the trend is very much exaggerated by the statistical devices that are being used. The balance of payments is weakening, but a balance of payments deficit of the size that is likely over the next year or two is likely to be manageable in view of the recent surpluses, largely attributable to North sea oil. Inflation, although comparatively worse than in 1979 by comparison with other major competitor countries, is certainly under control. Therefore, we are entitled to ask, "Is everything set fair?" Are Ministers entitled to argue, as they did during the election, that we are now on the threshold of a new economic era?

I would like to test that proposition by making an assumption which I believe is not entirely fanciful. Let us assume that Britain is about to be privatised and that what is now in prospect is that we are to be turned into Great Britain Limited, a flotation is to be organised and investors are to be invited to subscribe. Should we, as potential investors in that hypothetical situation, think that it is a worthwhile and safe investment?

The first thing that any prudent investor would do would be to notice that much of the current improvement is recent and rests on factors that look likely to be temporary.

Mr. Dennis Skinner (Bolsover): Election boom.

Mr. Gould: The improvements, as my hon. Friend the Member for Bolsover (Mr. Skinner) says, owe a great deal to policy measures that reflect pre-electoral considerations rather than any long-term shift in strategy.

I see the Chancellor smiling. He is entitled to congratulations. He turned back the mileage figures with a skill worthy of any second-hand car salesman. As happened before the 1983 general election the monetary policy was relaxed, public spending limits were raised and the exchange rate was allowed to weaken all in order to produce that pre-election boom. Unfortunately, all the evidence, evidence that ought to be noticed by the prudent investor, is that some of those policies have already been reversed. The exchange rate has appreciated, the competitive advantage, about which so much was made by the Confederation of British Industry and others, has already been wiped out. The Chief Secretary, within a couple of weeks of his appointment, has made it clear that we are facing a new round of spending cuts.

There are further questions that should be asked. The next question is whether this is an enterprise in which the resources are being used properly. A would-be investor would direct his attention particularly to that unused resource of well over 3 million unemployed. He would say, "This is not only a tragedy and an immense social burden to be borne by those who face the dole, but it is the most conclusive argument demonstrating mismanagement in our economy." Any prudent and efficient management would not defy common sense in the way in which the Government have done by deliberately pursuing policies that keep out of use the valuable resources that could be making us all better off. In other words, unemployment, while a cruel burden for the unemployed, affects us all. It makes us a poorer country than we need to be.

The next question is, what has been done with the assets entrusted to the management? What happened to the £65 billion-worth of North sea oil revenue? Where did it go? What now represents that wealth? The truth is that that money was spent largely on sustaining unemployment. There is nothing of it in the infrastructure, in research and development, in the training of our work force or in investment in our industry. There are no assets that represent that enormous bonus. Similar questions can be asked about the assets that were sold off, those public assets so painfully built up over so many years. What has happened to the proceeds of those assets? Let us forget the wisdom or otherwise of selling them off or transferring ownership and just ask what happened to the proceeds. Where are the assets in the balance sheet? The truth is that there are no assets because they were translated into current expenditure. That would be marked down by the hypothetical investor when he looked at the record of the board of management.

The next question would be about the prospects for the trading performance of the enterprise. A great deal has been made of the improved trading prospects. The CBI was brought into action to say how rosy the prospects were. However, our competitiveness has again begun the steady decline in the wake of a 10 per cent. rise in the real

exchange rate since October and the attractive prospects that we saw a few months ago have already been eliminated. It is hard to see on what any optimism could now be based. Our competitive position has now resumed that steady decline that has caused us so much damage over so many years in the past.

Mr. Higgins: The hon. Gentleman says that the assets have been transferred into current expenditure. Is he not confusing financial flows with what has happened in real assets? Can he explain how real assets would be transferred in the way in which he suggests?

Mr. Gould: If the right hon. Gentleman were to reflect for a moment he would understand that I am talking about the proceeds of the transfer of the assets. It is the proceeds that have now disappeared and have been spent.

Another important question that any prudent investor would ask would be whether adequate provision had been made by the current management for future investment and future growth. The picture is extremely bleak. Not only, as we all know, is investment in manufacturing industry much lower than it was even in 1979; it is much lower than in other competitive countries. More than that, we are actually disinvesting. There is no prospect, given the current gloomy trading outlook, of that investment picture transforming itself.

We are the first de-developing country. We are failing to replace our capital assets. In each of the past six years, British industry has invested less in fixed assets than the amount set aside for depreciation. That has never happened before in peace time. That means that not only are we failing to keep up with our competitors in terms of investment in manufacturing capacity, research and development, training and infrastructure, but we are failing to maintain what we have. To any potential investor that would be a very real red warning light. The failure to make that investment means that our prospects, however much they may be dressed up for political reasons, must be extremely gloomy and problematic.

Mr. Tim Smith (Beaconsfield): When I listen to the hon. Gentleman I sometimes wonder whether he reads any of the official statistics. The June investment intentions survey of the Department of Trade and Industry shows that in 1987, an 8 per cent. rise in real industrial investment is expected.

Mr. Gould: As is unfortunately so typical of spokespeople for boards of directors that are under pressure, they decline to refer to the record and always talk about intentions and prospects for the future. What any prudent investor in Great Britain Limited would be bound to say is that there is nothing on the record or in the official statistics that would support the hon. Gentleman's optimism. Indeed, there is much in the statistics, along the lines that I have already mentioned, which suggests that our investment pattern is deficient and that that spells real trouble for the economy in the future.

Mr. John Butterfill (Bournemouth, West): Will the hon. Gentleman give way?

Mr. Gould: I have given way quite enough for the moment.

The next important questions that a hypothetical investor would ask is, "According to what principles is this enterprise to be managed? What is the trading policy and investment policy? How is the enterprise to be run?" The investor would remember that for years we were told that the enterprise was to be run according to something called monetarism and that that was the one lodestar or guiding star of policy – that all we had to do was to fix the targets for sterling M3, make sure that we reached them and that everything else would be fine.

It does not get much publicity these days, but sterling M3 is now running at an annual rate of over 30 per cent. In the three months to April, it ran at an annualised rate of 33·6 per cent. In the three months to May it ran at an annualised rate of 32·7 per cent. It is probably an even worse situation now because it takes no account of the Bank of England's purchase of commercial bills, which depresses those figures somewhat. It is no wonder that those figures have been quietly and decently buried. I do not mourn their passing.

I think that we are entitled to ask now what is the basic policy – how is this enterprise to be run? Is it to be run according, for example, to the exchange rate? If that is the case, what does that mean? Will we join the exchange rate mechanism of the European monetary system? I believe the Chancellor wishes that. It is a peculiar situation if the Chancellor cannot get his way on such an issue. Is it the case, therefore, that the Prime Minister's objections remain? If we are not to join the EMS, are we shadowing the EMS? We ought to hear the answer to that.

Is that the Chancellor's exchange rate policy? What do the most recent reserve figures show in respect of Bank of England policy? Is the Bank of England now intervening in the markets to put a floor under the pound? What does that signify for competitiveness? Does that mean that the Chancellor is now happy with the loss of competitiveness of 10 per cent. since October? Is that the exchange rate policy, in the light of so much damage done by an over-valued exchange rate? Is that now the exchange rate policy that he is prepared to impose on British industry? I do not suppose for a moment that we will get answers to those questions, although we are entitled to them. The Chancellor proposes to close his eyes and drift off into some imaginary dream world.

If it is not to be the exchange rate, is it perhaps our old friends, public spending targets? In the period leading up to the general election they were the subject of hymns of praise. Those increased spending plans were signs of virtue, signs that the Government had not changed their spots, heaven forbid, but were intent on raising the level of public services and providing more resources. We now know that within weeks of winning the election the Government are back with a new Chief Secretary proclaiming that he is now intent on once again wielding the axe on public spending programmes. We are again no doubt to go through a long charade whereby the Chancellor and his Ministers announce public spending targets which they then try to reach, but fail in the outcome.

Another question that a hypothetical investor would ask is whether the present economic situation is inherently stable or whether there are nasty matters in the woodwork that will come out shortly and will require attention. Are there important capacity constraints that will inhibit any expansion that may be planned? The answer, according to Phillips and Drew – not particularly in the confidence of the Labour party, I might say, but as reported in the *Financial Times* – is yes. Of course, that is in accordance with common sense. That would be the price we would pay for the long years of neglect and decay in manufacturing

[Mr. Gould]

industry where the economy was depressed to a low level of output and where we failed to make the investment that would secure that new productive capacity. We must not be surprised if the capacity lost as a consequence of economic mismanagement takes some little time to be restored.

Mr. Nigel Forman (Carshalton and Wallington): What about the Finance Bill?

Mr. Gould: I am coming to that. That is my next point. Can we look with equanimity at the explosion of private credit, with all that that means for interest rates and monetary policy? Surely we should recognise that the explosion of bank-created credit for consumption and for asset inflation rather than industrial development is a dangerous development and simply cannot be sustained. When the Chancellor tries to excuse it, as he did in his speech to the Finance Houses Association on 17 June, by saying that it has largely gone in mortgages rather than in credit cards and so on, he entirely misses the point, as I am sure he recognises. Mortgages are the means by which asset inflation is stoked up and a great deal of the money paid out in mortgage advances is, as he well knows, slushing over into private consumption.

I am not alone in saying that. I am glad to see the hon. Member for Lewisham, West (Mr. Maples) in his place. He wrote an article in the publication of the Economic Research Council recently in which he agreed that it could not be sustained. He said in that article:

"The banks have lifted their lending substantially from industrial customers to the man in the street. Manufacturing industries are seriously constrained by high interest rates which the personal and property sectors are willing to pay."

I agree with him that that is right. That is the danger and damage inflicted by the explosion of private credit and that is why the Government's ideological concern with public credit is so misplaced. Given this series of worrying questions, would not the prudent investor ask, "What does the board of directors have to say and what does it propose?"

Mr. Skinner: What about the reserves?

Mr. Gould: Indeed, what about the reserves, now being spent in a vain attempt to prop up the pound?

The prudent investor would ask, "What is it that the board of directors proposes?" The answer would be, no doubt, the Finance Bill. That is what the Government have to offer to meet the considerable concerns of reasonable investors. I concede immediately, as the Chief Secretary made clear, that the Finance Bill is just a rump measure —it is just what remains from the earlier Finance Bill that could not be got through before the general election. I also concede that there are many matters that would not be appropriate to a Finance Bill—matters of concern to the future of the economy. Nevertheless, it is important to note that, so far as the Finance Bill is a measure concerned with taxation, it is largely irrelevant to the major changes in taxation that we know are in prospect—changes in VAT and poll tax. That is where the major change in the taxation burden will come, but the Finance Bill is largely irrelevant to that prospect.

We must then ask what the Finance Bill proposes as measures of substance to deal with our future prospects. The answer is, as the Chief Secretary conceded, that there are two measures of substance, one to do with personal pensions and one to do with profit-related pay. In terms of personal pensions, are the tax changes needed to give effect to the principles first established in the Social Security Act? To the limited extent that those principles increase the transferability of pensions—we do not necessarily endorse the portability of pensions—they are welcome.

There are many things that could have been done to improve the operation of pension funds and pension schemes to make them more accountable to their members and to integrate the immense financial and investment power of pension funds into the economic needs of the country. However, the Bill institutes changes that threaten the viability of so many occupational pension schemes by offering attractive prospects to the most attractive insurance prospects for pension purposes. It is almost certain that many young and fit people with long employment and contribution prospects ahead of them will opt out of the occupational schemes. The consequence will be that those left in those occupational pension schemes will be those who cannot easily obtain at a reasonable price personal pension cover in the outside market.

That will have major implications both for the obligations of the pension schemes and for their future incomes. Ministers may shake their heads, but trustees of pension funds are already seeing the signs and are extremely worried about what the Bill means for the future viability of those schemes. The danger is that, as soon as the viability becomes threatened and increased contributions are demanded from employers to keep them afloat, at that point employers, who are already engaged in a direct competitive struggle on costs with their other competitors in the market, will have an incentive to wind down those schemes.

The second proposal is profit-related pay. At the time when this idea was first floated and the Green Paper was produced, the Chancellor appeared to pin considerable hopes on the measure because that was at a time when he professed to believe that our economic problems could be resolved by forcing down the level of real wages. I would understand it if he found it slightly embarrassing to try to adhere to that doctrine now when, throughout the general election campaign and the period preceding it, he made such good use of the fact that wages had risen extremely quickly under his jurisdiction.

We have a profit-related pay scheme with tax incentives that are designed to get it off the ground, but it is based on the economic fallacy that our economic problems stem from wages that are too high. It is the Government's belief that workers should be prepared to price themselves into jobs, but that is economic illiteracy and a proposition that cannot stand examination. Even if the profit-related pay scheme could produce lower wages at the margins, it is doubtful whether that would make any difference, except an adverse one, to our economic prospects. There are many other objections of mine and of the Institute of Personnel Managers, for example, which says that it would be difficult to protect the taxpayer against cosmetic deals that are designed to take advantage of the tax benefits that are on offer.

If we are really concerned about improving worker motivation, why not consider other and better means of doing so that could attract tax benefits if necessary? If the proposed measure is to be of such benefit to companies,

workers and the economy generally, why are we using taxpayers' money to provide an extra benefit? If the proposal does not work, why are we wasting taxpayers' money for such a frustrating purpose?

It seems that the two major measures in the Bill and the Government's response when they are asked how the economy is shaping up are at best irrelevant and at worse likely to be damaging. The conclusion must be that there is nothing in the Bill that aids the potential investor. He will remain concerned that resources have been mismanaged and under-utilised. He will find that the trading outlook is poor, that inadequate provision has been made for the future, that revenue-earning assets have been sold off, that it is not clear on what basis the enterprise will be managed, and that the current policy stance is confused and untenable.

Mr. Tim Smith: I wonder whether the hon. Gentleman noticed that when the annual general meeting of United Kingdom Limited took place recently an alternative board of directors put itself up for election, only to be rejected by the shareholders? Has the hon. Gentleman and the Labour party learned any economic lessons as a result of the outcome of the general election?

Mr. Gould: I am glad that the hon. Gentleman is following me in the analogy that I have laboured so hard to establish. There will be investors — often directors, their friends and members of the family — who will expect preferential treatment. There will be others who, conditioned by long, sad experience and low expectations, will be prepared to go along with under-performance. It is rather like the old family business with which we are all familiar. There was an old foundry in my constituency which had been in private ownership for many years. It was allowed to run down because the necessary investment was not made and because the work force was allowed to run down too. However, the business survived long enough to provide a good living for the owning family for as long as it wished to draw an income from it. In the end, the business closed, and that is the propect that we face. There will be shareholders who will take that view and say, "That is good enough," but I believe that it is not.

Mr. Michael Colvin (Romsey and Waterside): Will the hon. Gentleman give way?

Mr. Gould: No, I shall not give way. I am about to bring my remarks to a conclusion.

The Opposition conclude, as I believe the prudent investor will, that we have a basically strong economy with many advantages, resources and assets. It takes time for mismanagement to destroy an economy, but there has been mismanagement of ours and there is little prospect of improvement. The question that we shall pose over the next four years is whether we can make better use of Britain's assets, resources and opportunities. Are we likely to produce the best return from the nation's assets and the best outlook? Can we ensure that there is an increased level of prosperity for everyone within the economy and not merely for a few?

Mr. Colvin *rose*

Mr. Gould: No. I have already said that I shall not give way.

Given the Government's record and our prospects while they remain in office, it seems that they will not be able to produce the necessary improvements. Any investor would be bound to conclude that what is required at the next available opportunity is better, more caring and more competent management. In other words, we are talking about an enterprise that is ripe for a takeover bid, and that bid is in preparation now by the Opposition.

4.36 pm

Mr. Leon Brittan (Richmond, Yorks): I begin by giving my right hon. Friend the Chief Secretary to the Treasury a warm welcome from the Government Benches on the occasion of his first introduction of a Finance Bill. I can assure him from personal experience that, even if his position is not exactly a recipe for instant personal popularity with ministerial colleagues in the spending Departments, at least he will have the sustained interest of having every finger in virtually every governmental pie. There is hardly anything that a Government can do that does not involve the spending of money. I am sure that we all wish him well in his new task.

I congratulate, too, the hon. Member for Dagenham (Mr. Gould) on his splendid success in topping the ballot for election to the shadow Cabinet. I have always wondered what the qualifications are for achieving such a success, and I know now that it is the ability to produce attractive but brittle bricks with insubstantial straw. When the hon. Gentleman moves to the post to which he is obviously well suited, that of shadow Foreign Secretary, I am sure that he will be a great success.

The Budget judgment that is reflected in the Bill has been triumphantly vindicated. It was well received by the markets and it has been endorsed by the electorate. Its soundness is reflected in the economy. The economy is in better shape now that it was at the time of the Budget statement or during the general election. The prospects for the balance of payments appear to be better than the £2·5 billion deficit that was predicted by my right hon. Friend the Chancellor of the Exchequer at the time of the Budget. Unemployment has fallen more sharply than expected since the Budget and it is an amazing reflection of political virtue that the fall happened shortly after the election rather than before it. My right hon. Friend the Chancellor of the Exchequer is right to say that the major uncertainties affecting the economy relate to the world scene rather than the domestic one.

I find it difficult to see that any significant change in the United States budget deficit is likely to assist us. Some of us have been trying to explain for years the difference between Thatcherism and Reaganomics. However much we may want to cut taxes, it is foolish to do so unless the deficit is under control. If we cannot curb spending, we must increase taxes to deal with the deficit. That is exactly what the Government did in 1981, and, in spite of all the cursing and reviling at the time, it was the beginning of the process of recovery. If the United States has not accepted that advice over the years, it is hardly likely that it will be accepted now during this phase of the United States political cycle.

The other problem facing the world economy is that of Japan. On the face of it, the prospects appear to be better. The Japanese Government have produced an expansion plan which is both substantial and credible. In the past such plans have usually run into the sands of bureaucracy and the obscurantism of the Japanese industrial establishment. As one who has resisted the shrill voices that call for protectionist measures against Japan, I hope that the Japanese Government will realise now that it is

[Mr. Leon Brittan]

imperative that they make their current plans stick. With international caveats to be made, the domestic scene looks set fair.

The conclusion that I draw is that the central thrust of the Government's economic strategy should continue to be supported. Within that strategic framework, however, all our attention should be devoted to the remaining problem areas—the black spots of the economy. Those problems are the continuing high and unacceptable levels of unemployment and the imbalance between different parts of the country. The problems cannot be tackled by fiscal measures alone, but fiscal measures have a vital part to play in dealing with priorities.

That is why I warmly welcome the Bill's major stimulus to profit-related pay. I am glad that the Chancellor has persisted with his proposals, in spite of the combination of inertia, reluctance and hesitation with which they were originally met. The proposals are important because of their effect in motivating people in industry into giving employees an interest in success, but they are far more important than that. The hon. Member for Dagenham is correct in saying that there are other ways of achieving that. Far more important is the fact that the measure will increase employment and decrease redundancies. Therefore, it has a crucial part to play in the achievement of the first of the twin objectives that I have identified.

In times of recession, employers applying the scheme will automatically find their pay bills falling and will not find it necessary to lay off people to the same extent as would otherwise have been necessary. A much-needed increased flexibility in the labour market is thereby introduced. In times of an expanding economy, employers' reluctance to take people on for fear of what may happen at some time in the future should be significantly reduced. I am glad, therefore, that the Government have found a way of dealing with the problems that were identified when the proposal was originally introduced—problems such as avoiding any exacerbation of the so-called insider-outsider difficulty. Above all, I am glad that the proportion of profit-related pay exempt from income tax has been doubled to half.

The Government are now providing a real stimulus to employment, but it is up to employers and employees alike to respond. Nobody can doubt the genuine feeling of responsibility to the unemployed that exists among those who are in employment today, nor their real concern about doing anything possible to prevent further redundancies. They now have the chance to convert their general and sincere feeling of concern into action that will improve employment. They have a real opportunity to do something about it by agreeing to participate in schemes of this kind.

I hope that employers will not be timid and go only for schemes whereby only 5 per cent. of total pay is in the profit-related element. If the Bill is to have a significant effect in improving employment, it is intensely desirable not only that many employers and employees agree to participate in the scheme but that they go for the full 20 per cent. permitted by the scheme.

If profit-related pay helps with unemployment, it presents some philosophical problems for my right hon. Friend the Chancellor if he still has aspirations to introduce substantial tax reform later in the Parliament, as I hope he does. Most of the ideas for tax reform that have been floated are on the basis of the concept of fiscal neutrality. Let us remove the plethora of allowances, it is said, and reduce the rate of tax. That statement derives from the combination of a belief in the positive benefit of low tax rates and a feeling that Government should be extremely reluctant to engage in social or economic engineering by manipulating the tax system. The profit-related pay scheme is a major move in the opposite direction. It cannot conceivably be called fiscally neutral because its purpose is to achieve certain objectives by fiscal inducements. I unhesitatingly say that, although I generally support the moves toward fiscal neutrality, that objective must not be allowed to override other considerations.

The imperative need to which I referred to reduce unemployment and to improve the imbalance between regions is of greater importance than strict adherence to fiscal neutrality. I believe that so strongly that I shall urge another breach in the doctrine. The breach in the Bill at the moment does not do anything to deal with the problem of regional imbalances, which is the second problem to which I referred. Of course, if the breach that I shall invite my right hon. Friend to embark on cannot be introduced this year, I hope that it will be the first charge on the increased fiscal adjustment which our expanding economy will probably make available in the coming year. I regard its implementation as more important than either further reducing the public sector borrowing requirement or even reducing income tax.

I said that regional imbalances cannot be reduced solely by fiscal means, but fiscal means have a part to play. The Government are now looking more broadly at regional policy, and it is right that they should do so. We have a plethora of Government Departments in on the act—the Department of Education and Science, the Department of Employment, the Department of the Environment, as well as the Department of Trade and Industry, which traditionally had responsibility for such matters. Not only are more Departments involved, but there are new concepts involved, such as more urban development corporations and mini-urban development corporations.

It is quite right and natural to look at the situation, but if the conclusion that emerges from such a review is to abolish regional development grants in assisted areas, it will be deeply resented and fiercely resisted. The 1984 review was entirely right because it focused on wasteful expenditure that did not improve job prospects but merely assisted the capital investment that would take place in any event. In their amended form, the grants are not wasteful. They have an important part in regional policy. If the Chancellor is worried about regional development grants because they have led to greater expenditure than was anticipated, I shall give him one of the reasons why that is so. When I was Secretary of State for Trade and Industry, I called in the regional directors of the Department and said to them that they should not just sit in their offices waiting for applications for grants but should go out, drum up business and try to get activity in the regions. If that attitude led to more grants being applied for and more money being spent, it seemed to me to be a good thing rather than a bad thing.

One of the reasons it is important to deal with the problem of regional imbalances by continuing to have regional development grants is that the problem of regional imbalances does not apply only to inner cities. At the moment, we are in danger of focusing excessively on

inner-city problems. As many right hon. and hon Members know very well, much of the problem in areas that are not doing as well as the south-east of England rests in declining smaller towns and industrial villages. Nowhere is that claim more true than in the north-east of England, but it is also true in Lancashire and in west Yorkshire. There are parts which could not conceivably be described as inner cities which are suffering just as great environmental and employment blights. It would be a great mistake to focus exclusively on the buzz words "inner cities" as the be-all and end-all of our problems.

If that is so, it is right to focus on regional policy in a fiscal way as well. The Government realise that in some of the other measures that they are putting forward—this is expressed through my right hon. Friend the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster—there is pressure in favour of regionally related pay. They have made painfully slow progress in achieving that. However, in spite of what the hon. Member for Dagenham said, I believe that it is possible to price oneself into work as well as out of it.

I accept that for some the very concept of a labour market is undignified and unattractive, but that does not mean that one can ignore it or that it is unreal. There can be no doubt that if one goes to one of the regions where things are not quite as rosy as they are in the south-east of England and says to the people there, "In addition to all the problems from which you are suffering at the moment we are now going to ask you to take less pay," one would be bound to appear at first sight to be adding insult to injury. In spite of that, we need to reduce labour costs in the regions if we are to make progress in dealing with the problem of regional imbalances.

There is a way in which to square that circle. We should make regional differentiation in pay rates acceptable by combining it with reduced rates of taxation in assisted areas. The effect of doing that would indeed be lower pay—and employment would therefore be assisted—but tax would also be lower. Employers could afford to employ more people in those areas, while take-home pay and purchasing power in the regions would not be reduced. Of course, there are problems in introducing such a scheme and in defining the areas to which it would apply. But that is already done in other cases; it is as difficult a task to draw up a map of the areas that should receive regional development grants.

There are problems of another kind involving the complexities of the PAYE system and business locations. Because of those complexities, probably the best solution would be regionally differentiated national insurance contributions. We would reduce national insurance contributions in the regions to which we were trying to to attract employment. That would make regionally related pay infinitely more acceptable. The Government would then be giving help in a way that would reflect the reality of regional economies that are operating at a slower pace than rapidly advancing economies in other parts of the country. If they did that, the Government would be working with the grain of economic forces by using their fiscal power to attract employment while at the same time operating the labour market to reduce the costs of labour in areas where employment is most needed.

If not in this Finance Bill, then in the future, I hope that my right hon. Friends will seriously and sympathetically consider the possibility of combining their advocacy of regionally differentiated pay with a regionally differentiated tax in the form of national insurance contributions. If there was fiscal support for flexibility in the labour market, regionally as well as nationally, in addition to profit-related pay and regionally differentiated pay rates, fiscal policy would be playing its limited but vital part in dealing with the major outstanding problems that must be our topmost priorities—reducing unemployment and regional imbalances.

4.54 pm

Mr. Robert Sheldon (Ashton-under-Lyne): I agree with the right hon. and learned Member for Richmond, Yorks (Mr. Britta[illegible]) about the major problem of reducing regional differences. As the right hon. and learned Gentleman accepts, implicitly, there is a great divide between north and south and between developed and underdeveloped parts of the country. It must be our major task to heal that divide and the right hon. and learned Gentleman is right to assert that we need to look at the problem anew. The right hon. and learned Gentleman seemed to suggest something similar to the old regional employment premium, which was valuable. There were enormous problems of differentiation, discrimination and so on, but the scale of the problem is now so great that we must consider methods of dealing with it that we may well have rejected in the past. The divide between north and south is a fact, and we must eliminate some of its consequences.

I, too, offer my good wishes to the new Chief Secretary to the Treasury. He knows, as does the whole House, the burden of work that he has undertaken. There will be few aspects of Government policy that will not come before him as the subject of agonising decisions, frequently in the early hours of the morning. That is the penalty that he must pay for taking on this arduous task, and we offer him our good wishes in it. I also offer my good wishes to my hon. Friend the Member for Dagenham (Mr. Gould) and look forward to hearing him on important matters.

The Chancellor of the Exchequer used to be in favour of fiscal neutrality, but he seems to be moving away from it rapidly. We are considering proposals on pensions and profit-related pay. With those, and some of the nonsense about mortgage interest relief and pensions for the self-employed, we have moved so far away from fiscal neutrality that we shall need a fresh definition from the Chancellor, which may be forthcoming in due course.

Usually Finance Bills deal with a number of matters that do not appear in this Bill because it is a truncated Bill. One matter that is not included in this Bill but will certainly be included in the next is VAT. I was intrigued by the Prime Minister's reply to a question tabled by my hon. Friend the Member for Don Valley (Mr. Redmond). He asked the Prime Minister about her proposals to place VAT on children's clothing and shoes. After hesitating a little, she said:

"We shall continue to have a zero rating on food and that is crucial. The question then arises about electricity, gas and fuel. It is not our intention to put VAT on those. If anyone tried to put VAT on children's clothes and shoes, they would never, never get it through the House. I repeat that." [*Official Report*, 7 July 1987; Vol. 119, c. 192.]

It would appear, therefore, that there are three categories. Food is crucial, and we understand that. The Prime Minister said that the Government would never be able to get the introduction of VAT on children's clothes and shoes through the House. It has to be said that the

[Mr. Robert Sheldon]

Government have got a number of measures through the House which one might put in the same category so that is rather an unusual assurance, which I do not take as a certain expression of the Government's attitude. On electricity, gas and fuel, we hear only that it is "not our intention" to introduce VAT. Those are the new categories and we must examine them in the light of Lord Cockfield's proposals.

We must also examine excise duties. Although much has been said about the harmonisation of VAT, less has been said about the possible harmonisation of excise duties. The previous Finance Bill failed to revalorise excise duties, with a gain to the Government of 0·3 per cent. in the retail price index: the RPI was 0·3 per cent. lower than it otherwise would have been. That is fraudulent. The normal annual uprating of excise duties is purely in line with inflation. By failing to make that uprating, the Government kept the RPI rather lower. The consequence of excise duties being harmonised is that petrol, oil, tobacco, spirits and other alcohol will be lower in price and will yield very much less revenue.

There are social as well as fiscal considerations. The problems of harmonisation are great because there are more than 33 VAT rates in the Community. I had the privilege of being Financial Secretary while Britain held the presidency of the Community. I took the chair in discussions on the sixth VAT directive, so I know the problems involved in achieving satisfactory harmonisation. Britain did extraordinarily well in the discussions, insofar as we gave nothing away but many other countries did.

We are talking about giving substantial powers away. I should like to mention some that we could give away. It is not merely a matter of the harmonisation of excise duties. There would be profound social changes in Britain if the duty on alcohol were the same as on the continent. There would be greater dependency on alcohol and greater use of tobacco, which would hardly fit in with modern accepted theories on the effects of those types of so-called drugs.

If the Prime Minister is determined to oppose these VAT and excise duty changes, she can readily oppose them. She has an enormous advantage in terms of the 33 different rates of VAT and the proposal, which is an essential part of that, to accept the VAT returns of other countries. It would mean that, if there were a VAT repayment, we would be paying money to Germany, France or, God forbid, Italy on the basis of their documentation because of the VAT that they have notionally paid. Bearing in mind the problems that we have with wine, and so on, paying out money on the basis of VAT statements made by another country would be a problematic and uncertain way to proceed. The Prime Minister has an enormous advantage in that she can halt that proposal or at least delay and delay until she finds herself in a position where little needs to be done to prevent any further action.

We are in an unusual position with the poll tax. Most countries impose a property tax — it is a standard measure. Property is eminently taxable. To tax various items and not to tax one's home, the mortar, cement and bricks that form part of it, is astonishing. Those items are so clearly visible that property becomes eminently taxable. There is some advantage in having a certain correlation —not a complete one— between personal wealth and the value of the dwelling in which one lives. I expect that, if the Government ever produce a poll tax, not too far hence the Treasury will produce some variation on a property tax. It would not surprise me if, at this very moment, someone in the Treasury were devising some sort of contingency property tax. Even crudely introduced at a rate of £50 or £100 a dwelling, it is enlightened taxation compared with the poll tax. It would produce £1 billion or £2 billion of revenue for the taking. Chancellors of the Exchequer whom I have known have not dismissed such revenues out of hand, so I expect that there will be some examination of this idea. The Treasury would not be the Treasury that I know if it were prepared to forgo so lightly the possibility of such a tax.

This afternoon, on my way to the House, I happened to pass the Treasury. Some state visit appears to be taking place and many flags are going up. Normally, the Treasury trots out its three national flags, its three service flags. They are put out and carefully rolled up and packed away after each visit, and they last for years. These tired old flags come out on each occasion. That is the Treasury which we know and to which we have become accustomed. But, surprise, surprise, there were brand new flags out today. Perhaps the Financial Secretary should look into that. There is something happening in the Treasury; it is spending money on new flags. Attractive though they are, that is not the normal expenditure by the Treasury as I know it. Perhaps the Treasury is changing, after all.

The Chancellor's major responsibility—one echoed in some way by the right hon. and learned Member for Richmond, Yorks — is over the conditions and prosperity of all the people. That is an awesome responsibility. In looking at the measures implemented, we must consider not just the figures but the facts as we see them—the facts as the right hon. and learned Member for Richmond, Yorks sees them in parts of his constituency more favoured than mine and as I see them every weekend as I return to my home and constituency. I see the houses decaying, the roads with potholes, the unemployment and the reasons for them. The rate support grant has been cut and the towns are in poor condition. councils are blamed for the enormous extraction of money.

There is even talk of loony councils. During the election campaign, I had to point out that the council in my constituency created a war museum to honour the Manchester regiment. The museum was opened by the Queen Mother. It would be difficult to produce a better response to any accusation that the council was loony. That responsible council has been forced to cut expenditure on essential aspects of its work. It is very largely such councils that have been blamed while the Government have been able to avoid blame.

The right hon. and learned Member for Richmond, Yorks talked about black spots. We need to look not only at fresh ways of bringing money to those areas that will produce work but at what has happened. My constituency has a large number of businesses that produce modest wealth. There are no large firms. A typical firm employs between 20 and 100 people. As the House knows, because I have said it again and again, between 35 and 40 per cent. of those firms have closed, and they will never open again. More money must be made available than would have been necessary as few as six or seven years ago. It is much easier to enlarge a firm's prospects than to create

something where there is nothing. We are starting from a much smaller base. There was 4 per cent. unemployment nine years ago; today in real terms it is 15 per cent; next year 18 per cent. — who knows? The right hon. and learned Member for Richmond, Yorks correctly drew attention to this fundamental aspect, which must be considered afresh. However much the Government dislike having to spend money in these ways, they must do so if they are to maintain the unity of this country as the important condition I believe it to be.

5.8 pm

Mr. Tim Boswell (Daventry): I am grateful to you, Mr. Deputy Speaker, for calling me to make my maiden speech in this debate, because finance, taxation and economics are still at the centre of our national affairs. The fact that we are no longer quite so obsessed with the subject as we might have been 10 or 20 years ago seems to be some index of our growing strength in those respects. Nevertheless, I rise with some diffidence in place of my predecessor, Reg Prentice, who served the House for exactly 30 years. Of course, not all that time was spent representing my constituency of Daventry and, indeed, only the last 10 years were spent in the interests of my party. He was therefore bound to be something of a controversial figure in the House.

I can speak as one of Reg Prentice's former constituents. Indeed, I was proud to be his constituency chairman for the first four years of his time at Daventry. I greatly appreciated his qualities of courage and forthrightness, his personal kindness to all he met and his wise advice to me. He made a considerable contribution to our affairs. As time and the generous traditions of the House soften any asperity, I hope that all hon. Members will join in wishing Reg Prentice a long and happy retirement. I am quite sure that it will be a lively one.

The parliamentary history of my constituency is one of personalities. I noted with some surprise during the campaign that Mr. Speaker Fitzroy, who died within a few months of my birth, is still well remembered. Remarkably, looking further back, the Cartwright family, from my home village of Aynho, held the seat continuously for almost a century from 1797 to 1881. Our lovely village of Aynho, with its unique and distinctive apricot trees, lies at the southern tip of my constituency. I can set course north from there and travel more than 40 miles in a straight line, although there is hardly a straight road on which to do so.

Many hon. Members may be familiar with the other axis, that from south-east to north-west, because as they return to their constituencies they will use either the M1 or the Roman-built alternative, the A5, Watling street. If they are lucky enough to avoid one of our too-frequent traffic jams, they may pass quickly across us from the edge of south-east England, at Milton Keynes to the gates of the west midlands, at Rugby. However, they might do a great deal better to linger in one of our three attractive and flourishing towns, Daventry, Brackley and Towcester, or in our large and small villages, or in our historic, unspoilt and rather under-visited countryside.

We can boast the national waterways museum at Stoke Bruerne and the battlefield of the decisive parliamentary victory at Naseby. Our strategic position at the crossroads of England was recognised by the establishment of the national cavalry barracks at Weedon two centuries ago. Today that means that half the nation wants to come and live among us, and the other half wants to drive through us.

While I share with other hon. Members the concerns expressed during the campaign nationally, for example about education and pensions, I shall in future want to lay special emphasis on the issues of planning, traffic and bypasses. I am indeed fortunate to represent such a beautiful and flourishing constituency and, in no selfish sense, we wish to keep it that way.

I am pleased to be involved in today's debate on the Finance Bill, not least because my prior involvement in politics marked a degree of alternation between an interest in finance and taxation on the one hand, and in agriculture on the other. On the latter point, our present expenditure on the common agricultural policy constitutes a massive financial problem, without solving the equal and major problem of farm incomes. Fresh thinking has been needed and is now beginning to come forward.

I should like to pay special tribute to the work of my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling), whom I had the privilege of serving as his special adviser in Whitehall, for his dramatic initiatives in rural policy and his contribution to the new developments to encourage conservation, leisure and the rural economy. They will cost money, but will cost far less than unreformed surplus production.

Today's debate and this Finance Bill are a further stage in giving all our people, wherever they live, a stake in the nation's growing prosperity. I was lucky to play a small part in formulating the Conservative party's thinking on stimulating wider share ownership when we were in opposition during the 1970s. It is gratifying to see the next stage of that process developing.

I welcome the emphasis in the Bill on profit-linked pay, because only profits pay for pay. I welcome also the new flexibility in personal pension schemes. All these and the related measures that are already in place are directed towards giving ordinary people greater opportunity and choice and a sense of belonging, and are economically and socially beneficial.

Like many of my hon. Friends, I have heard in recent days some eloquent speeches from Opposition Members about the problems facing their constituents. I do not for a moment deny it. Labour Members, but I note that much of their debate is cast in terms of what is happening to those people. There are two false solutions that we should avoid. The first is the belief that massive infusions of public money will, on their own, solve the problem. The second is any recourse to the special and damaging type of private enterprise response, that of rioting on the streets. Neither of those solutions is acceptable. It is far better to do as I believe the Government will do and to blend the use of public money with the necessary contribution from the private sector, such as investment in better training and re-skilling, and a readiness to enlighten and stimulate enterprise and those who want to work to better themselves. I should like to hear rather less about what is happening to the inner cities and their inhabitants, and rather more about what is happening in them and coming from them, and the contribution that they can make.

My constituency of Daventry stands as a place of refreshment for the city dweller, as well as being a powerhouse of agricultural production and varied and lively economic activity. In today's world we face greater

[Mr. Tim Boswell]

integration, faster communication and a one-world economy. In today's economic and social conditions we can no longer say—if we ever could—that any man is an island. No constituency, even one as fortunate as mine, is an island. Indeed, no island state is an island. No community of nation states, however powerful, is an island. We sink or swim together and we all have a proper interest in one another.

In supporting the thinking behind the Bill, at the election and today, the constituency of Daventry and its Member stand ready to play their part and to make their contribution to building a united nation.

5.17 pm

Mr. Rhodri Morgan (Cardiff, West): I should like first to congratulate the hon. Member for Daventry (Mr. Boswell) on having got through his maiden speech and on having got behind him what I have before me. He mentioned that he was rather diffident about rising to his feet because of the seat that he represents and its long history, including the fact that a Speaker of the House has represented it. That is also true of the constituency of Cardiff, West, that I represent.

Mr. Speaker's predecessor, now Lord Tonypandy, but then Mr. George Thomas, represented this constituency, give or take a ward or boundary change here or there, for 38 years, from 1945 to 1983. I am the present Mr. Speaker's predecessor's successor's successor and I suppose that in Wales that makes Mr. Speaker and myself virtually first cousins. At the same time in 1945 that Mr. Speaker Thomas started his parliamentary career, in the adjoining seat of Cardiff, South and Penarth, Mr. James Callaghan, now Sir James, started his parliamentary career. He went on to become Prime Minister. Therefore, between them, Sir James Callaghan and Lord Tonypandy performed 80 years of service to this House, although the service was concurrent and not consecutive, as it would be put in the Old Bailey.

The fact that there was 80 years of service from two hon. Members with adjoining seats in the same city—one going on to become Prime Minister and the other to become Speaker of the House of Commons—is, as it would be put in the Windmill theatre, an act that is difficult to follow. I am sure that that is something that my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael), who made an excellent maiden speech about the Gracious Speech last Thursday, and I are very conscious of as we start our parliamentary careers.

I also wish to refer to my immediate predecessor, Mr. Stefan Terlezki, because in 1945, when Sir James Callaghan and Lord Tonypandy were starting their parliamentary careers, Stefan Terlezki and I were engaged in the one thing that we may have in common: at about that time, we were both learning to speak English. Although we may have been light years apart politically, one thing that we had in common was that neither of us spoke English as his first language. He was learning English in the maelstrom of war-shattered Europe in displaced persons' camps in Germany run by the British Army, and I was learning English in the slightly less hurly-burly atmosphere of the playground of Radyr junior mixed and infants' school in the heart of my constituency. When I made my maiden speech in the school playground, criticising an lbw decision or whatever it might have been, Stefan Terlezki was probably learning English from Army sergeants. I am sure that while he was learning English he did not expect to end up in the Chamber of this House. Nor did I. But we both did, and he served his constituents diligently for four years. I am fortunate to be able to follow him.

When I attended that school it was not much like a normal school in a quiet village on the edge of Cardiff in the heart of the constituency, because it was swollen to twice its size by the number of evacuee children and the children of people who had arrived in Cardiff under the direction of labour, which was such a prominent feature of Britain during the war. We were never sure what almost incomprehensible English accent we would hear next. There were children from inner-city London, Maidstone, Birmingham and Motherwell. We heard so many variants on the English language, it was rather like a meeting of the parliamentary Labour party. The problem in the parliamentary Labour party is that we have considerable difficulty understanding one another—linguistically at least. Conservative Members have the opposite problem. With a few exceptions, they speak the same language, but they have extreme difficulty in communicating with the industrial heartlands of Great Britain.

The main subjects in this debate on the Finance Bill are the two interrelated problems which affect areas such as Wales, Scotland, the north of England and the inner cities of south and central England differently from the prosperous parts of Great Britain. There is an imbalance between the north and west and the south-east, and there is also an imbalance between services and manufacturing. We still have to solve that problem. During the eight years that they have been in power, the Government have conducted a shrinkage exercise on manufacturing. They proclaim proudly that we are now in the seventh year of economic growth, but that has not even brought manufacturing industry back to the level of output that it had achieved in 1979. We should not cross swords on such simple matters of fact.

It may be that, quite soon, we shall reach the level of manufacturing output that we had in 1979. I wonder what Conservative Members will do to celebrate the occasion when we regain that level of manufacturing output. Will they run up the flags and say, "What a great achievement. We have been on the Circle line for eight or nine years, and we have finally got back to where we started"? Some of us new Members from Wales do have similar experiences fathoming the complexities of the London transport system. Or will they try to ignore the fact? Recently, the *Western Mail*—the national newspaper of Wales—said that the Royal Mint, which is just outside my constituency, will soon be striking a new form of gold bullion coin which is Britain's answer to the kruggerrand and the Australian nugget. There are 2·5 million of them in store to launch on the investment market. It would be very suitable if that coin was launched on the day when manufacturing output again reached its 1979 level.

It will take even longer to reach the point that manufacturing output would have reached had it remained stable during those eight years; and if we want to wait until manufacturing investment regains its 1979 level, we shall have to wait another 10 to 15 years—probably into the 21st century. We must find a way of putting right that imbalance in our economy. If we try to live on services and continually squeeze manufacturing industry in a downward direction, we shall become very

dependent on the south-east and there will be a continuation of the rampant house price inflation which has made labour mobility between regions extremely difficult. Conservative Members believe that labour mobility is extremely desirable, but how can we have such labour mobility when the gap in house prices between the south-east of England and the north and west has yawned into a gaping chasm, making interregional movement impossible?

Similarly, if Conservative Members wish to encourage more owner-occupation, with which I entirely agree, they will be putting a further block on labour mobility between the regions. We shall have to go back to putting greater emphasis on work mobility. We can have labour mobility between the regions at different levels of prosperity only if we have approximately comparable house prices or not so much owner-occupation. Britain has gone in for large-scale owner-occupation, which is a bar to labour mobility. The Government must make the choice and solve the problem in their own way.

The country must know what the Government's attitude to manufacturing is. Is it the cold shower, of which they were so proud between 1979 and 1981? Even today, they refer to the great benefits and increased efficiency brought about by the notorious cold shower — the weakening of trade union power which came about as a result of the increase of unemployment, which was a result of the 20 per cent. drop in manufacturing output during those two devastating years.

Conservative Members should remember that those years were far more devastating in the outer regions of the United Kingdom. Those regions did not have the decision-making power, the big offices or the public sector employment. They did not have the service industries, or the employment in insurance, banking and finance. They were overwhelmingly dependent on industry, and especially on heavy industry. Therefore, with the increase in the currency rate to the wholly uncompetitive level of $2·40 to the pound, industry in Britain — especially internationally based industry and industry such as iron and steel which bought its raw materials from overseas —was crushed by the loss of competitiveness.

The currency changes, the use of energy pricing as a form of taxation and the high interest rates which monetarism introduced all bore down disproportionately, first, on heavy industry and, secondly, on manufacturing industry at large and, therefore, on the northern and western regions, which depended upon heavy industry and manufacturing generally and which did not have big investments in insurance, banking and finance. That is the problem. The decisions are made in the south-east of England, but those decisions bear especially heavily on the north and west. Until the position is reversed, the imbalance between services and manufacturing will not be corrected.

The Chancellor of the Exchequer has defended putting more of our eggs into the insurance, banking and finance markets as a form of wealth creation. Where will that get us? There are signs that the Japanese economic strength that we have already seen in manufacturing is coming through into insurance, banking and finance. Only two weeks ago, we heard that the *Financial Times* building in the City had been bought for £125 million by a Japanese property company. The Japanese are already coming into Britain in property, insurance, banking and finance.

Last year, the largest firm in the Eurobond market was not British or European, it was Nomura Securities of Japan. The *Financial Times* gave a list of the top 10 Eurobond issuing houses in terms of performance in 1985 — the last year for which there are full figures. It reported that Nomura had brought 11·1 per cent. of all Eurobonds to the market during that period. One of its senior British competitors was reported as saying:

"They have simply gone out and bought market share, using their massive profits in the Tokyo market to subsidise loss-making Eurobond deals".

Where have we heard that before? We have heard it about motor cycles, motor cars, televisions, compact discs and all major manufactured goods. If anyone says that the Japanese will only try to out-compete this country and other European countries in manufacturing and that the Japanese will say, "Let the British have control of insurance, banking and finance," he is talking through his hat. That person is living in fairyland.

Japan, having achieved the dominant position within the manufacturing industries and having out-competed British manufacturing companies, will use the colossal savings ratio of Japanese manufacturing workers to build up a capital base for its bond dealing houses. Japan will dominate the City of London as well. There is no evidence to suggest that, because we have been unable to compete with Japan in manufacturing, we will, none the less, out-compete Japan on insurance, banking and finance. Japan has a much stronger capital base arising from its strength in the manufacturing industries. Therefore, we must pay much more attention to the underlying strength of our manufacturing exports if we want to retain our insurance, banking and finance industries.

Even though few Labour Members represent seats in the south of England, I appeal to Tory Members to have regard to the future. They should consider what happened to the steel, motor car and motor cycle industries. They should consider that that could also happen to the industries that are the staple industries of the south-east. It all depends on the decade we are discussing. In the 1950s the shipbuilding industry in Japan rose to prominence. In the 1960s we witnessed the rise of the Japanese steel and car industries. In the 1970s it was the consumer electronics industry. In the 1980s we are witnessing the rise of the Japanese high technology office equipment industry. In the 1990s I have no doubt that the Japanese will dominate the insurance, banking, finance and other service industries. Such industries presently dominate the economy of the south-east. Those industries give a completely false air of confidence to the opinions of the Chancellor of the Exchequer, who believes that this country can live with a shrinking manufacturing sector and an expanding service sector. That is complete fairy-land economics and, will be proved totally wrong unless Conservative opinions are changed over the next four years.

Unless such a change occurs we shall see what the Australians call "The last night of the Poms" come true. The Labour party does not believe in the cold shower philosophy that was applied to the outer regions of manufacturing in 1979-81. However, Conservative Members believe in that cold shower philosophy or, at least, defend what happened in 1979-81. They believe it was the greatest contributor to the expansion and improvement of efficiency in the economy of the country.

[Mr. Rhodri Morgan]

They claim that, for years, Britain was inefficient and over-manned. However, after the cold shower of 1979-81 they claim that we have had nearly seven years of economic growth. They claim that that is all based on the gains in efficiency that have arisen from management's right to manage.

The right to manage was established by creating a great pool of unemployment and by creating a new climate of realism forced by the decline in industry in 1979-81. However, if one considers the evidence it is difficult to ascertain whether there has been such an increase in efficiency. Indeed, last year's report of the British Institute of Management was headlined in the *Financial Times*:

"Manufacturers 'have failed to improve efficiency'."

The article reported:

"United Kingdom manufacturing companies have shown no significant improvement in meeting delivery times and managing work-flow in their plants over the last 10 years, according to a survey published yesterday by the British Institute of Management."

That report was not published in the 1960s or 1970s, but was published on 11 December 1986. It was a study conducted by the Cranfield school of management. That body and the British Institute of Management are in no way affiliated to the trade union movement or the Labour party. Such reports have not been published in magazines that are known to trumpet the views of the Labour party. Such reports can be taken as the expressions of totally neutral, totally professional people who have been looking for, but have failed to find what they expected from the hypothesis of increased efficiency supposedly arising from the cold shower of 1979-81. The slump of those years was engendered by the financial incompetence and blundering of the Conservative Government when they came to power in 1979. Either the Government did not know what they were doing or they planned a return to a 1930s-style slump to restore the management's right to manage—we do not know which.

I believe that we should try to get back to the idea of a United Kingdom in which the service and manufacturing industries are seen to be interdependent. I believe that I have a certain amount of qualification to put forward that view. I have grocer antecedents, just like the Prime Minister, although in my case it was a grandfather and not a father. I also have coalminer antecedents, like the leader of my party, but, again, a grandfather not a father. Therefore, I am congenitally—if that is the correct word—able to express the argument for the interdependence of the service and manufacturing sectors.

When I entered the House of Commons I became aware of the problem of the disunited kingdom. That is terribly well illustrated by the contrast between the Conservative and Opposition Benches. In the main, the central areas of the United Kingdom are represented by the Conservatives. In the main, the peripheral areas of the United Kingdom are represented by the Labour party, with one or two exceptions. When I came here I heard a great many rumours about the 50 Scottish Labour Members intending to break away—they called it a "democratic fission". Indeed, the day after I came to the House I misread a headline in *The Independent* that said:

"US Congress reaches deal with North".

I said to myself, "Oh dear! The Scots are going their own way and now the north has decided that it would prefer to be run by the United States because it does not go in for the sound money policies as harshly as the British Government".

However, having met the 69 new Labour Members and the 150 or so returning Labour Members I know that we believe in a United Kingdom. We hope that, over the next four years, Conservative Members will also come to realise that if we have an unhealthy manufacturing sector we shall be unable to run the country on the basis of the expansion in employment in insurance, banking and finance to a sufficient extent to carry this country through when North sea oil, a major economic resource, runs out.

The Chancellor of the Exchequer is exceptionally satisfied with the state of the economy as he observes it today. All that we can say to that is:

"Beauty is in the eye of the beholder."

In my region we believe that, if that is true, it is also true that rigor mortis is in the eye of the pathologist. Economic rigor mortis is what is faced by at least 3 million pathologists even on the Government's figures, every day of their lives.

5.36 pm

Sir Brandon Rhys Williams (Kensington): The House has just benefited from hearing two highly competent and well-polished maiden speeches. It falls to me to congratulate both my hon. Friend the Member for Daventry (Mr. Boswell) and the hon. Member for Cardiff, West (Mr. Morgan).

Reg Prentice and Stephan Terlezki were personal friends of mine, as indeed they were of many hon. Members on both sides of the House. We miss them. On the other hand, we feel that we have been provided with some compensation, because we obviously have two lively and competent Members taking their places and we welcome them here today. I especially appreciated the fact that they both complied with the convention of not being too bitterly controversial on party lines in their maiden speeches. They brought to the House, perceptively and interestingly, the flavour of their constituencies. I am sure that we all wish them success in the pursuit of their interests on behalf of their constituents in future years.

Perhaps I can make a personal recommendation. I have always worked in the House on the basis of what I call the "Jericho principle". I remember the story of the troops of Joshua, who finally accomplised their objective of bringing down the walls of Jericho by going round and round remorselessly. I cannot help wondering whether, had they been so unwise as to sit down after going around the walls half a dozen times and said, "It is hopeless. There is no point in going on with this," an angel would have appeared and said, "You idiots. You only had to go round this walls one more time and they would have fallen down." If hon. Members have particular interests on behalf of their constituents, they should remember that if one keeps on and on, one has a chance of winning in the end.

As to the debate on what is now called the "summer" Finance Bill, I begin by welcoming the appointment of the Chief Secretary—I am sorry that he is not with us just now — because I had the agreeable experience of working with him during the Committee stage of what is now the Social Security Act, which sat for some 25 or 30 mornings last year. It was the most constructive and useful Standing Committee that I can remember taking part in. There was not one wasted minute. I am sure that my right hon. Friend will not forget what he learned from his

responsibilities in a huge money-spending Department the ability to make graceful concessions. I hope that he will also do that in his new responsibilities in the Treasury.

I welcome also the return in the summer Finance Bill of some of the features that we liked when we saw them previously. The important new provisions on profit-related pay have not yet been fully appreciated by the public for their long-term implications. Possibly, in retrospect, those provisions will be seen as the most important aspects of this year's Budget. I also give a personal welcome to the changes in inheritance tax in relation to interests in possession, which followed some recommendations that I made on a previous occasion and which possibly illustrate the advantage of what I have described as the Jericho principle. I was delighted that the Treasury decided to accept the recommendations that I and others made last year.

I am glad about the non-reappearance — or at any rate the partial disappearance — of certain features which we did not like and which I criticised in the Standing Committee on the earlier Bill. The provisions on reinsurance to close were regarded as controversial in their original form. It seems that the Department has listened to the experts and is prepared to accept concessions before the remaining stages of the Bill are completed, which will satisfy all concerned. However, we shall continue to watch what happens, because we understand that new amendments are on their way to the House, and we shall have to see exactly what form they take. The Department has shown itself willing to listen to reason, and we are extremely grateful for that.

I also believe that we may have scored the point that we had hoped to achieve on the tax treatment of life insurance funds, but in the short time available to hon. Members to study the provisions of the summer Finance Bill it has not been possible quite to see what has happened to the capital gains of life insurance funds. From what I have been able to discern, it looks as though here, too, we have an extremely welcome concession from the Department. I hope that I am proved right in that analysis.

I have some serious complaints about the pensions provisions to which my right hon. Friend referred and which take up a large part of the Bill. I am sad about that because there is so much to praise in what the Government have done in recent years for provision for retirement. This Finance Bill undoubtedly carries forward the movement towards reform precisely on the lines that I personally have been recommending, and which is entirely in line with expert opinion.

I am glad about the change of emphasis in favour of money purchase retirement provision. That is obviously right. I have never liked the discretionary, or so called defined benefit schemes — which are also called final salary schemes — because it seems to me that collective funding of provision for retirement is entirely out of tune with our faith in the self-reliance of individuals and the maintenance of fairness in individual entitlement in funds accumulating for retirement benefit.

I am also extremely glad that the liberation of the saver is made possible by the opening up of so many new opportunities for saving within the favourable tax framework that operates on the principle of "Save now, pay tax later". That will be a valuable stimulus to the entire foundation of personal capitalism in the 20th century. But it has to be said that our present system does not produce an adequate living standard in retirement. Given the rate of contribution going into many occupational pension schemes, the benefits will not be sufficient in the years ahead either, because a pension scheme is only as good as the contributions that go into it and their subsequent management.

If the contributions are intrinsically much too small to produce a first-class benefit, it is difficult to see how occupational pension schemes will rise to their responsibilities to maintain into the retirement years a reasonable standard of living to which the worker has become accustomed during his working life. We still have the tragedy of millions of people in retirement who, either immediately on ending work or soon afterwards, have to apply for supplementary benefit because their financial resources are not sufficient. That must be ended as quickly as possible.

As I have often also pointed out, the present system does not give real full transferability of the accrued asset to the early leaver, and I shall return to that subject in a moment.

Several points concern me on a quick reading of the Bill. In my view, the changes to the regulations governing maximum permissible pensions for short-service employees will not do what the Chief Secretary advertised in his speech — add to the mobility of labour — but will do quite the reverse. I am sure that hon. Members besides myself have already had deputations from people explaining precisely how damaging those clauses appear to be to senior people who are thinking of changing jobs in later life. That is precisely where the efficiency of industry requires that there should be absolute mobility of labour.

I do not like the special discrimination, again introduced in the Bill, against the higher paid in relation to lump sums. I do not understand why a figure of £150,000 should be proposed. What moral basis is there for introducing an area of discrimination above £150,000? I have said before, and am bound to say again, that this whole area needs further consideration.

When we look carefully at the small print, I think that we shall find the same features as in the earlier Bill in respect of the change in the definition of final salary. That is being forced on schemes, and it is no good pretending that it is not a retrospective change in the conditions of employment. I am not at all certain that that is fair.

I also do not like the damage to entitlement under occupational pension schemes suffered by people whose savings through additional voluntary contributions are substantial and go over the top; I do not like a provision that says that the rules of a scheme should be deemed to be different from what they actually are in certain circumstances. That does not appear to me to be healthy legislation.

I feel it necessary also to say a few words about the procedure that is being adopted, because the House is in danger of falling down on its responsibilities in regard to the supervision of the Executive in matters of taxation.

First, no fewer than 31 Ways and Means resolutions were tabled on 26 June, which were then moved formally a few days later, after 10 pm. Normally, of course, one has a lengthy exposition of the Government's intentions in the form of a Budget speech. The excuse, no doubt, for this new procedure this time was that so much of the Finance Bill was merely a repetition of what had been previously before the House. However, we now have 100 or more new

[Sir Brandon Rhys Williams]

hon. Members who were not in the House when we considered the earlier Finance Bill and they deserve some deference from the Treasury.

More than that, when we take time to examine the new Bill, we see that there are many significant changes which have not been sufficiently brought to the notice of hon. Members. In the limited time available I have been trying to study the changes in the provisions regarding occupational pensions, in which I am particularly interested. One has to say that, again and again, clause after clause has been varied in a way that appears to have significance, and in some cases there are pages of new legislation in the Bill that were not in the Bill that was considered before the election. The House is at a disadvantage, in that there has not been sufficient explanation of the real significance of the Finance Bill.

We also have the problem that the Bill was published only last Friday, and it is therefore less than a week since it appeared in print. Now it is having its Second Reading. I am advised that the Select Committee on Procedure made some clear recommendations on that point—that the House should not proceed to Second Reading on the Finance Bill until there had been at least two weekends for people to study the provisions and make soundings as to their implications for interested parties. That has not happened in this case, and there has been a scramble by parties interested in pension provision—I can say from personal experience — to reach hon. Members with considered analyses of what the Bill contains. We are embarking on Second Reading too soon for the House to give the Bill the degree of analysis that is appropriate.

Moreover, from now until the Committee stage there is to be less than a week, as I understand it. That, again, is contrary to the recommendations of the Select Committee on Procedure.

When it was decided that part of the Finance Bill should be taken upstairs in Standing Committee and should not be analysed by the whole House, a number of experienced Members thought that that was a development that would weaken the discretion of the House in examining Finance Bills. However, it has become a recognised practice, and, having served on a few occasions on the Standing Committee examining a Finance Bill, I would be prepared to endorse that as a procedure, particularly when the House is dealing with a Bill that contains a number of highly specialised and technical amendments, as is the case this time. I am bound to regret the fact that we are not dealing at any rate with the pension clauses of this Bill in Standing Committee. Not many right hon. and hon. Members are deeply concerned about the small print of pension matters, yet virtually the entire population of the country will be affected sooner or later by what we decide on these pension clauses. The House will find it difficult to deal adequately with all these new provisions in two or three days on the Floor of the House, which, apparently, are all that we are to have next week.

Another matter, which is not germane to the Finance Bill, I must nevertheless mention tangentially. This week the Department of Health and Social Security has also tabled 20 statutory instruments dealing with the management of occupational pension funds, many of which are to come into effect this month. I believe that the vast majority of those are highly constructive and sensible, but I have not had time to study them sufficiently and I am sure that no other hon. Member has had time either. As so many people will be significantly affected, it is wrong that the House should abdicate its responsibilities in dealing with matters of this importance. I have accordingly tabled prayers against each one of those statutory instruments and I hope that we shall have the opportunity of examining them before they finally come into effect.

I wish to make one last point about the present system of dealing with occupational pension funds. At point after point the major Departments concerned have retained the discretion to act freely to create new regulations as and when they see the necessity. How can professional people who are dealing with these important matters, which involve substantial sums of money, operate effectively and competently as to the way in which they manage their funds and meet their responsibilities when they are working against such a continuously fluid background of detailed regulations? That does not appear to be right. The House is being bypassed and we should take a stand. We should insist on the opportunity of going closely into the implications of all the things that are put before us in the Finance Bill and in the statutory instruments. I am not prepared to accept that the gentleman in Whitehall invariably knows best, and certainly not when a chorus of gentlemen in Whitehall are speaking with different voices, as is unfortunately the case here.

I want briefly to read a passage from the annual report and accounts that were issued last month from the Institute of Actuaries, in which the president, who is an important man in this area, felt constrained to say some strong words. I shall read one paragraph from his opening statement:

"The burden of legislation has been as heavy as in previous years. Last year my predecessor referred to the difficulties that arose from the lack of any co-ordination in the various aspects of supervision of pension schemes. The difficulties have increased as successive consultative documents have been issued by the Department of Health and Social Security in relation to the changes consequent upon the introduction of Personal Pensions; and the Inland Revenue issued its own proposals, which were subsequently included in the Finance Bill. Many of the difficulties are of greatest concern to practitioners in the pensions industry but some are of important professional consequence and these have been pursued vigorously, but, unfortunately, not very successfully, with the two departments. The loss of many of the clauses in the Finance Bill gives an opportunity for reconsideration and I hope that it will be used well. Notwithstanding the proposed earlier introduction of Personal Pensions, there must still be made time for the formulation of a simpler and more consistent regime in this area. Indeed, it is the seemingly conflicting objectives of the two main departments that gives rise to the greatest concern and causes unnecessary anxieties and pressures on the profession, on the practitioners and on pension scheme managers."

I trust that my right hon. and hon. Friends on the Front Bench will consider carefully those basic criticisms from a man who is at the head of the profession that deals with occupational pension matters.

Before I close, I want to say a few words about what I believe should be the objectives of a strategic review of occupational pension provision by my right hon. Friends. I hope, first, that they will look for ways of increasing the total flow of money into savings and of minimising the number of people who are dependent on means-tested support in their retirement years. Long term, we must put more money into these schemes. There must be a statutory basis for a minimum contribution, whether or not the schemes are apparently fully funded at any one time. If we accept that one's pension is one's entitlement, because it

takes the form of one's deferred pay, the employer should be putting funds into the scheme all the time. There should be no question of contribution holidays.

I see that when I spoke on the subject of pension contributions during the proceedings on the Finance Bill in 1970, I recommended the formula that we should set aside remuneration for pension provision at the rate of 10 minutes in every hour: 10 minutes on top of 50 minutes would make a 20 per cent. contribution. A 20 per cent. contribution for a pension fund is about what is needed to give a two thirds pension on retirement for the average person. The employers should certainly put in not less than 10 per cent., and the employees should be encouraged to put the balance of 10 per cent. to reach the formula of 10 minutes in the hour.

Short term, the Government must find ways of persuading well-funded schemes to uprate their benefits at least in line with inflation. That is a tax matter, because we give substantial concessions to these schemes, and I do not see why we should do so if they do not act in a way that is obviously in line with general social aims and public utility. The same applies to schemes that are not prepared to give fair treatment to early leavers. I shall not weary the House again with my specific recommendations on that, as I have repeated them a number of times. But I should like also to see extreme simplification of the administration of occupational pension schemes as an end in itself. That is really the responsibility of the Departments and of the Occupational Pensions Board. We cannot go on adding to the weight of interminable and increasingly complex regulatory provisions on the administrators of pension schemes.

I should therefore like to make this recommendation to the Inland Revenue. It should abandon the restrictions that relate to the definition of benefits. I know that that is a large recommendation and totally contrary to long-standing Inland Revenue tradition; but I am convinced that it is right and I believe that what I have said is echoed by almost all well-informed people in the profession. The restrictions should be put on the proportion of earnings that can be put into relevant schemes by employers and employees, not on the amount of money that can eventually be drawn out.

I believe, too, that the Inland Revenue should end the availability of tax exemptions for lump sums in respect of accruals of entitlement in future years. I know that that is not likely to be a popular recommendation, but I believe that it is undeniably right. If the Inland Revenue has the courage to adopt that recommendation, it will solve many of the other problems that bedevil occupational pension provision at present. I should also like the Inland Revenue to withdraw entitlement to the benefit of tax advantages in respect of future contributions by employers to funds which do not choose to give full transferability for the whole of the accrued assets to early leavers.

With regard to the DHSS, I believe that it should put a higher minimum contribution on employers, rationalise the limitations on maximum contributions at the upper end and proceed now to the final abolition of the state earnings-related pension scheme. In other words, the House is calling for an administrator of courage and competence, either at the DHSS or at the Treasury, to put a completely new regime in place with regard to occupational pension provision. I am asking for major reforms which — who knows? — may eventually, in retrospect, be known as the "Major" reforms. Those reforms are long overdue and whoever on the Front Bench chooses to act in the way that I have suggested will, I believe, have universal support in the country, and will certainly enjoy mine.

6.2 pm

Mr. Robert Maclennan (Caithness and Sutherland): I, too, pay tribute to the two notable maiden speeches that have graced the debate. The hon. Member for Daventry (Mr. Boswell), whom I am glad to see out of the dangerous environment of the Ministry of Agriculture, Fisheries and Food and into the open on the Conservative Benches, may well provide quarry in the future. I was interested to hear his reminiscences about his home in Aynho, which is indeed a beautiful place. I attended a splendid ball there some 30 years ago, which gave me ideas above my station. The hon. Member for Cardiff, West (Mr. Morgan) was living proof of the virtues of bilingualism. The eloquence of his remarks today no doubt presages the Welsh eloquence on the problems of our divided nation to be brought to bear by him as it was by his predecessors.

It was interesting that both maiden speeches gave expression to the underlying theme of uneasiness in the debate. Both spoke of the interdependence of communities, the hon. Member for Daventry in relation to country and city and the hon. Member for Cardiff, West in relation to services and manufacturing. I believe that that division in our country has been the penumbra of the debate. The Minister, whose first appearance at the Dispatch Box as Chief Secretary we greatly welcome, did not refer to it, but it was mentioned by a distinguished former Financial Secretary, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon).

Most notably, it was mentioned in the remarkable speech of the right hon. and learned Member for Richmond, Yorks (Mr. Brittan) which began to show how a large majority may provide more effective opposition to the Government from the Conservative Back Benches than from the Labour Benches. The right hon. and learned Gentleman spoke of the divisions in this country and the need to consider proposals such as the granting of national insurance contribution relief to employers in particularly disadvantaged areas. That proposal enjoys the support of the alliance parties and was, indeed, advocated in our election manifesto.

It would be gracious to follow the Chief Scretary's remarks by welcoming the significant retreat that he and his colleagues have made from the position that they took up before the election with regard to life assurance companies' chargeable gains. The original proposal would most adversely have affected those who had taken out life assurance "with profits" by raising the rate of tax from 30 per cent. to 35 per cent. The alliance made its strong opposition to that proposal plain when it was first suggested.

I cannot, however, welcome the particular arrangements for the treatment of chargeable gains by companies, which in future are to be taxed as income. Hitherto, whatever their size, companies have always paid corporation tax on chargeable gains at an effective rate of 30 per cent. The Chancellor sought to present his proposals as being of benefit to small companies, but I regret that that is not entirely so. Although the rate payable on the first £100,000 of income would be reduced to 27 per cent., the effect of making chargeable gains chargeable as income could push many small and medium-

[Mr. Robert Maclennan]

sized companies across the line into the £100,000 to £500,000 income band, thus raising the tax rate on their capital gains from 30 per cent. to 37 per cent. That would be a serious blow to many companies which could be regarded as small, and we shall wish to consider amendments to the proposal in Committee.

Although a number of the proposals were adumbrated previously, it seems remarkable that the Committee stage should be brought forward to take place as soon as next week. I doubt whether that will give the House the full opportunity that it would wish for consultation with interested bodies outside about the specific impact of some of the extremely important and detailed provisions.

I shall not linger on the provisions proposing changes in the arrangements for the taxation of private pension schemes. The proposals are designed to encourage employees to build up their own portable pension plans and they are broadly welcomed. I believe that they will help to remove a possible bar to mobility in employment, which the alliance parties regard as essential to the achievement of economic growth and a competitive industrial position.

The new Labour party spokesman, the hon. Member for Dagenham (Mr. Gould), made a number of criticisms about the impact of the proposals on occupational pension schemes. As he did not substantiate those criticisms at all, his heavy breathing on the subject requires careful examination. I thought that it was negativism for its own sake. The Government have made a useful move in this area and, in view of the amendment to schedule 3 announced by the Minister today to allow free-standing portable pension arrangements to be used to produce tax-free lump sums as well as income on retirement, the provisions seem likely to encourage employees to use additional voluntary contributions to create their own private portable top-up pension arrangements rather than locking themselves still further into an employer's pension scheme. There is much to be said for that.

I want to consider the inheritance tax provisions in the Bill. The Government proposed a noteworthy change in the arrangements introduced only last year when they almost completely abolished the taxation of all significant lifetime transfers of wealth. However, there was an important exception to that abolition in 1986. That provided that lifetime transfers into trusts with an interest in possession remained liable to inheritance tax, as indeed did movements of property out of such trusts. The Bill proposes the removal of that exception. The change was not defended in the Budget debate on any general grounds. It was merely defended on the specific ground that it would assist small businesses.

Had that really been the Government's intention, there were more obvious and direct ways in which that objective could have been achieved. The Government could, for example, have further increased the scope and extent of business property relief. In fact, the consequence of the relaxation of the trust rules in the Finance Bill could equally easily facilitate the handing down of assets that are unconnected with small businesses, including cash, quoted shares and real estate. The general relaxation of the trust rules sharpens the impression that inheritance tax is now virtually a voluntary tax. As the proposals are not targeted to give relief to small businesses, they are scarcely justifiable on the ground that they may, in a limited number of cases, have that effect.

The Bill raises a matter of principle which perhaps even the Chancellor will recognise offends against the accepted practice in respect of retrospective legislation. There are two separate cases in the Bill where amending legislation is proposed to prevent retrospectively any other taxpayer from benefiting from decisions against the Inland Revenue taken on appeal. I understand that that is a completely new practice. While occasionally in the past uncertainties that could give rise to loopholes have been dealt with retrospectively, it does not seem previously to have been the practice to legislate retrospectively against the decisions of the High Court or the commissioners on tax matters in this way.

As recently as July 1986, the Treasury published the so-called "Taxpayers' Charter" which, inter alia, assures the taxpayer:

> "You will be treated in the same way as other taxpayers in similar circumstances."

The cases covered by clauses 62 and 80 of this Bill seem to infringe that "Taxpayers' Charter". I give notice that we will want to consider in Committee both those examples of unacceptable and inequitable restrospective legislation.

I want now to discuss what the alliance parties undoubtedly regard as by far the most significant proposals in the Finance Bill — the arrangements designed to encourage profit-related pay. The alliance parties—and perhaps especially the Liberal party—can fairly claim to be the progenitors of the developments in Government thinking. We have long advocated profit-sharing and profit-related pay, both as an important means of seeking to ensure the identification of those who work in particular companies with their corporate objectives, and in spreading the benefits of corporate success among all those who have contributed to it.

Announcing those proposals in his Budget speech and the succeeding Green Paper, the Chancellor used an additional argument for linking cash pay to profitability —that employers might feel less obliged to shed labour in a bad patch because pay costs would decline during such a period because of the profit-related mechanism. The Chief Secretary to the Treasury repeated that argument today. I find that a less compelling argument because, certainly in the short term, it will take some time to establish confidence that profit-related pay is not a means of operating a wage restraint policy. It would be a pity if companies failed to establish profit-related pay schemes because of such initial anxieties and the Government would do well to focus more on the profit-sharing and less on the loss-cushioning consequence of profit-related pay schemes.

I have two major criticisms of the Government's proposed schemes for introducing profit-related pay. First, the schemes produce no direct tax benefit to the employer. There is, for example, no employer national insurance contribution rebate on profit-related pay. It would be our intention to provide employers with such an incentive to set up administrative and negotiating machinery necessary to commence those schemes and to promote further their beneficial effects. The alliance parties believe that the Bill should provide for a rebate on employer national insurance contributions on the tax-qualifying profit-related pay.

As I understand it, the Government's proposal is that, provided certain conditions are satisfied, the employee can be exempted from income tax on half of profit-related pay to the point where profit-related pay is the lower of 20 per cent. of pay, or £3,000. In my view, we should offer an enhanced tax relief on the tax-qualifying profit-related pay element of total pay, which we believe would act as an incentive to employees to commit a higher proportion of their pay to profit-related pay.

Prior to the general election, the two parties of the alliance proposed a scale that would have given a greater than 50 per cent. income tax relief and reduction of the employer's national insurance contribution on tax-qualifying profit-related pay where that pay was over 10 per cent. Where it was over 15 per cent. of pay, we recommended total tax relief and total remission of the employer's NIC liability on the tax-qualifying PRP element. I believe that employers will be more willing to establish such schemes if we follow that route because it will provide an incentive to contain the growth of unit costs and, indeed, act as a catalyst to improve pay bargaining arrangements. It could lead to a virtuous circle, with the more efficient and profitable employers paying a great proportion of their pay costs through PRP and thereby obtaining the maximum percentage of employers' NIC benefit, thus again reducing their costs.

However, there is a further serious criticism of the Government's plans to which I must draw attention which could vitiate the effectiveness of even their limited proposals. Under the provisions of paragraphs 13 and 14 of schedule 1, it is required that at the commencement of the scheme there must be the prospect that, if profits remain unchanged, profit-related pay will amount to at least 5 per cent. of the total pay of participating employees. That provision could mean that in practice, to take advantage of a PRP scheme, an employer would have to pay out an additional 5 per cent. in total payroll costs. The employer would alternatively have to persuade his employees to accept a cut in their basic rate of pay, or, with inflation running at 5 per cent., to hold his labour costs steady by not increasing the basic rate of pay. That would appear to me to be unrealistic and to operate as a substantial disincentive to the adoption of PRP schemes.

It is our view that profit-related pay should become an increasingly important part of the remuneration of company employees and that, indeed, in time it will help to contain unit labour costs. However, if the project is to get off the ground, it requires more than token approval. Strong incentives to employers are needed, not the somewhat intangible benefits that the Chancellor appears to be proffering. None the less, if the Government approach the Committee stage in a constructive spirit—as we shall—we can look forward to a useful innovation with which the alliance parties will be very proud to be associated.

6.18 pm

Mr. Quentin Davies (Stamford and Spalding): It is with a curious mixture of pleasure and awe that I rise to speak for the first time in this Chamber. It has always been the greatest honour to be elected to this House. It is a special honour for me to have been elected by the electors of Stamford and Spalding in south Lincolnshire and to have been sent here to succeed Sir Kenneth Lewis.

Sir Kenneth Lewis was a Member of this House for nearly 30 years and was, I believe, much loved and respected here. I would be intensely surprised to learn that he had a single enemy in this House. Certainly in south Lincolnshire and in Rutland—which he also represented for so many years—he has only friends and admirers.

Sir Kenneth Lewis now enjoys a position of great distinction in my part of the country. That reputation is based on three things. The first is the tremendous dedication and ability with which he defended the interests of his constituency down all those years. I lost count long before the election of the number of people and businesses I encountered whom he had assisted, often very decisively. Secondly, he gained a reputation, not merely locally but I know also with the national press for exceptionally astute and sound political judgment. The third reason is perhaps the most important of all. Throughout his long political career, he always faced every issue with the utmost honesty and straightforwardness. He was always, above all, his own man. Everyone always knew where they stood with him. It has been a great advantage for me to stand for Parliament in a constituency where the reputation of the profession of politics stands so high, thanks to the work and example of Sir Kenneth Lewis.

I hope that I may be forgiven for making a few remarks about my constituency, which, in my view, is insufficiently well known. Very few of those who speed up the A1 to the north of England or to Scotland realise that in bypassing Stamford, only a mile away, they are bypassing what Pevsner describes as one of the loveliest and I describe unhesitatingly as the loveliest, stone town in England. Stamford is an ancient town. It had a college long before the university of Cambridge was founded, and it maintains its fine educational institutions and traditions to this day.

Stamford lies in the midst of the rolling uplands of south Lincolnshire. The eastern part of my constituency, which covers a large part of the Fens, has as its natural centre and capital the town of Spalding. Spalding is also an ancient town, also lying on the banks of the Welland, boasting in the Gentlemen's Society the oldest literary and scientific society in the kingdom. But Spalding has also become known, first nationally and now internationally, as the capital of the bulb-growing industry in this country. Its flower festival and tulip parade are now known across the globe.

I have said that too many people bypass my constituency. I am glad to say, however, that we have not been bypassed by the years of Conservative prosperity. Businesses are booming; unemployment, although still far too high, is now in single figures and continues, most encouragingly, to fall. The major employer is agriculture. Agriculture is an industry that I believe is second to none in this country in its record of efficiency, productivity and technical improvement. The trouble with success, however, is that it is too easily taken for granted. Worse still, those essential foundations of success—the risk-taking, the investment and the hard work—can too easily be taken for granted, neglected and allowed to decline.

Agriculture has served this country exceedingly well. Indeed, I believe that no industry deserves better of this country. And no industry, if it were undermined through the deliberate erosion of the framework within which it has prospered, would bring in the train of that decline more damaging consequences for employment, for our balance of payments and for our national prosperity. I may well seek to address the House on that subject again later in the Session.

[Mr. Quentin Davies]

I would not have you think, Mr. Deputy Speaker, that Stamford and Spalding is a purely agricultural area. On the contrary, the prosperity to which I have referred is based on a wide diversification between different sectors of economic activity. We have in Stamford the leading diesel manufacturers in the country. The great plants of Mirlees, Blackstone, Newage and smaller specialised diesel companies such as Tempest Diesels, send their diesel engines to the far corners of the earth. Elsewhere in the constituency, we have successful young electronics companies such as Park Air Electronics and Autocast. We have in Bourne a very successful printing industry represented by Tudor Labels and Warners. Spalding is, or should be, the natural capital of our country's food industry. British Sugar and Smedleys have large plants there. But two great British food manufacturers are inextricably linked with the name of the town of Spalding: Geest, and George Adams, famous producers of Lincolnshire pork pies and meat products.

I have already referred to our prosperity. Indeed, we have begun to encounter some of the problems of success. One of them is a lack of certain essential skills in some of our industries. In recent months, businesses in my constituency have found it impossible to find electronics apprentices, skilled printers or skilled bricklayers. The same applies to a host of trades associated with computers and information technology. Nevertheless, the overall level of unemployment is still too high. That is the tragic paradox that we face, not only in south Lincolnshire, but throughout the country.

At the last general election, there was an overwhelming consensus between all political parties that the further reduction of unemployment was the necessary first task facing the new Government after election day. There was no dispute between the parties on the overwhelming importance of that task; the dispute was merely about the most effective means of grappling with it. The electorate had to choose which party it believed was most likely to be able to do that. It places a great responsibility on my party—a responsibility that I personally welcome—to make it clear that that confidence was not misplaced.

Anyone who looks at the money supply figures or the balance of payments figures will be immediately convinced that, whatever causes us a continuing too high level of unemployment, it is not macro-economic demand deficiency. I am well aware of the methodological difficulties involved in deriving the monetary aggregates and in interpreting them. Rather less work has recently been put into examining the balance of payments as an effective measure of the balance of demand. Indeed, there are traps in doing so, not least the fact that sales of services are aggregated with investment income from abroad in the invisible part of the statistics.

Nevertheless, however we look at any of those statistics, we come to the same conclusion: it is not macro-economic demand deficiency, but supply side deficiencies from which we suffer. They are many, they are various and they are certainly too numerous and too extensive. There is the obstacle to geographical mobility posed by the council house waiting list system and the effective absence of a private rented sector. I am delighted and greatly encouraged that the Government have made it clear that they will tackle that problem in the present Session.

There is the further problem of continuing restrictive practices and artificial obstacles to the growth of productivity. Again, that is a matter we intend to tackle in this Session, and I thank heaven for it. There is the more delicate problem of the employment trap for those currently living on benefit. The Government, with great courage, have decided to face the problem in the current Session at least so far as those in the 16 to 18-year-old bracket are concerned.

There are the supply side deficiencies created by the failings of our education system; the fact that we do not always turn out people with the skills required by the businesses that are there to employ them. That is a major problem and, again, I thank heaven that the Government will tackle that in this Session.

Beyond that, there is the equally important, or even more important, matter of continuing in-work industrial training. There was nothing about that in the Gracious Speech, but I believe that during this coming Parliament it will be essential that British industry resolve to spend more time and more resources on it, and to give greater priority to that essential aspect of our relative continuing industrial weakness. Even against the background of encouraging prosperity, none of us would wish to take anything for granted or wish to cease to grapple with what deficiencies remain.

However, when one looks at employment, there is one fundamental matter one cannot avoid facing. I have always believed — I would have thought that it was perhaps the most non-controversial and elementary statement that I could make on the subject in the House — that employment, or the demand for labour, was a negative function of the cost of labour. Had I not heard, with more than some astonishment, the remarks of the hon. Member for Dagenham (Mr. Gould), I would never have dreamt of inflicting on the House such a gratuitous platitude. I do so now, not because I have the slightest intention of taking issue with him—it would hardly be appropriate to do so in my maiden speech—but because I am convinced that, on reflection, he will agree with me.

I believe that in every corner of the House there will be agreement with the proposition that firms continue to recuit and employ as long as the value of the marginal output of labour is greater than the cost of that labour. It follows that a sure way of increasing employment is to reduce the real product wage, either by increasing productivity or by decreasing wages themselves. The fact that productivity is favourable to employment should not surprise anyone. That is why, in those countries which have consistently had the fastest rates of growth of productivity—Japan, the Federal Republic of Germany and Switzerland — there has also consistently been the highest level of employment. That is why, at a time when we have had unprecedented rates of growth in productivity in this country, we have, since the 1983 election, enjoyed an unprecedented growth of employment.

I believe that my remarks about productivity will be entirely non-controversial. I am certainly not going to make the controversial suggestion that we should be reducing wages—not, however, merely because I do not wish to be controversial, but because I would not dream of supporting such a proposal. Any such proposal would create an outcry, not merely in the House, but throughout the country, which would be thoroughly understandable.

But if a way could be devised of gaining the benefits for employment that would flow from a reduction in wages,

while avoiding the obvious disadvantages of such a move, I believe that the House would be sincerely, profoundly and permanently grateful to the begetter of such a concept. And that is precisely what has been achieved in the proposals on profit-related pay in the Finance Bill, so ably moved by my right hon. Friend the Chief Secretary.

Much has been said this afternoon about the advantages of profit-related pay. I agree with all that has been said on the subject. Of course, an important advantage that will flow from it is further to identify the interests of the work force and staff with the success of the firm for which they work. Of course, an advantage will be that profit-related pay is likely to reduce the extent of any fall in unemployment in a new recession. However, I profoundly hope that no recession is in sight, and that that advantage will therefore remain purely academic for a long time. But the most decisive advantage of profit-related pay is that, all other things being equal, it will lead to the generation of new jobs and to an increase in employment. It will do so for the simple, technical but utterly compelling reason that the profit-related element in pay will henceforth be regarded by firms not as a part of fixed costs, but as a part of their variable costs, even in the shortest term, and that it is the lower, fixed, level of cost on which firms will base their recruitment decisions.

It is a convention in the House, to which I wish to subscribe, to remain entirely non-controversial in my remarks this afternoon. Given the consensus to which I have already referred on the overwhelming importance to our country of further reducing unemployment and making sure that that favourable process continues in the years ahead, I believe that a measure that is so obviously and directly designed to achieve that end cannot but enjoy the overwhelming and enthusiastic support of all parties in the House.

6.38 pm

Mr. Calum A. Macdonald (Western Isles): I am obliged for the opportunity to make my maiden speech. I understand that it is in order for one maiden to compliment and congratulate another, and I am happy to do so.

The speech of the hon. Member for Stamford and Spalding (Mr. Davies) was able and eloquent, but I am sure that he will not be surprised to hear that I disagree with some of what he said towards the end, particularly his remarks about the relationship of unemployment to the cost of labour. It reminded me of a theory that I have heard from Conservative Members from time to time. It can be distilled as the thought that the poor are not working because they are paid too much, and the rich are not working because they are paid too little. I have always thought that that was a curious theory. In fact, it struck me as more of an excuse than a theory. I learned a great deal about the constituency of Stamford and Spalding and I hope that, by the end of my speech, the hon. Gentleman will have learnt something about the problems in my constituency.

I shall begin by paying tribute to my predecessor, Donald Stewart, who represented the Western Isles for 17 years. In that time, he grew to be well loved by his constituents and I think that I am right in saying that he was well liked and greatly respected in the House. Donald was an honest, dignified and faithful servant of the Western Isles and it is a great honour to succeed him.

Mine is a unique constituency, for many reasons. Not least is the fact that the first language of the majority of my constituents is not English, but Gaelic, which the English curiously pronounce as "Gaylic". It also happens to be the oldest living language in Scotland. My constituents hope that this Parliament will help to give Gaelic the recognition and the status that it deserves. With the permission of the House, I would like to express that same hope of my constituents in their own language. Tha mi'n dochas anns an bliadhnaichean a tha tighinn gum bi a' Pharlamaid seo na caraid don Ghaidhlig agus gum cuidich i ann a bhith ga neartachadh agus go gleidheadh. I thank the House for its indulgence.

Today we are discussing the Finance Bill. There are many aspects under its umbrella that we could discuss. Most obvious, perhaps, are the effects of public expenditure cuts in the Islands over the past few years, and the way that the local authority has been forced to cut services because of the lack of money from central Government, as well as the effect on social services, the maintenance of roads, as so on. I would like to talk about three examples of taxation policy – taken in its most general sense – affecting my constituents which they hold, and I agree with them, to be oppressive and iniquitous in their operation. I hope that, by the end of my speech, hon. Members, particularly Government Members, will have some understanding of why I used those adjectives.

The first taxation policy I want to talk about concerns crofters. Crofting, along with fishing and the manufacture of Harris tweed, form the traditional economic backbone of the Outer Hebrides. The success of crofting is that it keeps people on the land. It does not provide a high cash income but it does allow people to supply food, fuel and shelter for themselves. Perhaps more than that, it allows the dignity of labour, without which communities can become disheartened and demoralised, something sadly seen throughout the country today. Crofting encourages and helps people to stay on the land. Indeed, parts of my constituency are among the most heavily populated rural areas in Europe.

Crofters complain of two taxes. First is the poll tax. It is not directly germane to the Bill, so I will just say about it that it threatens a severe blow to the crofting communities. When the Bill to introduce the poll tax in England and Wales is defeated in the House with the help of the more rational and independent minded Government Members, I hope that its defeat will be quickly followed by the abolition of the poll tax legislation for Scotland.

A subject that I particularly want to raise in relation to crofting is not a tax as such but rather a tax allowance. I refer to the inequity of the present system of tax allowances for private forestry. At present, tax incentives and grants to private forestry cost the Exchequer some £10 million a year. It is certainly not the crofters who benefit from this massive expenditure of public finance. The public subsidy to encourage the planting of trees is available only to higher rate taxpayers. There are precious few crofters among them. What is the economic gain to the nation from this vast public subsidy? Precious little, if we are to believe the report of the National Audit Office presented to the House on 4 December last year. There is no economic gain, but there is a great deal of environmental loss.

Crofters are discriminated against in their efforts to plant and grow trees – efforts that are much more

[Mr. Calum A. Macdonald]

environmentally sensitive and much more agriculturally useful. As the law stands at present, any trees planted by a crofter on his own croft belong not to him or to her, but the landlord. This difference in treatment between rich tax dodgers—people resident in the south of England—and ordinary crofters living on the land, is clearly unfair and unjust, and demands correction. Ultimately, the solution must involve changes in land ownership in the Highlands and Islands, but in the meantime it would be good to have a change in the law to give crofters ownership of the trees they plant on their own land and a change in the present system of tax allowances away from subsidising tax-dodgers towards helping crofters and other hill farmers.

I am delighted to find that I have the support of a newly appointed Member of the Government Front Bench, the hon. Member for Stirling (Mr. Forsyth), who is now the Under-Secretary of State for Scotland. He said in this place last January about the present system of tax allowances:

"The effect is to exclude local people from the business of planting trees and to bring in a new generation and class of absentee landlords, consisting of pop stars, snooker players and others who are anxious to convert high marginal tax income into a tax-free capital gain."—[*Official Report*, 26 January 1987; Vol. 109, c. 157.]

I hope that the hon. Member will stick to his guns in his new responsibility as Under-Secretary, but I see that the responsibilities for agriculture and forestry have been curiously divided. The Under-Secretary has been denied responsibility for forestry, which would naturally complement his responsibility for agriculture, and that seems to bode ill.

I want to look next at an unfair and iniquitous levy about to be imposed upon my constituents who work in the fishing and fish processing industries. In February of this year, the then Secretary for Transport announced his intention to lay an order before Parliament to increase light dues by almost 14 per cent. and to extend its application to fishing vessels over a certain minimum size. People have complained for years about the heavy burden that light dues impose on merchant ships. No other European country save Greece and Ireland imposes a similar burden. The Government's answer to the problem is to place the burden on the shoulders of fishermen. The Government's order is economically foolish and unjust. It is economically foolish because it places our merchant ships and fishing vessels at a disadvantage compared to those of our competitors. It is unjust because those light dues are not to be levied upon pleasure craft, yachts or the Royal Navy, which equally use those services. The Leader of the Opposition has prayed against the order and I hope that we shall have a chance to debate it at a later date.

Yet another unjust and intolerable levy upon hard work and enterprise in my constituency, about to be imposed by the Crown Estates Commission, will affect fish farmers in the Highlands and Islands. Crofting and fishing are traditional staples in my constituency. Fish farming is a highly promising sunrise industry. It has produced over 1,000 primary jobs in the Islands and the anticipated production next year will be worth some £100 million. Shellfish farming has also been developed, with similar prospects. This resource, valuable both in terms of employment and cash income, needs to be developed and managed so that people living and working in the Highlands and Islands benefit from it.

It is an outrage that total control over fish and shellfish farming should reside with the Crown Estates Commission—a secretive, unelected quango of financiers and estate owners who have no local contacts, no local knowledge and who are not accountable to the communities they affect. It is even more outrageous that the Commission should abuse that power to impose a levy upon the local people who built up the industry through their hard work, initiative and enterprise. The Commission plays, and has played, no constructive role in the development of the industry. It adds and contributes nothing. It produces nothing. It is simply a parasite upon the sweat and toil of my constituents and the constituents of other Members in the Highlands and Islands. My constituents demand an end to the situation. We want the right to control our own natural resources. I hope again that we will have an opportunity to debate this at a later stage.

I have described three taxes or levies that the Government have done nothing to correct and that the Finance Bill does nothing to correct which are unjust, unfair, and, most strikingly, place a severe burden upon the hard-working and enterprising people of my constituency.

I think that these three examples help to give the lie to the Government's claim that they are in business to help ordinary, enterprising, working people. They expose that claim as the humbug that it largely is. My constituents want only to make a decent, honest living. They want to work hard and make a go of it. The Government oppose these aspirations. The Opposition support them. I plead for a change of mind on the Government's part, but I know in reality that that is futile. My right hon. and hon. Friends and I can only hope for a change of Government.

6.50 pm

Mr. David Howell (Guildford): I join my hon. Friends in congratulating the maiden speakers whom we have heard this afternoon. My hon. Friend the Member for Daventry (Mr. Boswell) worked closely with me in the 1970s in laying the foundation for the wider ownership policies that are now at the centre of the Government's strategy. His skill in blending knowledge of agriculture, the rural economy and finance will be severely tested and much needed in the coming months of debate.

The hon. Member for Cardiff, West (Mr. Morgan) made an excellent maiden speech. I am grateful to him for mentioning his predecessor, Stefan Terlezki, who was certainly an adornment to the House and someone whom we all admired. I hope that we shall see him back in this place before very long.

My hon. Friend the Member for Stamford and Spalding (Mr. Davies) made a thoroughly eloquent and excellent speech in which he paid a great tribute to Sir Kenneth Lewis. In my rather patchy parliamentary career, my first dramatic promotion was when Ken Lewis recruited me almost on the first day that I came to the House into the parliamentary bowls team, which was due to play a match at Hurlingham. We lost, mainly because I had never played bowls before. I have never played bowls since.

We have heard also from the hon. Member for Western Isles (Mr. Macdonald), who represents a marvellous and beautiful part of our kingdom. He made a clear and eloquent plea on behalf of his constituents. The feature that has been puzzling me since the general election is the speed with which the votes were counted and announced

in the hon. Gentleman's constituency on the night of the election. We know about getting results announced quickly down in the south-east, and I shall have to find out from the hon. Gentleman later how the result was arrived at and declared so quickly in the Western Isles.

I read in the newspapers the other day that the hon. Member for Dagenham (Mr. Gould), who spoke from the Opposition Front Bench, was determined to introduce into the Labour party "voter-friendly policies" and it seems that he has made a not very happy start in this new endeavour. Within the heart of the Bill are two policies that are extremely friendly to the voter and extremely popular. There is the policy of employee involvement in the profits and success of a firm which is becoming immensely popular, and the policy to promote wider personal and direct ownership of shares and assets through the development of personal pension schemes, which is also becoming extremely popular policies. It is a pity that the hon. Member for Dagenham was not able to give even a glance of approbation or encouragement to these policies.

The scene became more ominous when the hon. Member for Dagenham seemed to be falling straight into the fallacy of regarding the United Kingdom economy as a single plannable unit, and muddling throughout his speech the concept of a national economy with that of the Government budget. That is a mistake that has been made by every Labour Government since the war, with disastrous results. I urge the hon. Gentleman to get his thinking straight on the nature of our economy and the difference between the economy and the Government's finances. He must do so at an early stage, or there will be considerable difficulties that perhaps will be as great as those by which his predecessor, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) was finally overcome.

I wish to refer briefly to the two jewels in the Bill, of profit-related pay and the proposal to move to a concept of two-tier pay, and the more direct link with wider personal ownership in the form of the personal pension scheme proposals.

The idea of profit-related pay had a rather bad start in the public debate a year or so ago, when Mr. Martin Weitzman began to air his ideas in public and some of us had the chance to discuss them with him. It is important to emphasise that profit-related pay is not the answer to unemployment. It may not even be what Mr. Weitzman was claiming, a scheme to change the nature of the wage bargain. It is not that; nor is it a substitute for wage cuts. I agreed with those on both sides of the House who warned against seeing the idea of two-tier pay and an additional tier of pay being related to profits as a substitute for wage cuts. I feel strongly that the idea will develop and grow strongly over several years, but that will happen only if it is seen as an addition to existing levels of wage remuneration for the future. Let employers who wish over future years to add to the total remuneration package do so by introducing the additional bonus tier. If they do so they will find that there is no resistance to the concept. Indeed, I believe that it will be welcomed by trade union negotiators and by employees generally.

The bonus system has been adopted in Japan, and on the whole it works rather well. That is why almost all employees in Japan nowadays are involved in a system that provides bonuses of up to about 25 per cent. after 10 or 15 years of employment. As my hon. Friend the Member for Stamford and Spalding rightly said, this acts as a shock absorber when there is a downturn or minor recession. That is the approach that should be used in promoting profit-related pay and in building on the tax incentives that are proposed in the Bill. Bonuses should be seen as an additional incentive for future wage increments and not as a cover for wage cuts.

I greatly welcome the important development of personal pension schemes. For some years, there has been a vast movement towards individual ownership. The need for it was recognised a decade ago, and we have built on that steadily ever since. Pensions cannot be immune from the trend towards personal and individual ownership. The relevant clauses will extend to all employees the benefits that have been available to some limited extent to the self-employed through personal pension plans. They will not create an immediate and direct sense of share ownership, but there will be a less indirect sense of ownership than that which prevails in the normal personal occupation scheme, where the future pension beneficiary does not have a clue what assets are being held in his name for his future pension. A valuable start has been made, but it is not nearly enough.

We have more shareholders in Britain now, but, as the stock exchange said recently, 51 per cent. of all shareholders hold shares in only one firm per person. That is not the basis of a deep-rooted shareholding democracy. I am not enamoured either of the idea that shareholding democracies should be built on shareholdings in large public monopolies that have been turned into privatised monopolies. That is not a sound long-term basis for spreading share ownership. To adopt another negative note, I do not feel that the personal equity plans that were proposed by my right hon. Friend the Chancellor of the Exchequer in a previous Budget even scratch the surface of what is needed. As I predicted at the time, they have not been a huge success. I do not think that they begin to rise to the level of what is required.

We must think seriously of the Loi Monory, which was introduced in France in 1978. It offers a front-end tax relief to investment in shares to millions of investors and workers. It has brought millions of French people into the shareholding democracy and has been a great success. Similar schemes have existed for a long time in Belgium, Germany and Sweden. The Swedish scheme has had the effect of making one sixth of the population into investors. In the United States, individual retirement accounts still receive a heavy incentive. That has not been removed by the current tax reforms, which have run into some difficulty. Indeed, the incentive has been strengthened. Such schemes exist around the world. We do not yet have a pattern similar to them, except in the sense, obviously, that pension contributions are completely tax-free.

Those are the areas in which we must go much further. The long-term aim must be to raise the level of personal savings so that we are no longer a society that relies on forced Government savings or on institutional savings alone. We must raise the ratio of personal savings. We must press on with the strategy of creating an economic democracy. If we are to put the theme of wider ownership at the centre of the Government's policies, we must show how it links with and helps to solve the problems of cities and city regions and unemployment in areas in which social problems are worse and must be cured. Those tasks lie immediately ahead. The Finance Bill is a good, small start, but there is a great deal more to do.

7 pm

Mr. Austin Mitchell (Great Grimsby): I congratulate the numerous maiden speakers whom we have had the pleasure of hearing today. They will bring interest, variety and new capability to our debates. I look forward to hearing from them in future debates. The Finance Bill presents a useful occasion for hon. Members to make maiden speeches.

It is difficult to refer to the Bill, there is so little in it. It is possible to praise it with faint damns, as the right hon. Member for Guildford (Mr. Howell) has just done, but it is difficult to deal with it at length because it is a type of trim bin. It is as though a spare parts surgeon is now busily stitching all the organs that he left out at the last operation back into a body at a time when we need a new Finance Bill and a new Budget to deal with the country's economic problems after the election.

This Finance Bill does not move chairs around on the decks of the Titanic; it is so minute and unimportant that it resets the fish-knives on the tables of the Titanic. The Finance Bill should have dealt with the real problem of British manufacturing. It is a problem on which the economic survival of those of us who inhabit the real world in the parts of the country that make things and sell them to the rest of the world acutely depend. Under this Government, a disastrous blow has been given to British manufacturing capability, and that blow is still being suffered. The problem is still getting worse. Our share of world trade in manufacturing which was 9·1 per cent.—too low—in 1979, had fallen to 7·4 per cent. at the end of last year. Last year, our relative volume of exports to imports of finished manufactures, which in 1980 was near balance, was 71 per cent. of the 1980 figure. Imports of British finished manufactures are now 48 per cent. of manufacturing output. The comparable figure for West Germany is only 26 per cent., for France it is 28 per cent. and for the United States it is 10 per cent. That is the extent of the problem.

The Government have decimated much of our industrial base. In decimating it, we have shed 1·8 million manufacturing jobs, which is the basic cause of high unemployment. Our manufacturing output is still 5 per cent. less than it was in 1978 or 1979. Indeed, the frightening thing that is going on now was highlighted by my hon. Friend the Member for Dagenham (Mr. Gould). We are now seeing a net disinvestment in manufacturing. It is the first time that that has occurred in British industrial history.

In each of the past six years, British industry has invested less in fixed assets than the amount set aside for depreciation. In other words, net domestic manufacturing capital formation at 1980 prices, which, under Labour, was £1·4 billion in 1979—an all-time high—has been negative each year since 1981. Indeed, in the period 1974-79 under the Labour Government, United Kingdom manufacturing invested £140 for every £100 of depreciation, but in 1980-85, it invested only £85 for every £100 of depreciation. We are living on the seedcorn. Instead of investing, we are actually pulling out. In that sense, we are the world's first undeveloping country.

That is no way in which to build a future. It is no way to provide future growth, jobs, or survival in a world that is becoming tougher and more competitive. That is directly due to Government policies, particularly to high interest rates. Hence the value of sterling is higher than it should be. This produces the problems of manufacturing. The Government are building a world not for manufacturing to live in but for the Geoffrey Colliers to manipulate—not the colliers down in the pits, but the Colliers who do the insider dealing and the funny money manipulating.

That is the world that is being created by the Government. It is not a world of making things, providing jobs and selling things to the world. It contrasts totally with the rosy picture that the Government painted at the election. When it comes to the election figures, and economic figures particularly, that are put out by the Government, there are lies, damned lies and Tory statistics.

We now have a new situation in which the Civil Service—in many respects the best brains in the country—no longer advise on policy. That role has gone. The will is now coming down from the top. So the best brains in the country are being used to devise excuses for second-rate policies dictated by third-rate minds. In other words, we have awful policies and damned good excuses. We saw excuses manipulated at the election. We saw all the figures about the growth of the British economy compared with the economies of West Germany or Western Europe. The average growth figure for the eight years of the Government has been 1·4 per cent. a year. Over that period, it has been the lowest in the OECD, if one excludes oil and gas.

According to the May OECD economic indicators, our inflation rate is one of the highest in the OECD. Our unemployment level is one of the highest among the OECD, despite the Government's desperate fiddles. As for the Government's figures on productivity, they have given the same advice as I would have given to the Yorkshire county cricket club. That advice is, "If you have a problem with your batting average, shoot the last four batsmen and your batting average will go up marvellously." The Government say that productivity has gone up, but all they are saying is that they have closed more capacity than any other country in Europe.

That was prettied up for the election by something that the Government did not expect, did not want and constantly fought against, and that was the fall in the pound consequent upon the fall in oil prices. That fall was certainly not anticipated in the 1986 Budget forecast, but it meant that there was an economic revival, and it was supplemented by an enormous increase in the money supply, which continued through last year and the year before. As a result—the Finance Bill should cope with this—the Government now find themselves in a trap. It appears to any outside observer—Opposition Members must be outside observers in this respect—that we are pegging ourselves to the European monetary system. We are working in terms of between 2·80 and 3·00 deutschmarks to the pound. The rate now is 2·97; at the top of a range that is too high to be maintained anyway.

It seems to be the essence of Government policy to keep the pound as high as possible to keep inflation down. Certainly, that is what the Prime Minister means by "sound money". Pressure will be applied to keep the pound up in that fashion because of the improvement in oil prices. Now that is what is happening. The Government are killing the goose that laid the golden egg—the one that won them the election. The competitiveness that came from the fall in the pound consequent on the fall in oil prices is immediately being eroded. Indeed, it seems to be Government policy to erode it now.

Because our costs are increasing faster than those of our competitors, every day the Government try to keep the pound up or allow it to stay up means a worsening of the real exchange rate of the pound. It is now 10 per cent. worse than it was last October. That is the extent of the loss of competitiveness through the policy of keeping the pound up. In real terms, it is 30 per cent. worse than at the end of 1976, when the Labour Government promised the IMF that they would maintain the competitive position of British manufactures at home and abroad.

That is why we have had a succession of problems in the textile industry and in other basic industries. That is why the cries of alarm come not from the CBI, which in its desperate desire for knighthoods has been grovellingly sycophantic towards the Government, but from company reports that tell us about the problems that industry is facing. As the pound goes up, our competitiveness is eroded and the advantage that gave the Government their election victory disappears.

Disaster lies ahead with the American market. Nearly two thirds of the increase in exports—it has only been a 15 per cent. increase in manufactured goods since 1979 — has gone to the American market. How can we maintain that, with the dollar coming down and the pound going up? The Government should address themselves to that problem.

While the Government are trying to keep the pound up, the Bank of England does not want interest rates to come down. It accepts the need for the pound to come down, so why does it not want interest rates to come down? It is because we have already had a huge asset speculation and a huge inflation in asset prices—in houses, takeovers and companies. That helped the Government's election prospects, but the Bank of England understands that that asset inflation will be small beer compared with the kind of asset inflation that will ensue if interest rates come down. We are trapped between the Government and the Bank of England. Our frail canoe, the British economy, which the Chancellor has already greatly overloaded with the weight of his ideological prejudices, is now up an excremental creek, and the Chancellor has thrown away the paddle.

The Chancellor has put the economy in that state just when it is essential that we should begin the work of rebuilding and expanding if we are to face the horrendous crisis in the 1990s, when we will not have the oil revenues that have kept the Government afloat and allowed them to survive.

I propose two essential strategies to the Chancellor. First, he should not rely so massively on private credit creation but should use state credit creation, which is no more inflationary. In March alone, the real money supply, M3, increased by £6·8 billion — the cost of Labour's plans to bring down unemployment. If we allow that increase in the money supply and privately created credit, why should not the credit be created by the state and channelled by the state not into asset inflation, as the banks are channelling it, but into jobs, expansion and production—the things that make the economy go? We must use the state's power to create and control credit and channel that credit by differential deposit ratios so that it goes into important productive purposes and not into speculation. We need to create a differentiation between advances for speculative purposes by the banks and advances for investment by the banks.

My second piece of advice is that it is essential to go on with the process of expansion, which the fall in the pound created but which the Chancellor is now trying to stop, by getting the pound down even further. We need to do that massively, not just so that existing firms can make more profit but so that firms will be encouraged to expand into production and import substitution activities that we have pulled out of because the rise in the pound and the first years of this Government made them uncompetitive.

The Government have failed disastrously in their economic management. They won the election by the manipulation of the economy, by economic sleight of hand and by deliberate distortion of the economic truth. I hope that the Government will now attempt to live up to the myth that they have created. I hope that they will turn the myth of an expanding economy into a reality based on the expansion of manufacturing which provides the jobs, the surplus for growth and public spending and our ability to pay our way in the world as the oil runs out. That is their responsibility; it is not to fiddle with the fish knives on the Titanic as they are doing in this Finance Bill. If they do not accept that responsibility, we shall be doomed for the next four years to a half-cock economy, presided over by a 40 per cent. Government to lead us straight to the disaster of the 1990s.

7.15 pm

Mr. Tim Smith (Beaconsfield): I have listened with interest to Opposition Members' varying observations on the economic reasons for the Government's success at the last election. The hon. Member for Great Grimsby (Mr. Mitchell) told us that the reason was that they successfully deceived the British people. Some Opposition Members —notably the hon. Member for Oldham, Central and Royton (Mr. Lamond) immediately after the election— have been a good deal more realistic.

Those hon. Members have recognised that the Government have had considerable success in their management of the economy over the past eight years. Living standards are higher than they have ever been, output is higher and investment is increasing. The state of our balance of payments, so far from being in substantial deficit as many hon. Members, including the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), forecast before the election—although the hon. Member for Great Grimsby did not, of course — is far more encouraging than even the Treasury anticipated.

As always, I listened with interest to the hon. Member for Great Grimsby, hoping for enlightenment but, at the end of his speech, I did not feel that I had learnt a great deal, or, indeed, that the Labour party had learnt a great deal, from the election result. He seems still to want the Government to intervene in investment and direct people where to place their investments. Anyone in industry or commerce will tell him that there is no shortage of funds for attractive investment projects. Indeed, investment is increasing.

I referred earlier to the latest Department of Trade and Industry survey of investment intentions, which shows an 8 per cent. increase in investment in 1987. Total investment has risen year in, year out for the past six years, and I see no reason to suppose that that will change. Of course, it would have had to change had there been a Labour victory; investment intentions would have been very

[Mr. Tim Smith]

different. However, with another four years of economic stability ahead of us, we can look forward to a period of increasing investment and prosperity.

When the hon. Gentleman talked about awful policies, well presented, I thought that he was summarising the Labour party's election campaign, in which the substance was greatly deficient while most people recognise that the presentation was competently run. Perhaps that is why the hon. Member for Dagenham (Mr. Gould) has done so well in the shadow Cabinet elections, on which I congratulate him.

I welcome the Bill. It has been belittled by Opposition Members, who have described it as a rump of a Bill. Of course, it contains the remaining provisions of the Budget, but it also includes two important provisions which, taken together with all the Government's measures over the past eight years, go a long way to dealing with some of the supply side problems in our economy.

I very much hope that the proposals for profit-related pay will have the results that the Treasury desires. They are imaginative and innovative and I am encouraged to hear how many employers have already responded to them. It was right to increase the attraction of the scheme by increasing the proportion of pay which will be subject to a tax allowance. The proposals will bring together the two sides of industry. Employees and managers will have a common interest in the profitability of their company. I wish the scheme well when it gets under way next year.

Equally, the tax proposals for personal pensions are attractive. They will assist job mobility, and it is good news that money purchase pension schemes are coming back into fashion once again. For years, inflation was so high that they offered no attraction, and it was occupational pension schemes that people found attractive. Now people will have the choice, and they will have the benefit of an attractive tax regime. The important point is that they will be able to take their pensions with them when they change their jobs.

On those grounds alone, the Bill is welcome. I am glad, too, that my right hon. Friend the Chancellor has made some changes in a couple of the proposals in the first Finance Bill. There was concern about capital gains tax on life assurance policies and the fact that funds accruing to policyholders were to be taxed at the rate of 35 per cent. Some people felt that the Government were departing from their stated objective of fiscal neutrality in the treatment of savings. I hope that my right hon. Friend the Financial Secretary to the Treasury agrees that that is still the Government's objective—a level playing field. The present proposal comes closer to that objective. Of course, it is impossible to achieve that precisely in practice. As long as the much loved lump sum in occupational schemes remains, there will be major anomalies. But that is the right objective and that provision comes much closer to achieving it.

I was glad to hear that my right hon. Friend the Chancellor had been able to reach some accommodation with Lloyd's. It is difficult for an outsider—I am not a member of Lloyd's—to form a judgment on the right taxation regime. Lloyd's cries foul every time a change is proposed and tells us that, as a result, the attractions of membership will be so diminished that Lloyd's will be under threat. But I am glad that every year there are more members of Lloyd's because, without individual supporters and their capital, Lloyd's would be nowhere in the world insurance market. I am glad that we have a proposal that is acceptable to Lloyd's and that treats the reinsurance to close satisfactorily.

I have one complaint about the Bill. A substantial number of amendments to the Finance Act 1987, which passed through the House only a few weeks ago, have already been tabled. Had the normal procedure been followed, I suppose that a series of Government amendments on the oil taxation provisions would have been made to the original Bill in Committee and on Report and it would have been amended accordingly. We should be able to get provisions as complex as those on oil taxation right the first time, but there are four pages of amendments.

The Finance Act 1987 reduced the basic rate of income tax from 29 per cent. to 27 per cent. That legislation was debated at the appropriate time and since then the electorate has given its verdict. I believe that the reduction was popular with the average taxpayer and that he or she would like the basic rate to fall further. The hon. Member for Dagenham glossed over that when he talked at great length about Great Britain's economy in terms of Great Britain Ltd. and the attitude of prospective investors. Taking the hon. Gentleman's analogy further, every elector is an investor and every investor had an opportunity only a few weeks ago to pass a verdict on the performance of Great Britain Ltd. *[Interruption.]* I have no doubt that a substantial proportion of those who voted against the Labour party favoured cutting taxes.

The Government's commitment to a further reduction in the basic rate is welcome. It should be implemented when resources permit. I hope that Treasury Ministers will not miss the opportunity in next year's Budget to introduce major tax reform measures. There is a unique opportunity to do so. It is much easier to introduce those changes when resources are available to cushion the inevitable changes. Inevitably, with any kind of tax reform, there will be winners and losers. For a long time —perhaps too long—we have been debating the reform of personal taxation.

It is true that the response to last year's Green Paper was not as enthusiastic as the Treasury would have liked. My right hon. Friend the Financial Secretary referred to this during the Budget debate, saying that the Treasury had been unhappy with the quality of the response. I think that he said that the majority had favoured the Government's proposal for transferable allowances. The proposals by the Institute for Fiscal Studies, the Equal Opportunities Commission and so on, seem to favour the alternative of mandatory, independent taxation and increased child benefit. I hope that the Treasury will consider this matter with an open mind because it is important that we make progress. There is agreement that the present law, which states that the income of a married woman shall be deemed to be that of her husband, is out of date. We must remove sex discrimination from the system.

Mr. Butterfill: Does my hon. Friend agree that it is anomalous that the allowances for capital gains are not equal for man and wife but are aggregated to one single allowance?

Mr. Smith: We should introduce a comprehensive package which deals with the capital gains tax allowances

and investment income. We are moving to the stage when we need to consider treating each person as a separate unit for taxation purposes, regardless of whether that person is married. Many of my constituents are concerned that there is discrimination against marriage and feel that that is wrong. I hope that we shall deal with that aspect.

I realise that the issues are difficult and complex, but I think that next year's Budget will offer a unique opportunity to make progress and to do something about higher taxation rates. Partly because of a substantial reduction in the basic rate from 33 to 27 per cent., those rates are something of a mess, with rates of 27, 40, 45, 50, 55 and 60 per cent. I suggest that there is an opportunity to cut the top rate to a more sensible level in terms of international comparisons—perhaps to 50 per cent.—and at the same time considerably simplify the tax structure.

Yesterday I received an answer from my right hon. Friend the Financial Secretary. I had asked him the cost of taxing income above the standard rate at 35 per cent. for the first £10,000, at 45 per cent. for the next £10,000 and at 50 per cent. for the remainder. The answer was that it would cost £1·1 billion. On the face of it, that sounds like an enormous sum, but it needs to be put into perspective. The total yield from income tax this year is estimated to be £40 billion, so we are talking about just over 2·5 per cent. of the total yield to make a substantial reduction in the top rate. My right hon. Friend said:

"This estimate makes no allowance for possible changes in the behaviour of taxpayers."—[*Official Report*, 7 July 1987; Vol. 119, c. *84*.]

When we reduced the higher rates, the yield from the highest rate taxpayers rose because their behaviour changed. I believed that the net cost could be considerably lower than £1·1 billion.

I congratulate my hon. Friends the Members for Daventry (Mr. Boswell) and for Stamford and Spalding (Mr. Davies) on their excellent maiden speeches. I agree with my hon. Friend the Member for Stamford and Spalding that there is no shortage of money demand in the economy and that, if there are obstacles to growth, they are supply side obtacles. Of course, we must tackle the rigidities in the labour market and do more to improve labour mobility. My hon. Friend rightly referred to the urgent need to deregulate the Rent Acts. I am glad that that proposal was included in the Queen's Speech. Profit-related pay will go some way towards ironing out the differences and will perhaps introduce more flexibility in the labour market than changes in pay rates. In the long run, that will contribute to a further fall in unemployment.

I share the concern of my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) about regional disparities in unemployment which, he said are as important as the absolute level of unemployment. I hope that the Treasury will carefully consider his observations—first, that most of the Government's emphasis appears to have been focused on the inner cities, when clearly it is a wider regional problem, and, secondly, that there should be tax incentives to encourage employment in the regions.

The question is, how can we persuade an employer who wants to expand to go to the north? There is no shortage of employment opportunities in my constituency. Fortunately, we have a low rate of unemployment, but there is a substantial shortage of skills. Our area is prosperous, but what can we do to persuade an employer in my constituency who wants to expand that it is worth while opening a new factory in south Wales, the north of England or Scotland? We must introduce more incentives to make employers who want to expand move to the regions.

The Government already have several policies that can and will help in that respect. First, the uniform business rate will be a substantial incentive because it will result in a substantial reduction in rates in the inner cities. Enterprise zones have a similar effect as, to some extent, will the urban development corporations. Therefore, there will be attractions for private investment to move into those areas once the infrastructure has been improved. Indeed, our entire regional policy is designed to achieve the same objective.

I support tough planning policies in my constituency, not only because my constituents want me to do so but because we could allow every mile on the M25 to be covered with factories and warehouses but that would not be in the national interest. A tough planning policy also encourages prospective employers to move further north.

I hope that the Treasury will look with an open mind at the cost-effectiveness of these proposals, whether they involve more public spending or new tax breaks. When one considers the proposal put forward by my right and learned Friend the Member for Richmond, Yorks (Mr. Brittan), one realises that, like any new tax concession, there will be a windfall bonus to existing employers and employees. However, it should not be dismissed for that reason and instead should be given serious consideration.

My constituents are generally prosperous. They work hard and as a result enjoy a good standard of living. I am convinced that they want the same opportunities for people in other regions. Therefore, I support the Government's inner-city initiative, in which I hope that the Treasury will participate enthusiastically.

7.32 pm

Mr. Keith Bradley (Manchester, Withington): I thank you, Mr. Deputy Speaker, for calling me to make my maiden speech on the Finance Bill, because the Bill clearly continues to identify the Government's social, economic and financial policies. Those policies were overwhelmingly rejected at the general election by the people of Withington.

I should like to start by paying tribute to my predecessor in Withington, Fred Silvester, who represented the constituency for 13 years. Although we had obvious political differences, he served well those constituents who sought his advice and was always courteous to me when I appeared with him on a public platform.

The night of 11 June was historic for Manchester. I am grateful for the fact that I can record that historic event so soon in this Parliament. It was historic for two main reasons. First, I am proud to have been elected as the first Labour Member of Parliament for Withington, turning a Tory majority of nearly 3,000 into a Labour majority of 3,500. Secondly, I am pleased to report that Manchester is now represented only by Labour Members, some of whom are here tonight. Manchester is now a bastion of Socialism and radicalism. The great city has always been famous for that, but it is now exemplified by its representation in this House. Many people contributed to that success in Withington on 11 June and I should like to

[Mr. Keith Bradley]

take this opportunity to thank them all for their help in the election, and to thank especially my voluntary agent, Mr. Tom Grimshaw, for his support.

Manchester, Withington returned a Labour Member of Parliament because the people of Withington firmly rejected the social, economic and financial policies followed by the Tory Government during the past eight years and the policies that were put forward in their manifesto. Those policies divide the country between north and south, and rich and poor. The policies that are now put forward are geared to make the rich richer and to grind the poor into greater despair. The people of Withington voted instead for the policies that were clearly presented by the Labour party. Those policies were based on need and not greed, and were designed to give hope to our elderly people, our families, and above all our unemployed people.

I shall discuss those policies briefly, because the policies on which the people of Withington voted are a reflection of the economic policies which have been put forward in the Bill and which they rejected totally. My constituents want a properly funded National Health Service, which will be financed by an expension of public expenditure. They are appalled at headline after headline that identifies the crisis in our hospitals and in south Manchester. Such headlines identify the growing waiting lists and the number of wards that have been closed, the closure of our accident and emergency department at Withington hospital at weekends, and the threats to the cancer services at the Christie hospital. Only last week, newspaper headlines suggested that the famous Pat Seed centre at the Christie hospital was under threat because of a lack of resources. Only yesterday I discovered that the waiting list for essential laser cancer treatment at Withington hospital is four months. The people of Withington voted for proper health care when it is needed, and which is free at the point at which it is needed.

The people of Withington voted also for a properly funded comprehensive education service that is available for everyone at the point at which they want it. They did not vote for an education service that will clearly be based on selection and on the ability of parents to pay for essential books, equipment, music, sport or even school trips.

My constituents voted for an expansion of public investment in our housing in Withington. They want proper central Government funding to ensure that our council houses can be repaired and modernised, and our private housing renovated. The right to a decent home is a cornerstone of civilised society. The hundreds of people in Manchester who are homeless cry out for that right.

The people of Withington voted also for a decent level of pensions for our elderly people. Those people want to live in dignity and have a happy and healthy retirement. Many elderly people in my constituency cannot afford to clothe themselves or to buy essential food. Worst of all, they cannot afford to heat their homes during the winter months. They are fearful of the winter bills and are appalled at the miserly contribution that the Government have made to support them during the winter.

Above all, the 7,000 unemployed people in Withington voted against Tory policies that gave them no hope that they would ever get a job. They voted for a Labour party that is committed to real and skilled jobs that will give them hope for the future. They voted for the jobs that could be provided quickly in the Health Service in south Manchester, in our local authorities in Manchester and in the construction industry so that houses can be renovated to provide those decent homes for which, as I have already said, people are crying out. Instead, we are confronted with Mickey Mouse employment schemes, non-skilled labour and just another method of reducing the unemployment figures. However, even on the Government's figures, almost 7,000 people in Withington are waiting to receive a job.

The people of Withington voted against the tax cuts that are embodied in the Bill. They voted for an expansion of public services, provided by the local authority, to meet the needs of local people. They voted for the policies that would provide those services for our elderly people, families and children, for whom we should care. In Manchester the number of people living in poverty has risen dramatically since 1979. Nearly 50 per cent. of Manchester's population are now either dependent on supplementary benefit or have to live on wages that are below supplementary benefit levels. In other words, nearly half the people of Manchester are on or below the poverty line that has been officially set by the Government. Those people rely on the services provided by Manchester city council, but, since 1979, £1 million has been stolen from Manchester every week in the form of rate support grant or subsidy — money that would have been used to alleviate the grinding poverty in our city and to provide essential jobs such as home helps to care for our elderly and nursery teachers to look after our children.

As soon as I was elected on 11 June, I wrote to the Prime Minister suggesting that she take notice of the result in Withington and recognise the needs of the Withington people when whe was compiling the Queen's Speech. That approach was ignored, but I have a mandate to fight against all the legislation that will be introduced by the Government. I have a mandate from the people of Withington, because they did not vote for the Government's legislation. The people of Manchester did not vote for it, and eventually the people of this country will not vote for it.

7.40 pm

Mr. John Butterfill (Bournemouth, West): Those of us who served on the Committee that considered the Finance Bill before the general election are familiar with much of this Bill. We very much welcome the Government's efforts to introduce profit-related pay, because we believe that it will do much to provide incentives for workers in British industry. There is no doubt that the most successful companies in the British economy are those which, by and large, encourage their employees to participate in their profits.

Mr. Robert Litherland (Manchester, Central): It is the normal courtesy of the House to refer to an hon. Member who has just made a maiden speech. I hope that the hon. Gentleman will observe that tradition — or is this an example of Tory ignorance?

Mr. Butterfill: I was going to come to that during my speech, and I am grateful to the hon. Gentleman for reminding me of it. I have already congratulated hon. Members on their maiden speeches several times this Session, and I shall now do the same for the hon. Member for Manchester, Withington (Mr. Bradley).

The hon. Gentleman made a most articulate speech which promises a great future for him in the House. There is no doubt of his compassion and the intense feelings that he has for his constituents. We all understand the problems in the city of Manchester and, therefore, the intensity of the hon. Gentleman's feelings, although we may disagree with him about how those problems can be solved. I am sure that he will serve his constituents well, and we look forward to more contributions from him in the House.

It is a great tribute to the Government that, with personal pensions schemes, they are introducing a measure which will lead to mobility of labour. The ability to move from one job to another is becoming increasingly important at a time when people are having several different careers – different in terms of what they do and in terms of where they work. Several hon. Members have mentioned the difficulty of moving from the north to the south of England. There is no doubt that those difficulties are severe, but they are not entirely attributable to some of the reasons that were given. One of the principal difficulties is house prices. That is probably the major obstacle to mobility of labour.

But for those who are in work in the north the problem is not so much that they cannot afford to buy a house in the south, but that they cannot afford to accept the reduction in their standard of living that that would involve. There is not an enormous difference between rates of pay in the north and those in the south, although there is a London weighting allowance for those who live in London, and a handful of people who earn telephone numbers in the City. The great difference is in surplus expendable income. The profit figures for companies that sell consumer durable goods show that they sell considerably more in the north than they do in the south. That reflects the difference in surplus expendable income, and it goes some way to explaining why people are reluctant to move to the south of England. That is not necessarily a bad thing, because it may encourage employers to establish themselves in the north.

I was especially pleased to see clause 75. Many insurance companies have established themselves as major employers in my constituency and they have been valuable in creating an alternative economic base for a constituency which, historically, has been established on tourism. That has caused some problems because it is a seasonal industry, so we are grateful to have an alternative economic base for the town. To name but a few, Abbey Life, Ambassador Life, Gresham Life, National Mutual of Australasia, the Frizzell Group and Mutual International of Omaha have moved to Bournemouth and Poole and will be grateful for the changes that have been made to clause 75. I have always thought that it was anomalous that we should tax policyholders at the same rate as would be attributable to shareholders. That would not have been equitable, especially when we were taxing capital gains in a way that would have been retrospective in its effect on policyholders. I am grateful to my right hon. and hon. Friends for heeding the representations made by many of us in that regard.

I am also grateful for the changes that have been made in clause 70 in relation to Lloyd's. Lloyd's, which is an important earner of foreign currency and which forms an important part of the financial services sector of which the country is justifiably proud, should not be damaged at a time when it is under increasing pressure from foreign competition, notably in the United States, Japan and the far east. Although I have no personal interest in Lloyd's, I believe that we should maintain the great engines of commerce which produce so much foreign exchange earnings for the country. I am grateful that the Government have recognised the problems of the previous clause. I gather that they will introduce more amendments. We look forward to them and we hope that they will meet all the concerns of those who are involved in that great industry.

May I deal now with a more parochial problem? My hon. Friend the Minister will be aware of my concern at the taxation of the self-catering holiday industry. It is growing rapidly in the United Kingdom because it provides low-cost holidays for families which might otherwise be unable to afford a holiday. It is extremely popular with lower-paid workers, and it is provided to a great extent in my constituency. Indeed, the chairman of the British Self Catering Federation resides in my constituency.

The federation has been worried that, following a court case in 1983, the basis on which the providers of self-catering accommodation were taxed — under case 1 of schedule D — was overturned, and the Inland Revenue decided that they should be taxed under case 6 of schedule D, which would have had disastrous consequences for the industry.

I am pleased to say that, following representations made by other hon. Members and myself concerned with tourism, the Government agreed to bring in amending legislation in the Finance Act 1984. Indeed, in section 50 of that Act the Government went a long way to redressing the problem that had been created by the court case. However, that amending legislation did not return the position to the one that had been understood by everyone prior to the case that was won by the Inland Revenue.

Section 50 created a special section of case 6 of schedule D. That change posed certain difficulties for the taxpayers. However, the greatest problems concerned the rules that governed acceptance to that special section of case 6 of schedule D, in particular subsection (3) of section 50.

The present rules, which provide that the accommodation must be available for letting for a certain number of days, that it must be actually let for a certain number of days in the year and that it must not be let for any purpose other than for holiday letting purposes for a certain number of days in the year are immensely complicated. This has certainly caused problems for the self-catering industry. To illustrate that, I shall read a brief extract of a letter that I received from the chairman of the British Self Catering Federation:

"Because of the variations in locations of our members, opinions of the existing clause were diverse. For example, areas of the country that attract foreign visitors, such as Oxford, often let holiday flats for six weeks or even more! Resorts such as those in Cornwall can suffer a contracted season, particularly if the weather is poor. In Bournemouth, there is little chance of attracting many holiday-makers until the end of May, and bookings in June can be sparse."

That illustrates that there is a diversity of experience within the industry in different parts of the country that the present clause fails to meet. Therefore, I hope that we shall move towards a situation in which the volume of income derived from an activity is the principal test as to whether that activity qualifies as either special case 6 or case 1 of schedule D. I must put my hon. Friend the

[Mr. Butterfill]

Minister on notice that, in Committee next week, I intend to move an amendment which I hope we can discuss and which will promote further discussion on this subject.

I should like to draw the Minister's attention to the problems of the elderly. In my constituency we have more than double the national average of elderly people, and that creates its own special problems for my constituency. One of the principal problems that I encounter is what I would call "the hidden poor". Many people save during their lifetime and retire to Bournemouth. They enjoy a period when they are relatively well off, but historically inflation eats into the value of their savings and the husband, who is receiving an occupational pension, may die. In that event, the widow is left alone, perhaps in a nice bungalow, but without the occupational pension of her husband. She must rely solely on the pension provided by the state. Inevitably that lady is someone who should be provided for by the Department of Health and Social Security through supplementary benefit, housing benefit and the other benefits that we make available to the elderly in those circumstances.

That lady's difficulties arise from the fact that she has had no experience of claiming from the DHSS. Although many people in my constituency are experienced in such matters, the sort of elderly person that I have described has never previously been in such financial circumstances. Very often, people in such circumstances wish to keep up appearances. They deny themsleves heat and food to maintain those appearances. Such people come to the attention of the social services and the public only when they become seriously ill or are taken into care.

I am extremely concerned about that problem and I am sure that the Minister shares my concern. The interesting thing about people in such circumstances is that they possess an valuable capital asset — their home. Many retired people are now turning to the partial realisation of this asset as a means of assisting them in their financial predicament. Most people partially realise it by mortgaging part of their home to obtain a loan. With that loan they buy an annuity which, because of their age, gives them an income that is considerably greater than the income available to others.

Of course, that process depends upon tax relief being available. I was pleased to learn that in 1974 the Labour Government agreed to provide tax relief for that purpose. I am glad that the present Government have maintained that tax relief. The difficulty is that the Finance Act 1974, which provided that tax relief, contained what I believe to be a minor technical defect. It did not allow, as do all other similar arrangements, for the interest accruing after the death of the annuitant also to be allowable for tax relief. I am sure that that was an error in the drafting of the legislation. I hope that the Minister will study this matter to see whether an amendment can be made. The cost of making such an amendment has been calculated and I believe that it would be in the region of only £270,000 a year. That does not seem to be a great deal of money to correct what appears to be a technical anomaly.

I remain concerned that many of my constituents, even when they consider schemes of this nature, derive such a small income from them that they are inadequate to meet their needs. Retired people find it extremely difficult to cope with major, necessary home repairs, illness and all the other emergencies that may arise in their lives. Therefore, I hope that we can improve upon the present arrangements in a way that will incur no net cost to the Treasury, but will produce considerable benefits.

Therefore, in Committee, I propose to move amendments which will allow for the retired people to enter a scheme involving the roll-up of the interest rather than payment of the interest. Therefore, interest would be paid at the end of the period, after death — I accept that that would be a cost to a person's heirs — but it would give annuitants a considerably increased income during their lives.

For such a scheme to be effective the law must be changed to allow for the interest to be deductible for tax purposes even though it is rolled up. I am sure that the Treasury Ministers will think that such a scheme would cost the Treasury money, but I am happy to tell them that that is not the case. Indeed, according to calculations made by a leading firm of accountants, the Treasury would benefit in cash flow terms because the new people who would come into this scheme and take up the opportunity would provide additional numbers and thus the tax paid on the annuity would exceed the tax relief forgone.

Let us assume that 20,000 home owners a year took out such a new plan with an average loan of about £15,000 only with the interest being added to the loan. Thus a total qualifying loan of £300 million per annum and repayments of £15 million per annum for each year of lending would mean that, after 12 years, the tax relief granted would be £27 million in year 12. However, the annuity tax paid would be £34·5 million, thereby considerably exceeding the level of tax relief. Even in year one, when no tax relief would be granted but annuity tax would be paid amounting to £1·5 million, there would be an immediate cash flow gain to the Treasury. I therefore very much hope that the Minister will look favourably upon that proposal.

When I turned to *Hansard* of 20 June 1974, I was gratified to note that the plight of people in this predicament was ably supported by a number of the Minister's distinguished colleagues. In moving the annuity scheme at that time, my hon. Friend the Member for Kingston upon Thames (Mr. Lamont) said:

"My right hon. Friend pointed out that those who are covered by annuity policies are people who are not well off, who have been particularly hard hit by inflation. Inflation was once described as the process by which the working population robbed the elderly population. We are being driven more and more into accepting that people have to sell off their home in retirement, to move into a smaller house, to rent off pieces of their home, to take out annuity policies and policies of this type."

My hon. Friend concluded:

"Mr. Lyons also pointed out that three-quarters of the policy holders were widows in their late seventies. It is a compelling case and while I am grateful for what the Financial Secretary has said about considering the whole area of annuity policies, my amendment, which is so limited, should be accepted here and now."

My right hon. Friend the Member for Norfolk, South (Mr. MacGregor) also contributed to that debate. He said:

"I have many elderly constituents. I was fascinated by the figures, because I had not realised that there were so many over-75s. I also have elderly relatives in the same position, people who for years have seen their modest savings eroded, who have found it difficult to make ends meet, and also now feel themselves locked in." — [*Official Report, Standing Committee A*, 20 June 1974; c. 244-46.]

I therefore commend to the Minister the possibility of looking at this in some detail, perhaps in the hope of bringing forward legislation at some future date.

Another cost benefit could arise, because by enabling these people to remain financially independent we will indeed reduce the cost to the state of providing benefits from the DHSS, such as supplementary benefit and housing benefit. I hope that the Minister will look at that most seriously.

There are two other areas that I commend to my right hon. Friend. The first is the possibility of providing tax relief for pensioners who need to repair their homes and take out a loan for that purpose. It seems to me that that is reasonable, because it is so difficult for pensioners to repair their homes, and many have to turn to the DHSS for assistance in their later years. I hope that the Minister will look favourably on that, and also at the possibility of allowing a qualifying loan for the provision of medical care in the home.

Many elderly pensioners are forced by circumstances to leave their homes and to go into hospitals or nursing homes for the want of an ability to provide medical care. If a loan can be taken against the value of their homes to pay for the cost of those services being provided, there would be a net saving to the state. I hope that the Minister will embark upon an analysis of the relative costs and benefits to the state in agreeing to that proposal.

8.3 pm

Mr. Jimmy Hood (Clydesdale): As I rise to make my maiden speech, I am well aware of the traditions of this House that new Members are expected to be nice and uncontroversial, to say nice and pleasant things, to sit down and then to descend to the Tea Rooms or the Bars for a well-earned pat on the back from one's peers. I shall at all times, where possible, respect this place and its traditions, but honesty with oneself is a prerequisite to honour, and no hon. Member representing working class people can, after eight years of this Government, come to this place from a Scottish constituency such as Clydesdale, listen to the Gracious Speech, knowing the further misery that this Government intend to inflict on the working class people of my constituency, and not be controversial. However, I intend to temper my remarks where I can, and I hope that I shall not strain the tolerance of the House too much or for too long.

My first pleasant duty is to pay tribute to my predecessor, the right hon. Dame Judith Hart, who came to this place as Member for Lanark in 1959—the name of the constituency has now been changed to Clydesdale — and who served the constituency well for 28 years until her voluntary retirement. Judith is well known nationally and internationally, and made a tremendous contribution to working-class politics, both as a Minister in numerous posts in Labour Governments and as an excellent constituency Member of Parliament. She was an outstanding Minister for Overseas Development. That was one of her major contributions to politics. She was also a long-standing member of the Labour party's National Executive Committee and its chairperson in 1982. I am sure that all hon. Members on both sides of the House will join me in wishing Judith and her husband, Tony — who himself has made a major contribution to working class politics — all the best for the future.

Clydesdale is a beautiful place in a most beautiful nation — Scotland. The people are friendly, hard-working and compassionate. Clydesdale is one of the largest constituencies in the United Kingdom. Obviously, agriculture and rural affairs figure largely in my constituency, as do industrial and health care concerns. There are 11 hospitals, including Carstairs state hospital, and the Ravenscraig steelworks, while outside the boundaries of the constituency, provides considerable employment to my constituents as it does for the rest of central Scotland.

While it has no pits, Clydesdale has a deep-mining tradition. It was at Douglas colliery that I started my mining career 23 years ago as a coalface engineer. Sadly, the pit closure mania of the 1960s and early 1970s destroyed mining in Clydesdale, and caused me, in 1968, to uproot my wife and young son and to seek employment in the coal mines of the Nottinghamshire coalfields. I was one of the original industrial gipsies, and I now stand elected as Member of Parliament for Clydesdale, where I was born and bred. I liken this experience to the salmon coming back home from the sea to the fresh water.

Nye Bevan once said of Britain:

"This island is almost made of coal and surrounded by fish. Only an organising genius could create a shortage of coal and fish."

The Prime Minister and her Government are such organising geniuses. She has given away our fish to the Icelanders and the Russians, and because of her obsessions, she is destroying the mining industry — betraying the country's most natural resource on the altar of nuclear power, which this nation does not need or want.

Unemployment in Clydesdale is more than 20 per cent., and with that demoralising and obscene statistic we have the evils of urban and rural deprivation. As well as de-industrialising Scotland and elsewhere, this Government have also destroyed our rural communities and public transport, closed rural schools and post offices and caused high unemployment in the farming industry with their gutless inconsistency towards agriculture. The Tory is a dying breed in Scotland. As we know, the Conservative Government won 10 of 72 seats. They are, indeed, a dying breed. Each time that the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) graces the Conservative Benches after his customary good lunch, with his tartan trousers and all, we should savour the moment, because, having heard the Gracious Speech which will, if implemented, further devastate Scotland, we can safely say that after the next election the Scottish Tory will be no more. The hon. and learned Member will be extinct.

The Government should not think that they can ride roughshod over the Scottish people, and if they attempt to privatise or close Ravenscraig the wrath of the Scottish nation will be such as to make the miners' strike of 1984-85 look like a picnic.

Any Government who care about unemployment can cut it. Today, we hear talk of redistributing the burden of tax from the rich to the poor. The truth is that the Government do not care about unemployment, or the misery that it causes. I regret to say that nothing in the Finance Bill would give comfort to the poor, the sick, the unemployed or the elderly. The cynical synopsis of the Bill shows that it will be the same poison in the same bottle, only more than before. It was James Connolly who said:

"Any Government that does not seek to improve the quality of life for its poorest citizen is immoral."

This Conservative Government stand condemned by his immortal words, and will stand equally condemned by the nation for their immorality.

It is appropriate, in my maiden speech, to pay tribute to my fellow trade unionists and former workmates. I

[Mr. Jimmy Hood]

record my sincere thanks to my union — the National Union of Mineworkers — for its support over the 23 years during which I was a miner. I pledge my full support to the victimised miners and their families who are still sacked by British Coal two and a half years after the miners' strike. I call on the Secretary of State for Energy to stop the victimisation at once and to instruct British Coal immediately to reinstate the victimised miners. I am sure that he, more than any other member of the Cabinet, will appreciate the evils of victimisation, having just returned to the Cabinet after four years — himself a victim of such treatment.

As one who stood by the gallant striking miners of Nottinghamshire I wish to pay tribute to Henry Richardson, our general secretary, and to Ray Chadburn, our president, who, along with the 5,000 NUM Nottinghamshire miners, are now fighting for free trade unionism in the Nottingham coalfield against a demagogic British Coal mangement. I call on British Coal and the Secretary of State for Energy to seek the reconciliation of the coal industry and to give proper recognition to the NUM in the Nottinghamshire coalfield.

I can assure all hon. Members that, as long as the free spirit of trade unionism exists, as long as the free spirit of resistance of working class people exists, this Government will never defeat the working people of this nation.

8.13 pm

Mr. Martyn Jones (Clwyd, South-West): I do not know whether it is customary for maiden speakers to praise the previous speaker, but I do so. I think that he made an excellent speech. I know, however, that it is customary to praise the previous Member of Parliament for the constituency that one represents—Clwyd, South-West in my case—a task that could be difficult in a seat gained by Labour from the Conservatives. However, I find it surprisingly easy because, despite being of the wrong party, my predecessor seemed a pleasant, quiet person, who fought a gentlemanly election campaign.

My predecessor had the problem of not being of the area, or even being resident in the area. However, he represented the constituency remarkably well on at least three occasions, when he voted against the Government in the interests of his constituents. He voted against the imposition of milk quotas, against cutting the standard rate of tax and against the further use of nuclear power during the Sizewell B debate. That is a worthy tradition that I hope to continue and build upon, especially in view of the fact that the Bill, in common with most of the Government's proposed legislation, will hold no benefits for the majority of the residents of Clwyd, South-West.

As a county councillor in that county for six years, I well know the problems of the two areas of the constituency. The large rural part, which is made up of the largely agricultural vale of Clwyd, is likely to suffer from further reductions in local government spending on transport and rural education. It desperately needs reform of the common agricultural policy of the European Community to help the small, livestock farms of the area. Jobs will be lost in the market town of Denbigh with the proposed closure of the North Wales hospital there. Those jobs are unlikely to be replaced without substantial investment and, preferably, regional development status for the Vale of Clwyd.

The problems of the urban, southern fringe are those of an old, industrial, predominantly mining area that is starved of investment. Villages such as Rhos, Cefn-Mawr, Ruabon and Acre Fair are unlikely to receive the investment that they require, although they are suffering in similar ways to the inner cities that have been singled out for special treatment by the Government. The idea that the Government need not intervene in industry, and that laissez-faire capitalism will return jobs and investment will not wash in villages created at the beginning of the industrial revolution, which saw what free enterprise did for them in the 1920s and 1930s. I fear that Clwyd, South-West will be in for four more years — at least — of degeneration. I therefore ask the Government to reverse their destructive and backward policies before it is too late, for the sake of the regions in general, and for the residents of Clwyd, South-West in particular.

8.17 pm

Mr. Bowen Wells (Hertford and Stortford): It is my pleasant duty to pay tribute to the two maiden speeches that we have just hard, which were made by the hon. Members for Clydesdale (Mr. Hood) and for Clwyd, South-West (Mr. Jones). I am sure that the hon. Member for Clydesdale will appreciate that there are Conservative Members who also represent many members of the working class. It is one of the great glories of the Conservative party that we have members from every class, and that we are a broad party that listens.

I sincerely believe that we are following policies that will greatly benefit, and have benefited, members of what are called the working class. We are all, I believe, concerned with the greater benefit of all the people in our constituencies. The difference between us is that we choose and believe in different roads to that end. The speech by the hon. Member for Clydesdale, with its self-confidence and conviction, will be one on which he will look back proudly, and those who supported him at the election will do so, too. I envy his self-confidence and the way in which he put his arguments. He will be a great addition to the House of Commons.

I was especially glad of the kind words that the hon. Member for Clydesdale said about his predecessor, Dame Judith Hart, who made an enormous contribution to our nation's work in overseas development, and with whom I worked closely during her time in the House. I reiterate, confirm and support what the hon. Gentleman said about her contribution to the affairs of the House and, in particular, to overseas development. I therefore congratulate the hon. Gentleman on behalf of us all and welcome him to this place. I do so especially because our traditions in this country of Britain, of which Scotland is a major and important part, mean that it is necessary to come here and debate issues and settle our differences across the Floor of the House and not in any other way.

I also congratulate the hon. Member for Clwyd, South-West on an excellent speech from the Principality of Wales, with which I have some connections. My first name is Welsh and my relatives come from Llandilo and Carmarthen in southern Wales, but I also have connections with the hon. Gentleman's area of north Wales. The hon. Gentleman's speech, too, illustrated the concern of the House with the whole of Britain. He eloquently expressed his concern for his constituents on matters of vital concern to all of us which must not be forgotten in the debates of this Parliament. I believe that

the hon. Gentleman will make a major contribution to those debates. I welcomed, too, his reference to his predecessor, Mr. Robert Harvey, who made a great contribution to the House as well as to his constituency —also, strangely enough, on overseas development and foreign affairs. The hon. Gentleman was most kind in his tribute. I hope that he, too, will enjoy his stay in the House. I am sure that the House will benefit enormously from his contributions.

I wish briefly to bring a number of matters to the attention of my hon. Friend the Economic Secretary, whom I welcome to his new position as it is the first time that I have seen him on the Front Bench in his present capacity. We are fortunate, indeed, to have a person of his calibre and experience to take on that job in this Parliament. We are very lucky that he will be directing our affairs on the economic front. I congratulate him on his appointment and look forward to supporting him from the Back Benches.

I wish to draw my hon. Friend's attention to a subject which, to my deep regret, has been omitted from the Finance Bill. The omission is basically due to the general election having taken place in the middle of the usual Finance Bill procedure. Those of us wishing to add new clauses to the Bill have effectively been prevented from doing so, first because of the curtailment of debate on the Finance Bill before the election, and now by a curious procedure of which I was unaware. I learn something every day in this place and rejoice in so doing, but I had not realised that on Friday — not surreptitiously, but at a time when most of us were dealing with constituency matters— an extremely restrictive set of resolutions were passed without debate. These resolutions prevent us from raising general taxation issues, in so far as a resolution allowing us to do so was specifically omitted. I exclude my hon. Friend the Economic Secretary from any accusation of seeking to prevent debate on these matters, as I am sure that he did not realise that that would be the effect. Like my hon. Friend, we are all anxious to get away to our families and to deal with the Finance Bill quickly, and I know that that was the intention. Nevertheless, it means that serious matters now cannot be debated.

I wish to deal particularly with the subject of duty deferment, which is a matter of equity. Duty on liquor and other items held in bond is a consumer tax, paid by those who drink the liquor or buy the goods. Under the current arrangements, the Government collect the tax almost as soon as the goods leave bond. As a result of a promise made by the Conservative Opposition between 1974 and 1979, there is a deferment period of three weeks before the tax has to be paid.

My right hon. and learned Friend the Member for Surrey, East (Sir Geoffrey Howe), when he was shadow Chancellor, agreed that the system was inequitable because traders were obliged to pay the tax to the Inland Revenue before receiving it back from the consumer buying the liquor in the off-licence or supermarket. Anyone trading in this sector is thus seriously out of pocket, while the Treasury is grandly in pocket. On average, the consumer tax is paid to the Treasury eight weeks before it is collected from the consumer. The companies involved therefore have to borrow the money at the very high interest rates that have prevailed in this country for many years so as to finance the payment of the tax to the Treasury.

My hon. Friend the Economic Secretary may argue that that has always been so. Nevertheless, it is agreed that the situation is inequitable and I believe that there should be a compromise, with a longer deferment period. As the average period between the goods leaving bond and the tax being paid by the consumer is about 12 weeks, I suggest that the Government grant a duty deferment of some eight weeks, reducing the interest charges considerably for companies in this sector and saving them a considerable amount of money.

It may be argued that the liquor industry is doing very well and does not require that kind of treatment, but all other European countries make similar arrangements and British companies are therefore trading at a serious disadvantage compared with those producing brandy, wine and other liquors from the continent that people savour. Scotland, especially, depends heavily on the whisky trade. the companies involved are international companies trading worldwide and depend on being able to afford the advertising costs, and so on, to ensure that their brands are sold overseas. The way in which the tax is collected puts them at a serious disadvantage. As their activities provide a major source of income for the Government, through the repatriation of dividends and the sale of capital from the United States and elsewhere, this is a matter of real concern for some of our major companies in this country and worldwide.

My hon. Friend the Economic Secretary may argue that my proposal will cost the Treasury money, but that is not so. There will be a cost only in terms of cash flow. Unlike my hon. Friend, who has been in private business, the Treasury has great difficulty distinguishing between cash flow and the normal profit and loss balance sheet accounting to which the private sector is accustomed. It will mean deferring the income for one year only. Given the buoyancy of the Government's taxation and revenue position, I believe that this is the year when we should take the opportunity to put the injustice right. We should thus boost and support a domestic and worldwide industry based in this country which needs to win a greater share of markets. In Japan, for example, there is severe discrimination against our companies due to internal taxation policy, and more money will be needed to overcome the problem. I know that my hon. Friend the Economic Secretary to the Treasury and my right hon. Friend the Secretary of State for Trade and Industry and I are keen that we should redress the inequities in our trading account with Japan. My hon. Friend can help companies and so ensure that our trading is fairer with Japan.

For those reasons, I believe that my hon. Friend would be wise to ask his officials and ministerial colleagues to consider whether this is the opportunity to correct this serious injustice. He does not have to correct it through legislation. His predecessor, who has now gone to another place, introduced orders to correct inequities when the right opportunities arose.

I am glad that the Inland Revenue has been persuaded by my hon. Friend the Economic Secretary to negotiate on a sensible basis rather than the aggressive and, I fear, unfortunate manner it adopted with regard to Lloyd's on the issue of reinsurance to close. I am glad that my hon. Friend knocked heads together in the Inland Revenue and made members of Lloyd's adopt a less defensive and more pleasant and co-operative attitude to the Inland Revenue and so accept a clause in the Bill which I hope will resolve

[Mr. Bowen Wells]

the serious difficulties that Lloyd's was causing to the Treasury and my right hon. and hon. Friends on the Front Bench.

The problem with Lloyd's involved a serious inequity, and that could have undermined the whole basis of Lloyd's insurance. It would mean serious losses to this country. I look forward to hearing the explanations that my hon. Friend the Economic Secretary will provide to the House to show everyone how the clause will work equitably with Lloyd's insurance and the legitimate interests of our tax system.

I understand that the Treasury has lost interest in the Government's very important Green Paper on personal taxation. The Chancellor of the Exchequer has become less of an enthusiastic reformer of personal taxation. It would be a tragedy if we did not take the opportunity provided by the general election to make serious changes for the better and so achieve more equitable treatment between men and women. We could take large numbers of people on low pay out of taxation and also align the personal taxation system with the social security system and remove the disincentive to go to work that exists at the moment.

I urge my hon. Friend the Economic Secretary, with his youth, enthusiasm, integrity, desire and ambition to change this country for the better, to take hold of that Green Paper and produce a White Paper which he can bring forward to legislation during this Session. We could then begin to tackle the serious need to reform personal taxation. If my hon. Friend did that, he would go down in history as one of the most important holders of his office. He would provide incentives for people to go to work and believe that their taxation was fair. They would then pay it gladly. Indeed, he would turn the army of accountants and tax experts from the job of tax evasion to the more beneficial task of creating new companies which would go out and beat world competition. Among those people are some of the cleverest and most able in the country. If my hon. Friend can achieve that, he will have done an enormous service to this country and our people.

Finally, I hope that this Finance Bill is just a beginning, even though it has omissions, some of which I have drawn to the attention of the House. I believe that with the present Treasury team the Government can bring forward a taxation and financial system that will make Britain one of the toughest competitors in the world, bring all our people back into gainful work, increase their standards of living and provide incentives and hope for all.

8.34 pm

Dr. John Reid (Motherwell, North): I am grateful for the opportunity to address the House this evening. It must be easier to address the House later in the evening when the Chamber is less populated than normal. However, I cannot help remarking as I look at the empty Conservative Benches that I am reminded of a mass rally of the Scottish Tory party.

I thank you for allowing me to speak this evening, Mr. Deputy Speaker. I have some familiarity with the Chamber because I had the honour and privilege to work for some years for my right hon. Friend the Member for Islwyn (Mr. Kinnock), the Leader of the Opposition and the next Prime Minister. Despite that familiarity, like any other new Member, I rise with some trepidation to speak this evening. Like any new Member, I am well aware of the weight of tradition that surrounds us and I am aware of the centuries of history in which the Chamber is steeped. That knowledge can have an intimidating and daunting effect. Many years ago that was recognised by a former Member from the Celtic fringe who sat on the Labour Benches. He wrote that it was as if the dust of ages lay in the corridors of Westminster, muffling the footsteps of the working men who entered within.

"The Palace of Westminster" —

I am quoting from Nye Bevan, to whom my hon. Friend the Member for Clydesdale (Mr. Hood) referred—

"is dominated by the most powerful of all religions — ancestor worship."

I am sure that many new Members must share that feeling as they enter the Palace of Westminster and notice the frescoes, paintings and sculptures of the great and powerful statesmen of previous centuries.

I am fortified by the recognition that those statesmen were not my ancestors. While the great legislators of previous centuries were posing for their portraits or sculptures, my ancestors were digging roads or hewing coal. That recognition frees me from the bonds of deference when addressing the House.

The political history of my constituency is more recent, but no less powerful for that. Motherwell, North is scarcely five years old. It was formed after boundary changes in 1983 and its comparative youth belies the fact that its constituent parts, particularly Bothwell and North Lanark, have made a consistent and considerable contribution to this House and my party. That contribution was most recently made by my predecessor, Jimmy Hamilton. It is fitting that in my maiden speech I should pay tribute to the faithful service that he gave to this House and my constituency.

Jimmy Hamilton succeeded John Timmins as Member for Bothwell in 1964 and for 19 years provided a perfect example of a diligent and devoted constituency Member. His work was recognised within the House by his appointment to the Whips Office and by his appointment to the post of Vice-Chamberlain to Her Majesty's Household. I am sure that Jimmy Hamilton would be the first to recognise that he was but the last in a long series of outstanding representatives who came from Motherwell, North. The first of them was born just outside the village of Holytown of working-class parents a little more than 130 years ago. Born into poverty, delivered into the mine owners' hands at the age of seven, James Keir Hardie rose above the surroundings of deprivation and impoverishment to become the most famous son of my constituency and the founding father of the Labour party.

Amidst the economic catastrophe of the 1920s in Motherwell, North, the young Jennie Lee was first returned as Member for Lanarkshire, North at the age of 25. Her successors were no less illustrious. Between 1945 and 1983, Lanarkshire, North was served by two Members of national status and Cabinet rank, the right hon. Margaret Herbison, whom I am pleased to say retains her health, vitality and political commitment in her 82nd year, and latterly my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). When I recite those names, I realise that if I ever manage to achieve anything in the House it will be only because I stand on the shoulders of giants. I cannot hope to emulate the achievement of those predecessors, but I shall try to imitate them, knowing that imitation is the sincerest form of flattery.

In Motherwell, North, we have pride in our past. What we now seek is a Government and a Government policy that will give us faith in our future. At present, I regret to say that that faith is sadly lacking — not because our people lack the skills or the will to work, and not because they lack the energy, the talent or the commitment, but because thousands of them lack the opportunity. They lack the chance of self-advancement. They do not seek sympathy, sentimentality or charity; all that they want is a chance. Over the past decade, however, that chance has been denied to them.

Like my hon. Friend the Member for Clydesdale I am well aware of the convention that maiden speeches should be non-controversial. It places me in an impossible position. If I avoid controversy in the House by omitting to describe the stark reality of Motherwell, North, I shall only cause controversy and consternation among the constituents who sent me here to represent them. Over the past 10 years, it is they who have suffered. Just as, over the past few hours in this House, we have become used to quite a few maidens, so too, over the past few years, my constituents have become used to "made-ins". They are usually of the oriental variety: "Made in Japan", "Made in Korea" and "Made in Taiwan". What we want is a future secure in the knowledge that in a decade's time, we can still look proudly on a host of manufactured products bearing the emblems "Made in Motherwell", "Made in Uddingston", "Made in Bellshill" and "Made in Scotland".

Unfortunately, that prospect looks less hopeful with evey passing month. From one extreme to the other in my constituency, the signs of economic decay proliferate. At one end, in Tannochside, the vast Caterpillar plant still stands under the sentence of industrial death. We are not dealing with an old, decaying industry with bad industrial relations, with an antiquated work force or with a loss-making factory. We are dealing with a factory and a work force that meets every economic and commercial criterion set down by the Prime Minister for survival in her brave new Britain. We are speaking of a productive, technologically equipped, profitable factory with a flexible and skilled work force and an excellent industrial relations history. Yet it faces the axe. What a waste of the millions of pounds of taxpayers' money which has already been invested, and which must all be thrown away on the whim of an anonymous management that looks upon Scotland as a faraway country about which it knows little and cares even less.

I listened with some amazement to the Secretary of State for Scotland when he proudly proclaimed in the debate on the Loyal Address that American investors were falling over themselves to come and produce in Scotland. I ask the same question that my constituents are asking. If United States companies are desperate to produce in Scotland and the Government are desperate for them to do so, why has he been such a dismal failure in saving a single job in the Caterpillar factory at Tannochside?

Just a few miles up the road is the Clydesdale tube works at Mossend, whose work force lives under an apparently endless stream of rumour and counter-rumour about lay-offs, sell-offs or proposed mergers. Surely, if the Secretary of State for Scotland could make room in that speech for his contribution boasting of the increased prosperity and profitability of the Scottish steel industry, he could also have taken a little time to end the insecurity of the Clydesdale work force by pledging some of those increased profits towards investment in the Clydesdale plant.

While we are on the subject of steel, which was referred to earlier by my hon. Friend the Member for Clydesdale, let me say that there has been a further crime of omission in the statements and pronouncements of the Government. Just outside the boundaries of Motherwell, North, in the constituency of my hon. Friend the Member for Motherwell, South (Dr. Bray), lies the steel plant that has become for many in Scotland the symbol of industrial Scotland. If the death warrant has been signed, sealed and delivered for the Caterpillar factory, the Ravenscraig steel plant has been the doubtful beneficiary of a stay of execution prised from a reluctant Government. The workers, who include many of my constituents, have fulfilled everything that has ever been asked of them. They have produced high-quality goods, on time, to customer specification and with record productivity — again, the very definition held up by the Prime Minister as an example to British industry. They have never made a pledge that has not been kept, or a claim that has not been backed by hard fact and hard argument. They deserve a better future than one of insecurity and under-investment.

Lest there be any thought in any quarter that the Ravenscraig plant can be closed by stealth, investment starvation or salami tactics, let me say as firmly, plainly and simply as I can that the people of Motherwell—the people of Scotland—recognise that a country without a steel industry is like a car without an engine: it is going nowhere. If Ravenscraig is threatened, we will fight as never before and we will be right as never before.

I could spend far more time than is available to me outlining the precarious nature of much of the manufacturing base in my constituency. From the more traditional concrete manufacturers at Newmains to the Honeywell factory at Newhouse which stands at the frontiers of technology, all have been blighted by a stagnant economy and a chronic absence of demand—not an absence of need, because there is real need in my constituency. It is a daily reality for those who have to wait hours for public transport, months for a council house and years for repairs. It is there for pensioners who are insecure, families in debt and young unemployed people in despair.

It is sometimes said that the Prime Minister does not care about all this. I should make it plain that I do not think that all criticisms of the Prime Minister are fair. I have often heard the cliché that the Prime Minister could be compared in her economic impact with the Luftwaffe. That is a grossly unfair comparison—grossly unfair to the Luftwaffe, which never managed to get beyond London. But this Prime Minister has managed to reach the parts that other bombers could not reach and has destroyed whole tracts of the country.

When it is said that the Prime Minister does not care, I find that difficult to believe. I cannot conceive of anyone, even the Prime Minister, being so callously indifferent to the plight of those people. I prefer to think that the Prime Minister just does not understand. She just does not know, because she does not live with the situation day in, day out. So today I take the opportunity of extending an invitation to the right hon. Lady to come and see for herself. Until and unless she comes to my constituency, the suspicion will remain that her ignorance is a wilful ignorance, and the sad and regrettable fact will remain that we are a country

[Dr. John Reid]

governed by a Prime Minister who is more respected on Capitol Hill than in Bellshill, a Prime Minister who is more welcome in Chicago than in Shotts and more at home in Moscow than Glasgow. As long as that persists, it not only reflects badly on the Prime Minister but undermines the legitimacy of good government in Britain and threatens to erode the very basis of the unity of the United Kingdom. That is bad news for my constituents, bad news for the Government and very bad news for the standing of this House.

I shall end by quoting the favourite and famous son of my constituency, Keir Hardie. One hundred years ago, James Keir Hardie wrote that great countries are just like individuals. He said that at certain stages of their life they reach a crossroads and woe betide them if they choose the wrong path. I believe that in Scotland and in Britain we have come to such a crossroads. I believe that the Government are travelling on the wrong road. For the sake of my constituents and my country, the sooner they recognise that they are travelling down the road towards disaster for the United Kingdom, the better it will be for all of us.

8.51 pm

Mr. Phillip Oppenheim (Amber Valley): It is my pleasant duty to congratulate the hon. Member for Motherwell, North (Dr. Reid). His speech was both eloquent and occasionally witty. I am sure he is far too modest in saying that he will not go as far as many of his predecessors. I am sure that he will. However, it is unfortunate that he concentrated on the fact that too many of the products available in his constituency are made in Taiwan, Korea and Japan, because only two years ago the Labour party headquarters at Walworth road invested a large sum of money in a Japanese Canon photocopier system when it could have just as easily bought a Rank Xerox system with a large British content.

We hear constantly from Labour Members a litany of what they consider to be the decline of British industry. Their historical perspective tells them that the decline of British manufacturing began with the accession of Mrs. Thatcher to power in 1979. Unfortunately, such a simple view of history is far from true. Many economic historians consider that our manufacturing industry began to decline relative to our main competitors in the middle of the 19th century. That decline was camouflaged for many years by two things. Before the last war we had the protected and safe market of the empire in which to sell. It was often protected from the competition of our main competitors and that buoyed up our industry artificially for many years in the 1920s and 1930s. After the war many of our main competitors were flat on their backs and for 10 or 15 years we were able to sell our goods into markets without meeting any effective competition. Unfortunately, that lulled us into a false sense of security.

We must ask ourselves why, for many years, British industry has not done as well as it has in many of our main competitor countries. Surely one of the major reasons must be that since the middle of the previous century the British education system has lagged sadly behind the educational provision in countries such as Germany, the United States of America, Sweden, Switzerland, Austria and even Japan. That sad tale of missed opportunities and of lack of provision of suitable education which would produce the sort of people who could manage world class industries, has been compounded by the mistakes of many Governments, not just Labour Governments, since the war.

Between the last war and 1979 the history of Government spending in Britain was a history of Governments spending money that the country did not have. While we were spending that money that we had not yet earned, our European competitors and the Japanese were rebuilding their industries in order to create the wealth to spend on those benefits.

That was compounded by the anti-business attitude which was common in the Labour party in the 1960s and 1970s. The Labour party made an enemy of enterprise, pilloried profit, blasted business men and sneered at success. Then it feigns surprise at the fact that our industry has not always done as well as that of our competitors. High tax rates destroyed enterprise. Unbalanced trade union legislation destroyed managers' ability to manage. Successful industries were forced to subsidise loss-making industries. Nationalised industries were run, not for customers and shareholders but for civil servants, politicians and the vested interests of the trades union bosses.

Ludicrous, uneconomic decisions were made, such as the decision to set up NEXOS by the previous Labour Government when Labour politicians and civil servants decided that Britain must have a great information technology industry to rival IBM. By the time that sad fiasco collapsed, £40 million of taxpayers' money had been wasted. All NEXOS had done was succeed in importing and branding with the NEXOS name thousands of Japanese facsimile machines. When it finally went bust, it sold for £1 1,000 facsimile machines, which the Government-controlled body had bought for £1 million.

Bearing in mind that sad tale of industrial decline and mismanagement, it perhaps is no surprise that our share of world trade has fallen steadily since the last war. Between 1974 and 1979 manufacturing ouput in this country fell. The ratio of manufactured imports to exports rose threefold under the Labour Government. That must give the lie to the myth propagated by Labour Members that our manufacturing industry has been in decline only since 1979. The truth is that, since 1979, lower taxation, more encouragement for enterprise, more balanced Government spending, the end of much of the worst loss-making in the nationalised industries and the sale of many companies in the nationalised sector, which have done extremely well in the private sector, have helped to transform the British economy.

We still have problems. Of course our education system is still in desperate need of reform and improvement. However, no longer are Britain and British industry the laughing stock of the world. No longer are we sneered at by our foreign competitors. The basis for our industrial recovery is there and the decline has been successfully halted. That is shown by the fact that our manufacturing output has risen rapidly since the trough of the recession in 1981. It may be true that many of our old industries have shrunk terribly or disappeared altogether. However, many new industries are doing extremely well. That central fact seems to have passed by many Labour Members.

The British aerospace industry is the world's third largest manufacturer of aerospace products, after the United States of America and Russia. Our pharmaceutical industry has now overtaken the Swiss, the Germans and

the Americans to become the world's largest exporter of pharmaceutical products. Imperial Chemical Industries is now the world's largest paint manufacturer. Pilkington is now the world's largest glass manufacturer. The decline in textiles and clothing has largely been halted. Many parts of our electronics industry are competing very well in world markets.

In my own constituency, where 15,000 jobs in the mining industry were thrown away by Labour Governments in the 1960s, many of those old jobs have now been replaced by jobs in new manufacturing industries. But still the Labour party pillories and sneers at successful United Kingdom companies such as Hanson Trust and BTR which have saved many struggling smaller companies and preserved many jobs through successful management. Unfortunately, Opposition Members all too often still cling to the old interventionist dirigiste policies that have generally failed everywhere, no more so than in Britain in the 1960s and the 1970s. They should realise that politicians and civil servants are not the people who are best suited to making business decisions. Business men are.

Slowly but surely Britain is getting back on the right track. It is true that we still have much to do. After all, we have many years of decline to reverse. I believe that the Finance Bill is another step in the right direction.

8.59 pm

Mr. Bruce Grocott (The Wrekin): This is not quite a maiden speech, but I must say that it feels like one. In my case, it is eight years since my midlands constituency made what I thought was a depressing decision, but to come back after eight years and to represent The Wrekin is a thrill, a delight and an honour. The Wrekin has a great tradition as the birthplace of industry, so it is appropriate that I am called in the debate.

While listening to the speech of the hon. Member for Amber Valley (Mr. Oppenheim), it struck me how clearly that contrasted with the maiden speeches of my hon. Friends today. The Finance Bill is a debate about economics. Not once did the hon. Gentleman mention people. He talked about theories, I thought ropey theories, while my hon. Friends the Members for Cardiff, West (Mr. Morgan), for Manchester, Withington, (Mr. Bradley), for Clydesdale (Mr. Hood), for Clwyd, South-West (Mr. Jones) and for Motherwell, North (Mr. Reid), concentrated on people. For goodness' sake, let us make sure that economics is the servant of the needs of the people to fulfil their aspirations and their legitimate desires, and let us not make it the master, as it all too often sounds from the Government Benches.

I represent the traditional areas of Oakengates, Wellington, Dawley, Hadley, Madley and Donnington, mixed together into the new town of Telford. The Wrekin constituency has a quite remarkable record in 10 of the past 12 general elections since the war, in that it has returned to Parliament a candidate of the same party as the party that formed the Government. That seems to be an uncanny characteristic that it has. I am delighted to say that at this general election the people of The Wrekin seemed to have more sense than the people of the country at large. They will revert to type at the next general election, when I shall be doing all that is required to make sure that they return a Labour Member and that there is a Labour Government.

When one comes back after eight years, it is inevitably a time for some reflection. In the House eight years ago, everyone knew that whichever party won the general election would have the overwhelming prospect of remaining in power for the larger part of the 1980s. There was nothing miraculous or surprising about that. When arrogance creeps in among Government Members, perhaps we need to remind them that it is only the tremendous life raft of North Sea oil that has enabled the Government to stay in power, when the electorate, had it been faced with the consequences of their disastrous economic policies, would have long since thrown them out.

It is rather depressing to find myself on the Opposition Benches rather than on the Government Benches. How different the world looked in 1979, particularly in the west midlands, and particularly also on the jobs front. These days in the west midlands it is almost impossible to get an apprenticeship. There is a two thirds collapse in apprenticeships in engineering, in a region which in the past has always been cushioned from the economic effects, even when the country has been in a period of recession.

What are the hopes and prospects for young people in my constituency now, after eight years of Conservative Government? I noted the malicious passage in the Gracious Speech about withdrawing benefit from young people who refuse to go on youth training schemes which they consider to be unsatisfactory, and when I read the Finance Bill I found that there were provisions on profit-related pay, capital gains tax and inheritance tax. Provisions of that sort are massively irrelevant to young people who are desperate for jobs and fulfilling occupations in my constituency.

I think sometimes that Tories speak in ignorance rather than with malice. When a young person in my constituency attends an interview with a view to taking up a youth training scheme, the personnel manager, or whoever is conducting the interview, barely needs to look at him before he says, "Yes, you are on. Next, please." All too often he knows that the person before him is another source of cheap labour for the future. He knows that there is no need to assess the merits of the applicant. The YTS provides a convenient way of filling a job at the cheapest cost to the employer. I wish only that the Bill contained more provisions relevant to the needs of young people.

Since 1979 unemployment in my constituency has increased by 7,000. That is an increase of about 900 for each of the eight years of Conservative Government, or an increase of three per day, including Christmas day, bank holidays and other statutory holidays. That is a huge indictment of the Government's performance over the years. At GKN Sankey, over 5,000 jobs have been lost since the Government came to power. That is not the end of it, because we know that during the year the Government will introduce policies that will be designed still further to reduce job opportunities.

It appears that the Government are determined to press ahead with privatisation, even in one of the most cherished sectors of employment in my constituency, the defence industry. The Government are determined to privatise services at COD Donnington. The privatisation of key services in eight areas of work will result in the loss of about 400 jobs. We know also about the plans for privatisation in local government and elsewhere. The Government persist with privatisation, especially in the defence industry, to reduce the number of jobs available or to reduce conditions of employment. Those are the only

[Mr. Bruce Grocott]

conceivable reasons for proceeding with the policy. That is an indictment of the Government that bodes ill for the next few years.

To return to the House after a gap of eight years should be a moment of personal optimism and confidence, and in many respects it is. It is difficult to feel optimistic and confident, however, in the knowledge of the policies that we shall have to oppose during the next year, or perhaps even the next four years. I should be optimistic, because I represent a new town which, by definition, is a place of optimism. People go to new towns to build a new future, but there is nothing that I have read in the Bill, and nothing that I can expect to happen over the next few years, that leads me to envisage anything but an exercise in damage limitation in response to a Government who seem intent on damaging the midlands. The same has been said by many of my hon. Friends who represent constituencies in Scotland, Wales and elsewhere.

It is no exaggeration to say that in The Wrekin the Government are loathed. The people of The Wrekin expressed their view clearly at the general election and I was delighted with the decision that they took. I am confident that within the next four years the rest of the country will come to understand that there is great wisdom among the electorate of The Wrekin.

9.9 pm

Mr. Tony Blair (Sedgefield): It has been a pleasure to sit on the Opposition Front Bench for much of the debate and listen to some maiden speeches that all hon. Members will agree have been absolutely excellent. Two maiden speeches have been made by Conservative Members, and I pay tribute to them.

First, the hon. Member for Daventry (Mr. Boswell) spoke with great feeling about his constituency and with tremendous knowledge and insight about the common agricultural policy and its difficulties.

The hon. Member for Stamford and Spalding (Mr. Davies) also made a maiden speech. As he pointed out, he succeeded a much respected and liked former Member, Sir Kenneth Lewis. The hon. Gentleman was absolutely right in saying that Sir Kenneth always showed great independence of mind. I remember persuading Sir Kenneth to vote against the Government and support an Opposition amendment to the 1986 Finance Bill. I hope that the hon. Member for Stamford and Spalding will follow in his footsteps.

The hon. Gentleman also spoke without having to refer to notes, in more or less the same manner as my hon. Friend the Member for Cardiff, West (Mr. Morgan), who made an absolutely superb maiden speech that Opposition Members much enjoyed. It was witty and eloquent. It was filled with excellent advice to the Government on the proper place of manufacturing industry as the wealth-generating base of our economy and the importance of realising the threat to our service industries from overseas competition, as well as the threat to manufacturing industry.

We also heard a maiden speech from my hon. Friend the Member for Western Isles (Mr. Macdonald) who united the whole House when he spoke in Gaelic. That passage of his speech certainly made as much sense to me as some of the provisions of the Finance Bill. It was an interesting, good maiden speech. It gave us a fascinating insight into a different type of economy, and the problems that he mentioned seemed to strike a chord with all hon. Members.

My hon. Friend the Member for Manchester, Withington (Mr. Bradley) spoke of the link between investment in public services and the meeting of community needs. As we listened to him, it was easy to see why he overturned a Conservative majority in the way that he did.

My hon. Friend the Member for Clydesdale (Mr. Hood) paid a tribute that was welcomed by both sides of the House to Dame Judith Hart for the work that she did over a long period in the House. He drew attention to the rejection of Government policy in Scotland. It was a passionate, good defence of the basic principles of trade unionism.

I also pay tribute to my hon. Friend the Member for Clywd, South-West (Mr. Jones), who gave an entirely accurate summary of Government policy and its effect in relation to his constituency. Again, from his maiden speech, it is easy to see why he overturned a Conservative majority and was elected.

There were two other maiden speeches. My hon. Friend the Member for Motherwell, North (Dr. Reid) made a speech which, to those of us who knew him in an earlier incarnation in the Leader of the Opposition's office, came as no surprise. It was a witty, brilliant speech, and I pay great tribute to him. He extended to the Prime Minister the offer of a visit to his constituency, but I noticed that he left out a guarantee of safety for her, without which I hesitate to think that she will take up the offer.

Finally, we heard a speech from my hon. Friend the Member for The Wrekin (Mr. Grocott). The unpleasant term "retread" has been fashioned to describe the speeches of people who return to the House. My hon. Friend made an excellent speech about the needs and hopes of his constituents. He also made the important point that when discussing the Finance Bill, we should bear in mind that its purpose, and indeed the purpose of economic policy, is to be the servant of the people and not their master.

I welcome the Chief Secretary to the Treasury to his position. He said that two main aspects of the Finance Bill are of particular importance — occupational pensions and profit-related pay. I wish to spend some time discussing the merits of profit-related pay because it now forms an important part of the Government's economic strategy and, as I shall attempt to show, of the Government's admission of their own economic failure.

When debating profit-related pay, we are considering not whether the system is desirable, but whether it is right to give a substantial tax incentive to go down a particular remuneration path. We are not debating the principle of profit-related pay alone, but the fiscal incentives for its introduction that the Finance Bill provides. In its submission to the Government, the Institute of Personnel Management rightly asked why profit-related pay is being singled out for this fiscal benefit when bonus systems and other productivity-related schemes are not. The estimated Treasury cost of profit-related pay for next year is about £50 million, but, depending on the extent to which the scheme is taken up, the fiscal costs could run to something like £500 million, or even, on some estimates, as much as £1,000 million over a period. We must judge the efficacy of profit-related pay against the fiscal incentive and the amount that it will cost the Exchequer.

The immediate effect of implementing the Finance Bill changes will be to give someone—for example, a senior executive or manager—who takes the maximum benefit of £3,000, half of it tax-free, a possible £20 a week in tax cuts for doing nothing other than taking the prospective risk of a fall in profits in the future. That is the immediate effect that profit-related pay will have on people on higher incomes. Furthermore, the money for that tax incentive will be found from the general burden on taxpayers, many of whom — indeed, all those who work in the public sector — will have no prospect of participating in the scheme.

No one is in any way constrained from negotiating profit-related pay at present if he wishes to do so. The Bill provides that if people enter into the arrangements nothing will prevent them from leaving the scheme should they wish to do so.

The arguments advanced make a strong case and it is right to examine them. The first argument is that profit-related pay will make for a greater identification between work force and management. Of course, we welcome any greater identification between workers and management —anything that leads to the eradication of the "them and us" attitude. However, that identification can be achieved through bonus schemes and can perhaps be better achieved by employee share ownership options.

Furthermore, although the Government are prepared to talk about profit-related pay and greater identification of work force with management and the owners of companies, as the *Financial Times* pointed out, no concomitant advantages are given to the work force in the form of greater information from management. Where are the rights of the work force to have the books opened so that they can check that the scheme is being implemented fairly for both sides? There may be some residual advantage in the greater identification between management and workers that the scheme would provide, but that could probably be better achieved by greater employee share ownership.

The main argument that the Government put forward for profit-related pay is, in effect, a macroeconomic argument, and the proposal is interesting because it illustrates the failure of their policies in other respects. The Government say that this scheme will make a substantial difference to major macroeconomic problems—the cure of unemployment and the restraint of inflation. The idea that profit-related pay would lead to a reduction in unemployment is principally borrowed from an American professor of economics called Martin Weitzman. After the trials of the British economy under the tutelage of Professor Milton Friedman, one would have thought that we would be slightly cautious about turning it over to another American professor.

The theory is that profit-related pay of itself will provide an incentive to employers to employ and that in a recession they will cease to fire workers. The opposite is the case. The danger is that, if a profit-related pay scheme is introduced, there is an incentive for those on the inside of the firm to keep those on the outside out of employment so that those inside can share in the greater profits. That point has been made many times, not least by the British Institute of Management, which was asked for its views. Forty-seven per cent. of its members stated that profit-related pay might restrict investment and recruitment. When talking of the massive injection of a fiscal incentive into our system, we are entitled to ask whether that money is being used in the best way.

It is argued that profit-related pay has an impact on inflation. The right hon. Member for Guildford (Mr. Howell) dissociated himself, rightly, from that argument. We were warned the other day in the House about the shibboleths of the 1930s. What does profit-related pay mean in terms of inflation? It means that in certain circumstances it is possible to cut wages and therefore cut inflation or employment. That is precisely the economic prescription of the 1930s, which was rejected by the people in the 1945 general election. The Government's grateful acceptance of the theory of profit-related pay shows the absence of any real ideas on how to deal with our main economic problems of unemployment and the decline in our manufacturing base.

The Chancellor has painted a rosy picture of the British economy, saying how well it is doing. He is surprised at the Opposition's criticisms. The dilemma of reconciling the interests of consumption and of investment has become increasingly clear over the past few years. Those fundamental conflicts must be resolved by the Government during the next few years. The consumer boom has become virtually a truism, but growth in consumption during the past few years has virtually doubled economic growth. Department of Trade and Industry figures published earlier this week showed that there had been £3 billion of new loans in May alone— 11 per cent. more — *[Interruption.]* I should have thought that, if Conservative Members wanted to learn the facts of the economy, they would believe the DTI figures. They showed that new loan finance was 11 per cent. more in the three months to the end of May than in the previous three months and 15 per cent. more than a year ago. It is important to realise that that excludes mortage borrowing and bank lending for housing. The consumer boom is not simply part of asset inflation caused by the rise in house prices. It is occurring quite apart from that.

The consumer boom and the build-up of inflationary pressure have been caused also by the wage increases which the Government condemn but from which they like to obtain benefits. An underlying trend of the British economy is the direct conflict between the interests of consumption which the Government are fuelling — tax cuts are just another method of doing that — and the interests of investments. The results of that consumer boom are shown by the Red Book published at the time of the Budget. The Government do not say that the public sector's borrowing is at the root of the problem of high interest rates. On page 11, they say:

> "Private sector borrowing has been rising and is now over 10 per cent. of GDP. It has clearly contributed more than public borrowing to upward pressure on real interest rates. These trends are likely to persist."

In other words, because of the huge consumer boom, the Government are forced to keep interest rates high to try to squeeze inflation, which means keeping the exchange rate high — the last thing to help the interests of manufacturing. Manufacturing industry wants a competitive exchange rate and lower interest rates. That is the dilemma at the heart of the Government's economic policy.

Of course, manufacturing output has improved recently. However, as the Bank of England made clear in its own quarterly — this comes back to the point that

[Mr. Tony Blair]

was made by my hon. Friend the Member for Cardiff, West — the reason that manufacturing output has improved recently is the depreciation of the exchange rate that occurred some time earlier. Those competitive gains are increasingly being taken away and that is why the improvement shown in this year's export volume is down for next year. In other words, that small increase in manufacturing output and that small increase in exports look as if they will decline next year. That is what is happening and, more than anything else, it is what has happened to investment.

The key to understanding the difficulty that the British economy is in is that investment is flat at the same time as company profitability and the consumer boom are increasing. During the past seven or eight years we have seen not only that manufacturing investment is below what it was in 1979; we have seen more than that and a net disinvestment in fixed formation capital stock in the British economy. That is an extraordinary thing to have happened, and it has happened because the link between profitability and investment has been broken. That is why the CBI — hardly a body that is sympathetic to the Labour party or that is ready to paint a gloomy picture of the Government's record — stated in its most recent survey that 25 per cent. of its firms say that capacity constraints are a major obstacle to expansion. In other words, the demand is being produced in the economy, but our manufacturing base is not big enough to take on and meet that demand. That is the difficulty.

The test of that will occur when we see the way in which the balance of payments on the current account progresses during the next few years. It is interesting to note that the Treasury forecast of what happens to the balance of payments in the current account deficit has again had to be revised to the state where the OECD forecasts that next year the current account deficit will be about £4 billion. That is the danger that the economy faces, and that is why I say that there is now a direct conflict between the consumer boom, which increases inflationary pressures, sucks in imports and necessitates a high pound and high interest rates, and the manufacturing sector, with flat investment and declining export opportunities which desperately need low interest rates and a competitive exchange rate.

Perhaps the Financial Secretary can tell me why, if the British economy is a great economic success, as the Chancellor tells us, the Bank of England has had to undergo a change of policy in recent weeks and is now intervening to keep the pound at its current level. The reason is that foreign investors are not giving a vote of confidence to the Government's handling of the economy.

My hon. Friend the Member for Dagenham (Mr. Gould) mentioned the hypothetical case of Great Britain Ltd. The real case is that foreign investment is not flowing into this country and into the City at present because foreign investors fear the problems to which the Labour party has drawn attention during the past few years. The fundamental problem that the Government face, and which we must face, is the absence of a coherent industrial policy. If we do not have a policy for our wealth-generating base, we do not have a policy for the future of the country.

Mr. Ian Bruce (Dorset, South): The hon. Gentleman continually suggests that we do not seem able to manufacture enough in the United Kingdom. However, the Government are coming forward with some ideas for manufacturing companies and saying, "Why do you not share some of your profits with your workers, improve productivity and manufacture the goods in the United Kingdom for which this boom is creating demand?" Surely that is a good policy and one on which the hon. Gentleman should congratulate the Government, because we are giving money to the people?

Mr. Blair: The hon. Gentleman will have to forgive me if I do not tend to congratulate illusions. When the Government came to power, we were in surplus in our manufacturing trade. While they have been in power, for the first time in our history we have moved into deficit, and that deficit has increased every year.

Mr. Bruce: Rubbish.

Mr. Blair: The hon. Gentleman should believe his Government's statistics. We are in deficit not merely on our traditional industries but on our new technology industries. The idea that we have thrown out the old industries and brought in the new is nonsense. We are not merely behind in the industries that have had decent pasts, but behind in the industries of the future.

It is against that background that we can measure the plight of our constituencies—against an economy whose future performance will probably not even match its past performance. For the Government's first four years, we were told that economic success would soon arrive and that we should wait patiently for it. Today, and for the past four years, we have been told that economic success has arrived but we have simply failed to recognise it. Tomorrow, and for the next four years, we will be told that economic success has been and gone and, unfortunately, we missed it.

I have to say to my hon. Friends, who have made passionate speeches on behalf of their constituencies and the problems that they face, that when we seek assurances from Ministers whose constituencies have unemployment rates in single figures, whereas ours are at 15 to 20 per cent. or higher, when we ask how a country concerned with its future can have more than 1 million unemployed under the age of 25, when we question how any civilised society can have 10 million to 12 million people below the poverty line, who spend in one week to survive what others spend in a lunchtime to entertain, and when we contrast the reality of our constituents' lives with the rhetoric of those who govern them from a distance, we must face the truth. We have had all the economic recovery that we are getting, and even harder times are ahead.

Some hon. Member have spoken about their booming constituencies. Some parts of the country are booming—

Mr. Keith Mans (Wyre): Hear, hear.

Mr. Blair: I have to tell the hon. Gentleman, who is applauding that, that I regard a definition of economic success that excludes 30 per cent. of the country as no definition of economic success at all. It is fundamentally contrary to the interests of our democracy, not just the interests of our economy, that we should exclude swathes of the country and whole constituencies from the benefits of prosperity. We should not forget that this Government have had the greatest bonanza in economic history. They

have had £60 billion-worth of oil revenue. To set that in context, it would have meant between 6p and 7p off the standard rate of income tax for every year of the Thatcher Government. The Government have sold £30 billion-worth of our assets, and still we have 3 million unemployed and the other problems of our economy.

When I read the report of the debates on the Education Act 1944 the other day, I noticed that the tone of the speeches was very different from the tone of the speeches that we hear now. When that great piece of reforming legislation was going through the House, hon. Members on both sides realised that the country had tremendous problems and that it was in the interests of everyone to deal with those problems. In that debate, Rab Butler said that education must

"be accessible to all, whatever their financial circumstances."
—[*Official Report*, 19 January 1944; Vol 396, c. 222-3.]

I link that with the employment White Paper published the same year, which said that the responsibility and duty of Government was to ensure full employment to the extent that they could. It is extraordinary that, 40 years on, we are debating not how we achieve those things, but whether it is desirable for the state even to attempt to achieve them.

Governments have faced, and will face, problems as profound and serious as those which face this Government. Of that I am sure. But it is the unique quality of this Administration that, even after eight years, they deny any responsibility for creating the problems and, worse, disclaim any duty to resolve them. This debate is about the role and proper scope of Government as much as it is about specific policies and issues which will be the constant theme of the party battle in this Parliament.

The Bill abdicates responsibility for the unemployed and denies the rights of those who are poor. Therefore, because it is irrelevant to the fundamental problems that we face, we shall vote against it in the Lobby tonight.

9.34 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): I am glad that, in the last minute of his speech, the hon. Member for Sedgefield (Mr. Blair) explained why he would vote against the Finance Bill. He spent a lot of time attacking things that were not in the Bill, but he did not deal with the Bill or explain why he intended to vote against it.

I agree warmly with the hon. Member for Sedgefield on one thing, and that is on the quality of the maiden speeches that we have heard. I believe that it was Winthrop Mackworth Praed who once commented on a maiden speech — it is clear from the expression of the hon. Member for Dagenham (Mr. Gould) that he has forgotten him. Winthrop Mackworth Praed was a minor poet and also a former Member for Marylebone. He once referred to a maiden speech as one that

"All men praised, but none remember."

I shall certainly remember some of the speeches that we have heard today.

My hon. Friend the Member for Daventry (Mr. Boswell) made an extremely eloquent speech. He told us about the delights of his constituency, including the apricot trees. I am afraid that I must confess that I was not sure that there were apricot trees in England. My hon. Friend also told us about some of his predecessors, and he left us in no doubt about his desire to serve his constituency. At the same time, he made a plea for the inner cities. He also warmly praised—I am sure that it was welcomed by my hon. Friends—the courage of Reg Prentice.

As the hon. Member for Sedgefield said, the hon. Member for Cardiff, West (Mr. Morgan) made an extremely witty speech. I for one especially appreciated his remarks about the alliance being a "democratic fission". I also appreciated his comments about his predecessor, Stefan Terlezki, who is certainly remembered with great affection by my hon. Friends. The hon. Gentleman said that the only thing that he had in common with Stefan Terlezki was the struggle that they both had to speak the English language. He went on to describe the linguistic difficulties that members of the parliamentary Labour party had in talking to each other. That difficulty appeared to be borne out by the maiden speech of the hon. Member for Western Isles (Mr. Macdonald), who addressed the House in what the hon. Member for Sedgefield told us was Gaelic.

My hon. Friend the Member for Stamford and Spalding (Mr. Davies) made an extremely impressive speech. He also spoke about the beauties of his constituency and said that Stamford was the loveliest stone town in England. I certainly agree with that. He went on to discuss, with great authority, the supply side of the economy and shortages of labour in the advanced electronic industries, and he strongly emphasised that whatever problems the economy may have macro-economic demand deficiency is not one of them.

The hon. Member for Western Isles made a moving speech when he described the problems of the crofting industry and the economy of the isles. I know that my hon. Friend the Member for Stirling (Mr. Forsyth), who has been transferred to the Scottish Office, will have paid attention to what he said about tax relief for the forestry industry.

I am sure we would all agree that the hon. Member for Motherwell, North (Dr. Reid) made an extremely powerful speech. If I said that I disagreed with a lot of it, I know that the hon. Gentleman would certainly regard that as a compliment. However, that does not mean that his speech did not make a great impact. It was an impressive speech and we look forward to hearing him again.

The hon. Member for The Wrekin (Mr. Grocott) made, not quite a maiden speech, but a reappearance. Obviously, being in the outside world has done nothing to dim his optimism, because he said that he would have to oppose the Government for perhaps as long as four years. He also referred to the fact that the Government were loathed by the people of The Wrekin. However, on consulting the record I discovered that no fewer than 26,200 people in The Wrekin chose to vote for the Conservative party.

I did not hear the speeches of the hon. Members for Manchester, Withington (Mr. Bradley), for Clydesdale (Mr. Hood) or for Clwyd, South-West (Mr. Jones), but I am told that their speeches were up to the extremely high standard that we have had in this debate.

Many matters were raised that are not strictly in the Finance Bill. We have had pleas for the next public expenditure round. My right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) made a plea for strong regional policy. My hon. Friend the Member for Beaconsfield (Mr. Smith) referred to the taxation of husband and wife and urged on us the development of the policies in the Green Paper.

[Mr. Norman Lamont]

The right hon. Member for Ashton-under-Lyne (Mr. Sheldon) adopted a rather untypical hard-nosed approach — I am sorry that he is not here — and took the Treasury to task because we had hung out expensive new flags in Parliament square. I have no doubt that that is a matter to which the Public Accounts Committee will turn its mind. The right hon. Gentleman also talked about the harmonisation of VAT and excise duty within the Community. I do not need to tell him that the Commission has not yet produced its proposals, and the Government have the power to veto any proposal which they decide are unacceptable.

The hon. Member for Dagenham devoted a considerable part of his speech to the economy, but said very little about the Finance Bill. His stress and emphasis on the economy were very different from what they were before the election. We were clearly told that no major crisis was in the offing. The hon. Gentleman decided to adopt the approach of Frank Sinatra and accentuate the positive. We were told that the balance of payments situation was manageable.

All this was very different from the approach that used to be adopted by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). Indeed, the hon. Member for Dagenham said that, overall, there was a not unpromising outlook. Coming from the hon. Gentleman, that is positive euphoria. It is very similar to the language that was formerly used by the hon. Member for Great Grimsby (Mr. Mitchell), who before the election always warned the Opposition not to be too pessimistic or to cry wolf too often about the economy. But, of course, the hon. Member for Great Grimsby speaks with special authority as the author of a book called "Can Labour Win Again?"

The hon. Member for Dagenham compared the economy with a company coming to the market in a privatisation issue. He chose to speculate about "United Kingdom Ltd." being floated. Today it would probably be known as "United Kingdom plc". However, it was fascinating to learn that the hon. Gentleman is himself interested in the sorts of questions that investors would ask. Never before has the Labour party been interested in investors. It was also extremely interesting to learn that the hon. Gentleman thought that the logic of privatisation was that it would lead people to ask questions about efficiency and the use of resources, and that that was a good justification for privatisation. However, my hon. Friend the Member for Beaconsfield pointed out that in this company the shareholders have already voted, and have given a resounding vote of confidence in the existing board of directors.

My right hon. and learned Friend the Member for Richmond, Yorks also spoke about the economy and said that perhaps the greatest threat to the United Kingdom economy comes from external factors. He referred in particular to the United States budget deficit. How very different that is today from what it was a few years ago. Only a few years ago Labour Members were always telling us that we should be following the example of the United States by increasing the budget deficit. Today, not just in this country, but internationally and in the United States, it is clearly recognised that there is a need for that budget deficit to be reduced.

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) made a point about the procedure for the Bill, and took some exception to the Ways and Means resolutions and the absence, as he saw it, of debate. There are not a huge number of changes in the Bill. In fact, there are few changes from the original Bill. There are some drafting changes, as those of us who participate in Finance Bill debates will understand. Alas, there are always drafting changes, even in the course of a Bill's passage. In fairness to my hon. Friend, I must say that there has been time for consideration of the Bill, considering that we made it crystal clear that we were going to reintroduce the clauses that had to be dropped. They have been re-introduced almost entirely in the form in which they were before. Where there have been some changes, that has been in response to consultations and representations from outside.

Some of my hon. Friends referred to the changes that have been made in the taxation of life assurance companies, or, rather, the capital gains of policyholders. As hon. Members may recall, the Finance Bill has merged the corporation and capital gains tax charges for companies and, in the original Bill, that also applied to the capital gains of policyholders — the investors in life policies. My right hon. Friend the Member for Worthing (Mr. Higgins) and others of my hon. Friends maintained that that was unfair. The point made by my hon. Friend the Member for Beaconsfield was that, if we examine the whole area of savings and the different tax reliefs that are available for savings, and if we are attached to the concept of a level playing field for savings, we are taxing the capital gains of policyholders in a different way from those of investors in other savings media. We do not agree with all that argument, and we have decided for the moment to leave the position of policyholders' gains as it is. There is to be a more general review of the taxation of life assurance.

Mr. Higgins: What other areas of tax penalties are being imposed retrospectively by legislation?

Mr. Lamont: My right hon. Friend says "retrospectively" because the capital gain that has been accumulated has been accumulated over a period of years; but the logic of that argument is that any change in the rate of capital gains would be retrospecitive at any time unless one altered the base date of the capital gains tax legislation. We can debate that point again, but I do not accept that it means that the changes are in any sense retrospective. I am sure that my right hon. Friend will press that point, but I hope that he will at least welcome the concession that we have made.

The hon. Member for Caithness and Sutherland (Mr. Maclennan) did not like the changes that we have made on merging capital gains and corporation tax for companies. To the Government, that seems a desirable simplification. For small companies it will mean that the rate on capital gains is reduced to 27 per cent. With the reduction in corporation tax rate to 35 per cent., the difference between the capital gains rate and the corporation tax rate did not appear great, and it seemed a desirable simplification of the tax system to merge the two. For companies, there are often a wide range of choices as to whether gains are taken as capital gains or as income. I am sorry that the hon. Gentleman has not welcomed that change.

Nor did he welcome — in fact, he opposed — the changes that we have made for transfers into interest in

possession trusts. That is done, as he said, specifically to help independent businesses, and to help those that are held in trusts. I am sure that a man of the hon. Gentleman's experience will recognise that, quite apart from its position in tax, a trust has a function in relation to the continuity of businesses, that is why we have made that change.

A number of my hon. Friends, including the hon. Member for Christchurch (Mr. Adley), referred to the taxation of Lloyd's and to reinsurance to close. The problem that gave rise to the original proposals was the denial that the Inland Revenue had any locus in assessing reinsurance to close in terms of tax deductibility. We could not accept that position. If the existing law were left unchanged, the amount of tax deduction for reinsurance to close would be determined by the agent without review by the inspector of taxes. We believed that that could not be right in principle — hence the need for legislation. We have stuck to that position and I believe that we have achieved a form which makes it crystal clear that the Revenue has a locus in examining the potential deductibility of reinsurance to close but which also takes account of the special characteristics of Lloyd's, especially in terms of its long-term business and the need to protect the flexibility of the Lloyd's market.

Two of the most important parts of the Bill relate to pensions. The provisions relating to personal portable pensions were very much welcomed by my right hon. Friend the Member for Guildford (Mr. Howell). I am sorry that the hon. Member for Dagenham could not give the proposals a warmer welcome. I do not know to what extent he has seriously considered the matter, but I thought that it was a pity that he took the line that personal pensions might undermine the final salary schemes of big companies. He seemed to be accepting somewhat uncritically the line peddled by certain sections of the pensions industry that there is something sacrosanct about big company schemes and that it is wrong for the individual to be able to have his own personal pension with the value of his investment actually accruing to him. I read in the newspapers that the hon. Gentleman is well respected in the City, and clearly he goes there a good deal, but I hope that he will not believe everything that he is told about company pensions by people there.

The hon. Member for Dagenham might perhaps listen to my hon. Friend the Member for Kensington who for many years has been a critic of final salary schemes because, as he puts it, they involve an element of subsidy to certain people and because there are considerable problems for early leavers. My hon. Friend has criticised the Government for not doing enough about the early leaver problem, although we have taken steps with regard to transfer values. We have also taken steps to improve mobility through personal pensions provisions. I hope that the Labour party will take a more constructive view of that.

We have also had to take action against certain abuses. My hon. Friends will appreciate that pensions as savings vehicles are subject to enormous tax privileges. My hon. Friend the Member for Kensington asked why we were cutting off the tax-free lump sum provision at £150,000. Some Opposition Members may be amazed at our modesty. In fact, it is a tax-free perk. As my hon. Friend the Member for Kensington knows, it is a matter of pension being commuted to a lump sum and paid tax-free. Moreover, the contributions which create the lump sum are themselves tax-deductible when they are made. As my hon. Friend the Member for Kensington has recognised, we have seen some amazing contrivances and tax avoidance devices. That is why we have examined the lump sum and why we have considered the question of accelerated accrual. Situations have arisen in which people want two thirds pensions within a 10-year period and they have been making huge payments equivalent to 150 per cent. of salaries. That is why we have decided that action must be taken against those abuses.

My right hon. Friend the Member for Guildford welcomed the provisions in the Bill for profit-related pay. I am sorry that Opposition Members did not react more constructively to tax reliefs for profit-related pay. The hon. Member for Sedgefield seemed to believe that there was something wrong with profit-related pay because one of the main authorities in favour of its was an American. His attitude seems to be "stick to Hungarians" on these matters.

We have sought to introduce profit-related pay because we believe that it can bring a much-needed flexibility to the labour market. Opposition Members have tried to characterise profit-related pay as a policy for low pay. However, profit-related pay seeks to make all pay — high, low and average pay — responsive to market conditions and the ability of firms to pay. Not only Conservative politicians, but Labour Ministers when Labour was in office, criticised the concept of the going rate and the ritual of the annual round. Conservative politicians and, previously, Labour Ministers have drawn a connection between unaffordable wage increases and unemployment.

My right hon. and learned Friend the Member for Richmond, Yorks said that relating pay to the overall success of a company provides a cushion against changing circumstances. As profits rise, employees can benefit from higher pay. If profits fall, from the company's point of view, some adjustment can be made in the form of lower profit-related pay and therefore lower labour costs can be achieved. In present circumstances, many companies believe that the only flexibility they possess lies in reducing the number of employees.

Opposition Members, including the hon. Member for Sedgefield, have stated that employees cannot be expected to take risks with the fortunes of their companies. They are already involved in the fortunes of their companies. If profits go down and if the company is in difficulty, redundancy is likely. Those are the circumstances in which profit-related pay can be a cushion and insurance. By creating more flexibility, in the long run it can also provide more employment.

The hon. Member for Caithness and Sutherland felt that there should be tax relief for the employer. However, employers have every incentive to introduce profit-related pay. Today, the incentive is needed to get the concept and idea understood by the work force. That is why the incentive is concentrated on the pay cheque. We must get the incentive to the labour force and convince it of the logic of the idea.

With this Bill, we are pressing ahead again with the programme of tax reform that we have followed consistently since 1979. The Bill keeps up the momentum of reform. We have introduced a series of measures to streamline and simplify tax collection and lighten the administrative burden and we have introduced the opportunity for people to participate in new profit-related

[Mr. Lamont]

pay schemes. For individuals, we are also bringing forward innovative personal pensions that will offer new choice and flexibility.

We have introduced the Bill quickly because we believe that those ideas are important. We want to see them on the statute book as quickly as possible. For that reason, I commend the Bill to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 319, Noes 202.

Division No. 13] **[10 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Alton, David
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Ashdown, Paddy
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnes, Mrs Rosie *(Greenwich)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl'ts)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Bruce, Malcolm *(Gordon)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cartwright, John
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gardiner, George
Gill, Christopher
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'nam H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Timothy
Jessel, Toby
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
MacGregor, John
MacKay, Andrew *(E Berkshire)*
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, Mic[illegible]el *(Arundel)*
Martin, David [illegible]ortsmouth S)
Mates, Micha[illegible]
Maude, Hon [illegible]cis
Mawhinney, [illegible]rian
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Smith, Cyril *(Rochdale)*

Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thompson, D. *(Calder Valley)*
Thorne, Neil
Townsend, Cyril D. *(Bexleyheath)*
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walker, Bill *(T'side North)*
Wallace, James
Warren, Kenneth
Wheeler, John
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tristan Garel-Jones and
Mr. Mark Lennox-Boyd.

NOES

Abbott, Ms Diane
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Ms Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cunliffe, Lawrence
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dobson, Frank
Doran, Frank
Douglas, Dick
Dunnachie, James
Dunwoody, Hon Mrs Gwyneth
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Douglas
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, James
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Lambie, David
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McCartney, Ian
Macdonald, Calum
McFall, John
McKay, Allen *(Penistone)*
McKelvey, William
McLeish, Henry
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Morris, Rt Hon J *(Aberavon)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Pendry, Tom
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Randall, Stuart
Redmond, Martin
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerald
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dafydd Elis
Turner, Dennis
Vaz, Keith
Wall, Pat
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Wigley, Dafydd
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Don Dixon and
Mr. Frank Haynes.

Question accordingly agreed to.

Ordered, That the Bill be committed to a Committee of the whole House.—*[Mr. Maclean.]*

Committee tomorrow.

It being after Ten o'clock, MR. SPEAKER *proceeded to put forthwith the Question which he was directed by paragraph (1) of Standing Order No. 53 (Questions on voting of estimates, &c.) to put at that hour.*

SUPPLEMENTARY ESTIMATES 1987-88

Resolved

That a supplementary sum not exceeding £1,064,266,000 be granted to Her Majesty out of the Consolidated fund to defray the charges for Defence and Civil Services which will come in course of payment for the year ending on 31st March 1988, as set out in House of Commons Paper No. 16.—*[Mr. Norman Lamont.]*

Bill ordered to be brought in upon the foregoing resolution by the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. John Major, Mr. Peter Brooke and Mr. Peter Willey.

CONSOLIDATED FUND (APPROPRIATION) BILL

Mr. Norman Lamont accordingly presented a Bill to apply a sum out of the Consolidated Fund to the service of the year ending on 31st March 1988, and to appropriate the supplies granted in this Session of Parliament: And the same was read the first time; and ordered to be read a Second time tomorrow and to be printed. [Bill 8].

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Motion relating to the Channel Tunnel Bill may be proceeded with, though opposed, until half-past Eleven o'clock, or one and a half hours after it has been entered upon, whichever is the later. *[Mr Garel-Jones.]*

Defence

10.16 pm

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): I beg to move.

That the draft Army, Air Force and Naval Discipline Acts (Continuation) Order 1987, which was laid before this House on 26th June, be approved.

The purpose of the order is to continue in force for a further year——

Mr. Speaker: Order. Will hon. Members beyond the Bar please leave the Chamber.

Mr. Freeman: The purpose of the order is to continue in force for a further year the Army and Air Force Acts 1955 and the Naval Discipline Act 1957, which together provide the basis for the disciplinary arrangements in the three services. The concept of annual parliamentary approval for the special legal positon of the service man or woman, subject as he or she is to constraints of military discipline as well as the rule of civil law, is a long-established one in British constitutional practice. Every fifth year the opportunity is taken to review in depth the needs of the service disciplinary systems, and an Armed Forces Act is passed making such amendments to the systems as are considered necessary. The most recent such Act was passed in 1986.

The Select Committee that considered the 1986 Act accepted that on balance the procedure under which such Bills are introduced quinquennially, with annual continuation orders such as I am moving today proposed in the intervening years, is the right way to ensure that the working of the service discipline Acts is kept under review by Parliament. The annual debate on the continuation order allows us to debate matters affecting service discipline and welfare. In addition, it provides me with an opportunity to pay a wholehearted tribute to the skill and dedication of our armed forces. Their professionalism is founded in part upon a sound disciplinary system that will be continued with the order, which I invite the House to approve.

10.18 pm

Mr. Martin J. O'Neill (Clackmannan): As the Under-Secretary of State said, the order provides an opportunity for us to keep under review the Armed Forces Act. It enables us to seek from the Minister something in the way of a progress report, not least in the light of the work of last year's Select Committee that considered what was then the Bill. I had hoped that the Minister would be more fulsome in his justification of the order. I hope that when he replies to the debate he will address himself to some of the issues that I intend to raise and to the matters that some of my hon. Friends will bring to his attention.

It has been said that the purpose of the review is to ensure that volunteer service men and women who give up some of the civil liberties that we enjoy as private citizens —they forgo some of these civil liberties to protect our civil liberties—can carry out their activities within the services in a fair, reasonable and just way.

Last year the House debated the quinquennial Armed Forces Bill. At that time considerable misgivings were expressed—certainly by Opposition Members—about some of the Government's antics and attitudes. It was unfortunate that, at the time, the Select Committee on the Armed Forces Bill was denied the right to call on the hon. Member for Newry and Armagh (Mr. Mallon), who wished to give oral evidence concerning the UDR. The Committee was denied the right to call Mr. Calcutt to give evidence concerning the Cyprus spy inquiry. It was also denied oral evidence from the Campaign for Homosexual Equality on matters relating to homosexuality in the armed forces. We recognise that such matters still require consideration, and we hope that in response to the debate the Minister will provide us with more information. *[Interruption.]* Is it necessary, Mr. Deputy Speaker, for hon. Members to carry on conversations in the House when we are trying to deal with important matters?

Mr. Deputy Speaker (Sir Paul Dean): Order. I am finding it difficult to hear the debate. I hope that hon. Members who are not listening to the debate will withdraw from the Chamber.

Mr. O'Neill: One of the problems in the armed forces is that of morale. In a highly disciplined force the like of which we have in this country, the significance of morale can never be underestimated. It is an integral part of order within the armed forces.

In recent years we have seen a 25 per cent. increase in the number of skilled personnel leaving the armed forces. A substantial number of pilots, whose training has cost in excess of £3 million, are taking premature voluntary retirement. It could be that orders of the kind that we are discussing have been contributing factors. Certainly, morale is significant. In the Royal Navy the decline in the size of the fleet and the number of frigates have been contributory factors. About 70 per cent. of RAF married quarters are regarded as substandard. It is fair to say that, if we point to inadequate housing in civilian society as being a contributory factor to the breakdown of order, there must be a recognition of the inadequacy of housing standards as something that could undermine order. We cannot make a simple comparison between civilian society and the armed forces, but identifiable shortcomings will have repercussions in the behaviour of service personnel. It is to their credit that they have been able to put up with increasingly intolerable conditions, but many of them are voting with their feet and leaving the forces in great numbers. Neither the security of the country nor the general morale of the forces can afford that.

We have seen other examples of the breakdown of morale. It is a matter of regret that, over the past 12 months, there has been an increase——

Sir Antony Buck (Colchester, North): Does the hon. Gentleman not think that he is exaggerating beyond a peradventure when he talks about a breakdown in morale? If he is in day-to-day contact with our armed forces, as many Conservative Members are, he will know that to talk in such terms is a gross exaggeration. There are matters of concern, but to talk about a breakdown is a gross exaggeration. I ask the hon. Gentleman to withdraw his comments.

Mr. O'Neill: I was not aware that I was over-egging the pudding. I was merely saying that we ignore at our peril the increasing difficulties confronting our armed forces as a result of the Government's indifference. That is evidenced by the steady stream of well-trained personnel who are leaving the services—and leaving at great cost to this country.

[Mr. O'Neill]

There have been reports of five cases of bullying and malpractice at training establishments that have resulted in fatalities. I know that at least one case is still sub judice and that it would therefore be inappropriate for us to discuss it in detail. However, the Under-Secretary must reconsider his refusal to hold a broader inquiry into those unfortunate and tragic incidents.

We must examine carefully the problems with our junior soldiers. We cannot forget that junior soldiers are minors and that the armed forces are, in effect, in loco parentis in respect of them. They have a responsibility that far exceeds their responsibility for older soldiers. The Minister should address himself to that point, because it is a consequence of the fact that the regulations have not been adhered to as we would have wished.

The problems of training establishments and the treatment of young soldiers have been highlighted in a variety of ways, and in one case there were allegations of racial abuse. The Government must reconsider their refusal to introduce some form of ethnic monitoring. I know that Alf Dubs, the former Member for Battersea, whose absence from the House many of us greatly regret, and my hon. Friend the Member for Kingston upon Hull, North (Mr. McNamara) pursued the problem with great vigour. The stories that we have heard do not satisfy us and we believe that it is incumbent upon the Minister to re-examine the desirability of introducing ethnic monitoring and preventing racial abuse in the armed forces.

The Opposition never have a three-line Whip in debates on capital punishment. It is never a matter of party division. It is up to individuals and their consciences. We know that over the years debates on capital punishment have never been a source of great satisfaction to the Prime Minister. It is only right that we should re-examine the retention of the death penalty in the regulations and consider whether we should move away from the use of that penalty in times of peace.

Last year the Select Committee on the Armed Forces Bill recommended that Queen's Regulations in respect of courts martial should be reviewed, with particular regard to the rights of service men and women in the Army and RAF to be represented at summary proceedings by an accused's friend, to use the naval jargon. Will the Minister tell us what is happening about that and whether the Government have agreed to support the recommendations of the Committee?

The Opposition do not believe that the present court martial system is the best that our services could have. We believe that the defendant service man at a court martial should have the right to be defended by a senior NCO, if the defendant thinks it appropriate. The use of an NCO's services might well afford the court the opportunity to hear someone with more direct experience of the life of the other ranks than can be provided by a comissioned officer. This is a delicate point in some respects, but it might be an appropriate matter for consideration. I realise that it would be difficult to ensure that NCOs were given legal training, but the Minister should consider whether some NCOs could be utilised in that way.

We acknowledge the work of the services in dealing with drug abuse. We recognise that sterling efforts have been made, especially in educating service people about the hazards of drug and alcohol abuse. I understand that the Army is to subject soldiers to routine drug tests. A number of pieces of special equipment have been ordered. Will that equipment be purchased for the RAF and the Navy as well? Has the Army carried out any tests? What are the results? These are important matters. If the Army is still breaking in the equipment or getting the bugs out of the system we would be happy about that, but we would like assurances that if the equipment is worthwhile—we believe that it is—and is successfully applied by the Army, it will be extended to the other services. We congratulate the Royal Navy's alcohol abuse team on its excellent work. We hope that the other services will set up similar specialist units. Alcohol abuse is a major problem in our society. In some instances, young men who have reasonable amounts to spend on alcohol will do so, to their disadvantage.

I mentioned that the Campaign for Homosexual Equality was not allowed to give oral evidence to the Select Committee. Due recognition ought to be given to the increasing self-confidence of homosexuals in being able to come out and live an open life, rather than the closed life that many lived in the past. It would be desirable for the Government to take account of changing social attitudes and again consider the issue of homosexuality in the armed forces.

Mr. John Wilkinson (Ruislip-Northwood): Does the hon. Gentleman agree that he is making a thoroughly irresponsible suggestion from the point of view of military discipline? It would be fatal to be more permissive towards homosexual behaviour within the closed confines of military units, ships at sea, and so on, especially in view of the AIDS epidemic. That is one of the most ludicrous and dangerous suggestions that I have ever heard.

Mr. O'Neill: That shows that there is a genuine difference of opinion. We take the view that homosexuality exists and that it should not be a source of blackmail. It should not necessarily be a threat to military discipline. I understand the hon. Gentleman's point, but other armed forces do not take the same view and it does not seem to have a deleterious effect on discipline.

The issue of AIDS has already been raised and I should like to ask the Minister about the fate of those service personnel who are identified as being HIV positive: will they be discharged, or will they be allowed to remain in the service as happens in the United States Navy? Perhaps the Minister will advise us of current thinking on this subject, because it is clear that in the Western Alliance there are differences of emphasis and attitude. I do now want to labour the point, but it is important that we use a debate such as this, which is not a heated debate, to consider the regulations dispassionately. I should like to know the Minister's attitude on this issue.

Last year there were extensive discussions, long debates and a serious examination of these regulations by the Select Committee, as happens in the quinquennial review. An order that affords only 90 minutes for debate must, of necessity, be superficial in some respects, but in other respects this is an opportunity for us to obtain an update from the Minister about current thinking in the Ministry and the services. Therefore, I should be grateful if the Minister would address himself to the points that we have raised during the past 12 months, because they have been raised on previous occasions, and some of our arguments have been reinforced by unfortunate and tragic experiences. We ask the Minister to take account of that.

We shall not seek to divide the House on this order, although perhaps some of the new Conservative Members had not appreciated that point, and that is why they are here.

We recognise the high standards of our forces and we wish to ensure that those high standards of behaviour continue. We recognise that we demand a loss of civil liberties from our voluntary forces so that our civil liberties and freedom can be maintained and protected. Therefore, we take our responsibilities in this area extremely seriously and carefully. That is why the points that I have raised this evening merit consideration and response from the Minister and the House. We hope that tonight the Minister will give satisfactory answers to some of the points on which he has not given satisfactory answers in the past.

10.37 pm

Mr. John Wilkinson (Ruislip-Northwood): This renewal debate on the Army, Air Force and Naval Discipline Acts provides a useful opportunity to raise specific matters of importance to the discipline of the armed forces. I want to touch on one issue which, from a disciplinary point of view, could be of considerable significance, especially to the Royal Air Force. I have addressed this issue before, but to my knowledge it has not been satisfactorily answered.

The Government possess powers to requisition, in time of emergency or war, civilian assets and to take them up from trade. That includes not only ships but civil aircraft that belong to airlines and civil air transport operators. Of course, crews are needed to operate those airplanes. One can imagine a situation in which civil crews would come under military command to fulfil ostensibly civil roles but roles that could, in time of emergency, bring hazard and danger to the operating air crews. One can also imagine that the British Air Line Pilots Association, or other unions, or even the individuals themselves, might be reluctant to fly their aircraft into what they regard as a war zone.

I suggest that Her Majesty's Government should have powers to make civilian aircrews who are flying civilian aircraft such as air transport airplanes, airliners that are converted to flight refuelling, civil helicopters for air transport and air-sea rescue and perhaps other aircraft, such as surveillance airplanes used in peace time for policing the United Kingdom's economic zones, such as fishing zones, that are operated in peacetime under the aegis of the Department of Trade and Industry, but which in case of war, would be required for maritime patrol, come under military commanders.

Civilian personnel whose primary job is flying for an airline or some other duty can be members of the Royal Air Force volunteer reserve and, as such, fly regularly with the Royal Air Force on air transport and maritime patrol duties, as well as carrying out flying instruction and air experience duties. But civilians who do not belong to the volunteer reserve or the Royal Auxiliary Air Force could, in an emergency or war, be required to carry out difficult and dangerous operations. In those circumstances, it is essential that they be subject to military discipline under the Air Force Act 1955. If the Government have not already done so, I hope that they will make provision for this, because it could have considerable operational significance.

10.40 pm

Mr. Tam Dalyell (Linlithgow): I want to ask the Minister one question, which I hope he will take in the spirit in which it is asked. In a rather careful and unemotional spirit. I have to say to him that, for three and a half hours earlier in the year, starting from a basis of scepticism, I saw Colin Wallace and Fred Holroyd. The truth of the matter is that I do not know one way or the other what happened or what did not happen in the case of Captain Nairac. I know that, in certain other matters, what Colin Wallace has claimed is suspiciously near the truth in relation to Lord Glenamara and in relation to what happened in the 1970s of which I have personal knowledge——

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Deputy Speaker. I understood that we were debating the Army, Air Force and Naval Discipline Acts. We know that the hon. Member for Linlithgow (Mr. Dalyell) likes to bang on about all sorts of things which have nothing to do with the business, but the House will be very grateful that you are in the Chair and are well able to control the hon. Gentleman should he stray out of line.

Mr. Deputy Speaker: I am listening carefully to the hon. Gentleman, who has only just started his speech. Perhaps it would be helpful if I reminded the House that we are discussing the terms of service, discipline and punishment in the armed services.

Mr. Dalyell: This is very much a question of discipline. Even if the hon. Member for Northampton, North (Mr. Marlow) thinks that I am raising matters in a provocative way, I hope that other Conservative Members will not. I am asking a serious question.

A great deal has been written about this. A serious forensic scientist, Dr. Julius Grant, has apparently confirmed the dates of a number of the dairies that many of us have seen. We are talking about people who have been endlessly trying to approach Ministers. All that I say, in as quiet and careful a way as I can, is that, being a person of some scepticism and very great care in dealing with people, I came to the conclusion — I have been extremely careful about it — that much of what Colin Wallace and Fred Holroyd were saying certainly needed investigation. I want to say this in as unvituperative a manner as possible: this position should no longer be allowed to fester. I plead with the Ministry of Defence at least to take the matter seriously. It is not quite good enough, after all that has happened, simply to say that there will be no inquiry. Ministers cannot go on saying, "We will do nothing about it; we will ignore it." All these matters are gaining more and more credence.

I sit down now, because I promised that I would speak for only two minutes, with a plea that the Ministry of Defence, along with other Departments, takes seriously these allegations from Colin Wallace and Fred Holroyd, who were trusted at the time — they are not of my political beliefs — and who occupied very important positions, in the case of Colin Wallace. Those who served with him bear witness to his importance in Northern Ireland.

Mr. Marlow: On a point of order, Mr. Deputy Speaker. It is patent that the hon. Member for Linlithgow (Mr. Dalyell) is banging on about something that is totally

[Mr. Marlow]

unrelated to the business in hand. The hon. Gentleman is always doing this. Will you please defend the House from this abuse?

Mr. Deputy Speaker: The hon. Member for Linlithgow has assured me that he is on his last sentence.

Mr. Dalyell: This is a matter of military discipline, and concerns something that happened in Northern Ireland in the mid-1970s. It is essential to military discipline. There should be some investigation.

10.44 pm

Sir Antony Buck (Colchester, North): I hope that the hon. Member for Linlithgow (Mr. Dalyell) will forgive me if I do not take up his argument. I fail to see its relevance to what we are considering.

It is right that we should have a regular review of matters relating to the Army, Air Force and Navy and discipline and morale in those services. One of the particularly good things about the House is that we have regular single service debates. From time to time we also review Army, Air Force and Navy discipline.

It is appropriate that I should say a few words—the House will be relieved that it will be a few words—about one of the principal instruments of maintaining discipline, the military corrective training centre, which is housed in Colchester. I am blessedly relieved to say that it is now in the last stages of the completion of its rebuild. I hope that the Minister can give us an update about that development. Certain parts of the rebuild are functioning now, but we hope that there will be a grand opening of the entire centre shortly. It would be fun to have the Minister, his colleagues and other dignitaries visiting the constituency for that opening.

For the 26 years that I have been in the House I have battled for the opening of a new military corrective training centre. Until last year, most of that centre was housed in Nissen huts.

Mr. D. N. Campbell-Savours (Workington): The hon. Gentleman was the Minister once.

Sir Antony Buck: Exactly. I started campaigning then for the centre and that campaign has been very effective. From time to time, even Opposition Members have been helpful. I am glad to say that the campaign has come to fruition and I hope that before long there will be a grand opening of the MCTC. In fact, when the Labour party was in power there was little progress towards that goal, but I shall not make party political points about matters that are, on the whole, best kept out of the political arena.

This debate gives us an opportunity to say a brief word about morale in the armed forces. I represent part of a garrison town and I have an opportunity to visit the armed forces. Indeed, many hon. Members visit the armed forces and we should take every opportunity to pay tribute to the high morale and expertise in the armed forces. Such professionalism is evident whether one visits the armed forces in the Falkland Islands, the British Army of the Rhine, in Belize or elsewhere.

What is the present state of affairs regarding premature voluntary release? If the figures are increasing, we should hear about that. When we came to power the situation was desperate. The middle ranks of the armed forces, the senior NCOs and junior officers, were taking premature voluntary release in formidable numbers. The most skilled of our armed forces were draining away. The first thing that the Government did was to deal with the pay of the armed forces. That had an instant, dramatic effect on the outflow of personnel from the armed forces.

My hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) referred to skilled pilots. My hon. Friend is well aware that when the RAF trains a pilot he becomes an expert and is a valuable commodity on the commercial market. That pilot, as a chief pilot in the civilian air force or as an employee of the air authorities can earn large sums of money.

I hope that the Minister can give us an update about premature voluntary release. We must ensure that it does not occur to an alarming extent. Of course, people should be able to go into civilian life with the advantage of armed forces training. However, some of us have heard suggested that the figures for premature voluntary release are increasing. If so, that is a matter of considerable concern.

It is right that the House should take this opportunity to pay tribute to the armed forces of the Crown, particularly in the context of the burden borne in Northern Ireland. No armed forces but ours could have sustained that burden for such a long period. Having visited Northern Ireland 14 times since the troubles began—I am not unduly superstitious when I say that I was glad when the 13th visit was over—I know that high morale has been maintained. The House should take every opportunity to pay tribute to what our armed forces are doing throughout the world, but particularly in Northern Ireland. Discipline, with which we are particularly concerned tonight, is standing up to the strains imposed on them there just as much now as it has in the past.

10.51 pm

Ms. Joan Ruddock (Lewisham, Deptford): Anyone with any experience of military matters or who has given any thought to them will recognise the need for discipline in the armed forces, both for military effectiveness and civilian safety.

Yet instilling in men the discipline to kill when required to do so in war and at the same time to behave in a civilised manner in peace time is no simple matter. That is why the Acts to which these continuation orders apply contain sections dealing with disgraceful and disorderly conduct.

Part II of the Air Force Act 1955 contains section 43A which prescribes penalties for

> "Any person subject to air-force law who, without reasonable excuse . . . uses threatening, abusive, insulting or provocative words or behaviour likely to cause a disturbance".

It is my belief that at the RAF base at Upper Heyford discipline has fallen far short of acceptable standards and the sort of behaviour to which that section applies. I doubt whether disciplinary action has been taken in this case, and I wish to bring it to the Minister's attention.

At first sight my complaint may seem to be trivial, because it relates to material that is on sale at that base, including stickers and a song book. But this is a serious matter. The stickers depicted an F-111 and carried the slogan "Warsaw pact central heating"—*[Laughter.]* I do not find that funny.

Although the song book consisted of 52 pages, it contained but one verse that I can recite in the Chamber without Mr. Speaker ordering me out. I shall recite that verse because the book was on sale at an open family day at a British base. It stated:

"Phantom flyers in the sky,
Persian-pukes prepare to die,
Rolling in with snake and nape,
Allah creates but we cremate.
North of Tehran, we did go,
When the FAC said from below,
'Hit my smoke, and you will find,
The Arabs there are in a bind'.
I rolled in at a thousand feet,
I saw those bastards, beating feet,
No more they'll pillage, kill and rape,
'Cause we fried 'em, with our nape".

That would be extremely serious in any circumstances, but given the bombing that took place from this country on Libya, and given the position of the United States in the Gulf area at present, this is indeed insulting and provocative behaviour.

Mr. Wilkinson: On a point of order, Mr. Deputy Speaker. Are not we discussing the Royal Air Force Act 1955, not the United States Air Force services?

Mr. Deputy Speaker: It would be better if the House left matters of order to me.

Ms. Ruddock: Thank you, Mr. Deputy Speaker. I am sure the hon. Gentleman knows that the base has an RAF commander in charge of it; I have a letter from him; he exists.

I hope that the Minister will agree that the fact that the material has been produced and put on sale——

Mr. Marlow: I am not trying to be critical. By way of explanation, will the hon. Lady tell the House whether the verse that she read out was written by British service men or United States service men?

Ms. Ruddock: I am happy to tell the House, as I have been doing, that that material was on public sale at an open day at RAF Upper Heyford, where a British commander is in charge. If the hon. Gentleman will allow me to continue, I want to tell the Minister that I hope that he agrees that the fact that that material was produced —albeit, I suspect, by American service men—and was put on sale—*[Interruption.]* I am sure that it has a lot to do with us. It happened on a British base. The material was steeped in racial hatred and sexual violence, and should not have been on sale at such a function.

I wonder whether the Minister believes that, in order to discipline men for working with nuclear weapons, the cultural values of violent obscenities must be employed; and whether the spread of such values among the armed forces—British or American—in this country is good or bad for discipline.

I do not need to remind the House that there are nuclear weapons on that base that can bring about the total destruction of this nation, and every other. Such behaviour is not conducive to the special discipline that is required when one is in charge of nuclear weapons. I ask the Minister to hold an inquiry into the matter and report to the House.

10.57 pm

Mr. Derek Conway (Shrewsbury and Atcham): I hope that the House will forgive me if I return to the subject raised by my hon. Friend the Minister on opening the debate — that of service discipline and the welfare of British, and not American, troops. I hope that I can emulate my hon. Friend's brevity in opening the debate.

If the British Army were given the opportunity to debate all the gossip and niggles that come out of the Members' Tea Room I suspect that the debate might last much longer than tonight's may last. In this debate we are hearing many of the niggles that hon. Members will undoubtedly hear if they ever visit a unit. They are part of ordinary life. Hon. Members may hear echoes of those sorts of niggles during next week's debate on Members' pay, and they will hear them when they visit the services.

I have a great regard for the hon. Member for Clackmannan (Mr. O'Neill). Those of us who have seen him perform in the past have come to like him. However, to go on about the capital punishment aspect of discipline in the armed forces when debating this order is not on. If the hon. Gentleman can tell me when that was last used I shall happily give—with your permission, Mr. Deputy Speaker, as I would be gambling in the Chamber—£5 to the Army benevolent fund. However, it is not a matter of the greatest import, either to the Army or the House.

Mr. O'Neill *rose*——

Mr. Conway: I think I may have just lost £5.

Mr. O'Neill: I do not want to rise to the bait, but I want to tell the hon. Gentleman that if a punishment is not used, and is seen not to be effective — I do not believe we should have an arid discussion about its deterrent value now — we would be well advised to rid ourselves of it and remove it from the legislation. The House has shown that it is opposed to all aspects of capital punishment. We believe, therefore, that it would be appropriate to delete it from the regulations.

Mr. Conway: The hon. Gentleman has not earned his £5 for the Army benevolent fund. It is one thing for Back Benchers—we lesser mortals—to nitpick, but we expect better things from the Opposition Front Bench.

One of the issues to which the hon. Member for Clackmannan rightly referred — some of us have contemporaries who are still serving — is that of premature retirement from the armed forces. The hon. Gentleman would do well to remember that during his party's term of government there was a much greater problem than there is now, when there has been a considerable improvement in pay and conditions for the armed forces.

Having crawled a little, I may incur my hon. Friend's wrath when I suggest that in considering welfare and discipline in our armed forces we should perhaps move forward a little with the times and appreciate that while, in civilian life, many people have working wives or partners, those who govern our armed forces have not quite come to terms with that concept. I understand that in many cases where people seek to leave the armed forces prematurely much of the pressure comes from spouses who may have to give up highly lucrative employment for the sake of their spouses' careers. Politicians perhaps do not realise how many wives sacrifice a great deal to enable their husbands to move on every two or three years as their postings demand.

Ms. Clare Short (Birmingham, Ladywood): I recently received a letter from a couple in which the wife had been a nurse in the armed forces for seven or eight years. The couple had married fairly recently and she had become pregnant. It was unplanned, but they liked the idea of having a baby. However, it meant that she would be forced to give up her career. The husband wrote to me a very upsetting letter saying that they were considering an

[Ms. Clare Short]

abortion because they had to choose between the wife's career in the armed forces or the baby. Does the hon. Gentleman agree that that is an outrageous condition of service which ought to be changed?

Mr. Conway: In view of the sparsity of Members on the Opposition Benches, the hon. Lady will have ample opportunity to make her own contribution to the debate. If she is asking whether I, as a convert to the Church of Rome, consider such a position outrageous, the answer is yes. Those of us blessed with children do not regard it as an unplanned curse and I am sorry if the hon. Lady sees it in that light.

Ms. Short: That is not what I said.

Mr. Conway: Returning to my hon. Friend the Minister's opening remarks, I understand that the Army Act 1955, although it does not specifically say so, in fact covers those who serve in the Territorial Army. My hon. Friend is always very generous in bearing with me when I prattle on at length about the Territorial Army, but as it is a growing part of our armed forces' commitment I ask that when he comes to review the terms of the 1955 Act and of the order in view of the heavy recruitment to the Territorial Army and the Government's handsome and encouraging plans for it, he should consider that we are perhaps approaching the time when we should look rather more closely at the way in which the conditions of service apply to those signing up for a Territorial Army commitment. Young men joining infantry regiments are given a very good grounding about their military commitments before they actually sign on the dotted line and from the taxpayers' point of view once they have actually signed we perhaps need the Act to cover that commitment a little more forcefully than at present. As we encourage and expand the Territorial Army we should perhaps likewise ensure that from the taxpayers' point of view that commitment has meaning for those seeking to leave early.

Finally, like many hon. Members I was concerned to read this week that the regimental system which has been the pride of the British Army may be under review. Many of us deeply regretted the abolition of many county regiments under the Labour Government. That was most unwelcome in many parts of the country. I put it to my hon. Friend the Minister that such a proposal would be heavily resisted by many hon. Members because the regimental system undoubtedly plays a major part in the disciplinary aspects as well as the welfare aspects of service in our armed forces

Mr. Marlow: My hon. Friend makes an interesting point about the regimental system in terms of discipline, prestige, morale and so on, but there are other armies—perhaps not quite so good as ours—elsewhere in the world which have not had such a system but have nevertheless been highly efficient. Moreover, one of the disadvantages of the regimental system is a tendency towards hidebound attitudes so that when changes in tactics and strategy are required it may be a dead hand on progress, which should quite properly be re-examined.

Mr. Conway: I cannot agree with my hon. Friend. He makes a suggestion to a Geordie who very much misses the Northumberland Fusiliers—now the Royal Regiment of Fusiliers—and who is the Member for Parliament for a constituency where the King's Shropshire Light Infantry had a proud county record, but which was abolished by the Labour party. My hon. Friend should discuss with our American allies whether the lack of a regimental system has made their fighting troops more efficient. I suggest that the reverse is the case and that that is why they are moving towards a cohort system to try to instil the notion of family, which is an essential part of training, discipline and welfare.

I have taken longer than I expected, but I hope that my hon. Friend the Minister will ensure that the regimental system remains a fundamental, if not a legislative, part of the discipline of our armed forces.

11.5 pm

Mr. D. N. Campbell-Savours (Workington): This debate gives me an opportunity to comment on the Air Force Act 1955, which has 224 sections, three of which deal with a matter of great concern to me and which should be of great concern to the Minister.

I refer to flying and offences related to flying in sections 49, 51 and 52. They provide:

"49. Any person subject to air-force law who is guilty of any act or neglect in flying, or in the use of any aircraft or in relation to any aircraft or aircraft material, which causes or is likely to cause loss of life or bodily injury to any person shall, on conviction by court-martial . . .

51. Any person subject air-force law who, being the pilot of one of Her Majesty's aircraft, flies it at a height less than such height as may be provided by any regulations . . .shall, on conviction by court-martial . . .

52. Any person subject to air-force law who, being the pilot of one of Her Majesty's aircraft, flies it so as to cause, or to be likely to cause, unnecessary annoyance to any person shall on conviction by court-martial . . ."

Those sections are not being implemented, and the Minister knows it. From his own replies, we know that there have been 34,000 complaints about low-flying aircraft in the United Kingdom in the period 1979-86, but there has been only one court-martial. Two pilots have been fined and five have been summarily disciplined, or received a smack on the hand.

I want tonight to use Parliament for what it was meant for — I want to read into the record some of the interesting correspondence that I have received from my constituents and constituents of other Members, some Conservative, who are present. I received a letter from a person in the county of Cumbria on 6 May who said:

"Somebody has to call a halt. Last Thursday, May 1st at 4.45 p.m. one of your low flying aircraft missed our weather-cock by a few feet. It is thirty feet above the ground and I was twenty yards away. The 'plane then made a terrific swerve to avoid going through an ash tree and passed it seventy feet up, well below the top of the tree. Thirty yards east of the weather-cock were twenty in-calf cows and heifers, which the craft went over and to my horror they all went beserk, as did 36 other cattle twenty odd yards to the south, some of which jumped a barbed wire fence and broke the side of a ditch which had just been cleaned out. Two days before this, i.e. April 29th, five aircraft screamed over these premises between 9 p.m. and 11 p.m. the fifth one at exactly 11 p.m."

The constituent—not mine—then provides an ordnance survey reference. The Minister will be pleased to know that I have sent him this information and asked for an investigation. As is always the case, the investigation will turn out to be a farce and nothing will be done, but we can still go through the motions because the Minister demands it, as do the public, it seems.

I have another letter from someone in the county of Cumbria which runs:

"As residents of Buttermere Valley, we are constantly annoyed and on occasions frightened, by the low flying of military aircraft, some of which are so low that we are able to see the pilot in the cockpit. One incident in early August 1985, prompted me to write a strong letter of protest to MOD (Air). We run a small guest house and on that occasion we had in residence a lady who was suffering from an advanced stage of Parkinson's Disease. The aircraft banked over the house at very low level, frightening the whole household and stampeding neighbouring livestock and reducing our guest to a state of shock and collapse. In my letter to MOD (Air) I forewarned of possible future tragedy not only to RAF personnel but possibly to to residents of the valley also. Of course I received the expected bland reply . . .

Wednesday's fatal accident was a tragedy for the unfortunate pilot's family but could have been a disaster with Keswick only a few seconds flying time from the scene of the crash!

Until now I have never felt the need to write to my Member of Parliament but I feel so strongly on this point. Can nothing be done to at least reduce this constant low flying in this area?"

I estimate that I have probably received about 800 letters on the subject over the past few years, but I have received a particularly large number during the last month, following this most recent accident in my constituency. A letter that I received from someone living near Leeds tells me:

"My wife and I and a number of friends have struck the Lakes off our holiday list because of the incessant noise and the bedlam caused by training aircraft. We actually came across some overseas tourists who were amazed that HM Government allows the desecration of such a jewel of landscape."

An infuriated United States holidaymaker says:

"How thick are these guys who allow the destruction through noise of one of Europe's brightest holiday places? Your Wordsworth is surely turning with shaky fingers in his ears."

I have received many letters from tourists complaining about what is going on in the Lake District and, indeed, in other parts of the country. I have a very curious mailbag from people in Devon and Cornwall, who complain about the failure of their Conservative Members of Parliament to take such matters seriously. When they receive replies from Ministers saying that nothing is wrong — that everything is OK, and that such things are to be accepted —they cannot understand why their own Members of Parliament do not object. I see an hon. Member in the House tonight whose constituents have written to me on a number of occasions objecting to the fact that he has failed to deal with such complaints, and the fact that pilots who should have been disciplined have not been so disciplined.

Mr. Marlow: Name him.

Mr. Campbell-Savours: The hon. Gentleman should not ask me to name people in the Chamber. He will know the difficulties that I have had on previous occasions when I have set out to do that —although perhaps for other reasons.

I have another letter here, which reads:

"On Tuesday 16 June, my wife and I were travelling from Ambleside to Silloth."

That crosses two Conservative constituencies in the county of Cumbria.

"At about 4 pm my wife saw a war plane travelling north over Thirlmere. The road, of course, is higher than the water level and the plane appeared to be on a level with us. The following noise was so horrendous that I instinctively ducked and my car swerved across the road. Fortunately the road was empty and I immediately regained control. However a serious accident or even a fatality could have occurred. As you will observe I live in Silloth and continually these plans tear across the sky at very low height causing much distress to elderly people by the terrible noise emitted."

This has been going on for a long time.

Hon. Members may mumble about how monotonous these letters are, but there are hundreds of them. Indeed across the House there must be tens of thousands. I only wish that hon. Members would bring them to the Chamber so that the Minister could learn what is happening. He sends junior aircraft men out to the provinces to lecture people and give them the old PR rubbish to justify what is happening, and never learns the truth. While people accept the need for low flying, they object strenuously when certain areas of the country are singled out for what I describe as special treatment, and the people of those areas are abused by joyriding pilots who are carrying out far more sorties than is necessary. I have many more of those letters but perhaps I will have time to come back to them later in the debate.

Five issues arise from what I have drawn to the attention of the House. The first is the loss of life of pilots. I tabled a question that was answered on Monday 29 June. I asked the Minister to tell me how many pilots had been lost in such accidents. He refused to do so. His reply referred me to some obscure document. He was unwilling to publish in *Hansard* the names of those pilots who have died in the service of their country. He was unwilling to name or identify by number those pilots who have died in the service of their country over the past eight years. That is shameful. The answer is clear and, just in case Conservative Members do not believe me, they should refer themselves to the reply on Monday 29 June.

The second issue is that of the loss of aircraft and the vast amount of public expenditure involved. According to Government replies given to me and other hon. Members over the past two years, just taking Tornado and Jaguar aircraft into account, there have been 172 accidents involving £1,500 million worth of equipment since 1976. In the period 1983-87 12 Tornado aircraft were lost at a loss to the Exchequer of £216 million. In the years 1975-87, 49 Jaguar aircraft were lost at a cost of £300 million to the Exchequer. That makes a total of £516 million. A total of 18 Hawk aircraft were lost in the period 1982-85. Eight United States F111 bombers were lost in the period 1981-84. I cannot imagine what happened before 1981 or after 1984. We do not have those figures. Those figures may well be doubled. In the period 1980-85 39 helicopters were lost. We are talking about an aircraft loss in excess of 140 compared to the 34 aircraft lost in the Falklands war. That is the measure of loss arising from air——

Mr. Wilkinson: On a point of order, Mr. Deputy Speaker. What proof does the hon. Gentleman have that any of those losses were attributable to ill-discipline? Unless he can make it clear that that is the case he is, in my judgment, out of order.

Mr. Deputy Speaker: That is a point of argument, not a point of order for me.

Mr. Campbell-Savours: I shall give the hon. Gentleman the answer. Instead of intervening, perhaps the hon. Gentleman could disappear to his office or the Library and read all the reports that have been published and the newspaper articles that have been printed following the loss of those aircraft. He will then be able to judge for himself whether they relate to neglect by pilots. It is

[Mr. Campbell-Savours]

difficult for any of us to make the judgment but I have drawn conclusions and I am sure that he would wish to do so. The Minister does not deny it. He has every opportunity to come to the Dispatch Box now and dispute my figures, but he will not do so. I put it to the Minister that we have, perhaps, lost as many as 250 aircraft in the period 1976-87. Perhaps the Minister would care to come to the Dispatch Box and deny that. I do not have the total figure but it has been estimated to be as high as that. Is that the wrong figure? If that is not wrong, I put it to Conservative Members that they should multiply that by the millions of pounds that the aircraft cost and consider that as a global figure in terms of public expenditure as against other areas of the defence budget.

Mr. Andrew Rowe (Mid-Kent) *rose*——

Mr. Campbell-Savours: I will not give way because I have very little time left.

We are talking about a vast amount of money. It is significant that every time there is a low-flying aircraft disaster in the United Kingdom, instead of the Government referring to the cost to the Exchequer and the damage that the loss does to the defence estate, they hide behind commiserations about the loss of pilots. When I ask a question about it I do not get a clear answer. When statements are made by the Ministry of Defence, they are always commiserations for the pilot and there are never any references to the public expenditure that is lost when an aircraft is involved in an accident.

Sir Antony Buck: It is the pilots who count.

Mr. Campbell-Savours: Perhaps they should be the priority. If they are the priority, the Ministry should have replied to the question that I tabled last week. However, it has not been replied to. I was asked to refer to another document.

The third issue is the whole question of the potential damage to communities. I have dealt with that to some extent in the letters that I read. The majority of the people in my constituency are concerned about what is happening. Many people blindly support low-flying aircraft sorties over the Lake District, but many people right across the political spectrum ring me at home or write to me to tell me that they object. They maintain that it has gone too far. I predicted, to within a quarter of a mile, where the last disaster occurred in the Borrowdale valley. That involved two aircraft, the loss of one life and a cost to the Ministry of Defence of over £25 million worth of equipment. That disaster has shaken my constituency. The Minister has a duty to consider that and to consider introducing at least a temporary ban to allow a proper review to take place.

When the Minister says that he is carrying out a review, that is only part of the continuing review that he referred to in a reply that he gave me the other day when he said:

"The regulations governing the low-flying system are kept continuously under review and altered as necessary." —[*Official Report*, 6 July 1987; Vol. 119, c. *60*.]

That is the review that the junior aircraftman that he sent to Penrith the other week was talking about during that audience. It may have pleased some at that meeting when the Minister spoke about a review, but he did not tell them that it was a part of the review which is going on all the time and which is meaningless.

When we went to his office, we were told that there was a permanent review. But that review leads us nowhere because no action is taken and no initiatives are taken. People in the county are not listened to. Complaints are coming in from all over the country, mainly from Tory constituencies because it is mainly the Tories who represent rural areas. But those complaints are ignored. Tory Members are treating those representations with contempt. Last year I rang a Tory Member who is no longer here and mentioned this subject. However, his secretary came on the phone and argued with me suggesting that I had no right to contact him because it was all perfectly proper and that those matters were beyond contention. Such is the blind indifference of many Members in the House to what is going on.

The existing practice of low-flying aircraft is a danger to tourism in the county of Cumbria, in Devon and Cornwall, and in central Wales. If the hon. Gentlemen who represent those constituencies were true to themselves, they would admit that. It also has damaging effects on the health of the elderly and the infirm, as they are often greatly distressed when aircraft fly in close proximity to buildings.

The fourth issue is the whole question of whether the training is necessary. The Minister might take note of these figures that he has given to hon. Members over the past few years. There are now 4,751 pilots in all three services, and 3,426 in the RAF are trained. According to the Minister's replies to parliamentary questions, only a few pilots leave the services within five years of completing their training. Last year only six left within that period. There is a high retention rate, which means that there is a lesser requirement for pilots to be permanently under training than if the position were otherwise. Who is deciding the requirements? Is there joyriding going on? In other words, is unnecessary training taking place?

Let us consider the figures. In 1978, there were 4,384 pilots plus Royal Navy pilots. At that stage it was impossible to define who was trained and who was not. According to the Minister's figures, there were about 4,700 pilots in 1978 and they were flying 76,000 sorties annually. Those are the Minister's figures. Eight years later in 1986, we had 4,751 pilots—only 51 more than in 1978, so effectively there was the same number of pilots—yet the number of sorties increased from 76,000 to 151,000. In other words, the number doubled. Are we saying that pilots in 1978 were untrained and that now—[*Interruption.*] We fought a war in the south Atlantic with those pilots so I presume that they were trained. The Labour Government had not been long out of power when the Prime Minister led us into that conflict.

Mr. Keith Speed (Ashford): Will the hon. Gentleman give way?

Mr. Campbell-Savours: No. I have no intention of giving way.

Mr. Speed: Will the hon. Gentleman give way?

Mr. Campbell-Savours: The number of sorties has doubled yet the number of pilots has remained constant, and I want to know why our pilots are doing so much extra training.

Mr. Speed *rose*——

Mr. Campbell-Savours: The answer is clear——

Mr. Speed *rose*——

Mr. Deputy Speaker: Order. The hon. Member for Workington (Mr. Campbell-Savours) has been in order until fairly recently but he is now straying into training, which does not relate to the order. Terms of service and discipline can be raised under the order but not training. The hon. Gentleman must confine himself to the order.

Mr. Campbell-Savours: Thank you, Mr. Deputy Speaker, for bringing me to order and bringing to an end the interjections of Conservative Members.

The fifth issue is monitoring equipment, which would help us to identify those who are breaking the code that has been so carefully set out under the Act that identifies the nature of disciplinary offences. Monitoring equipment exists. Indeed, it was identified in the *Daily Mirror* of Saturday 8 January 1986. The article read:

"Nicked for speeding at 600 mph.
Police trap pilot.
By Dennis Newson.
An RAF jet pilot has been booked for speeding."—

I am sure that you will understand, Mr. Deputy Speaker, that this is a disciplinary offence—

"He was clocked doing nearly 600 mph in his Harrier jump jet.
The pilot was caught in a new type of police radar trap specially developed for aircraft. A £2 million camera followed him as he flew over Marsberg, West Germany. Now he has been reported to his CO for speeding over a built-up area where the limit is 480 mph. He is also in trouble for flying too low—under 500 feet."

When I read that article I thought that we should have a peep at the equipment. The article continues:

"The super radar — Skyguard — was built after complaints from West Germans that the noise from low-flying aircraft was smashing windows and waking babies.
Major Klaus Petersen, who operates the camera with a six-man crew, said yesterday: 'The British pilot was caught red-handed.'"

I wrote to the Ministry on 6 March, 1986 and I received a reply from the Minister of State, Lord Trefgarne. He wrote:

"As you know, from time to time we conduct covert surveys of low-flying activity taking place in the UK."

I wonder what that means. I presume that a man stands on Penrith railway station looking in the sky and estimating the speed of aircraft. I presume that it is something like that. The letter continues:

"These surveys confirm that there is a healthy respect for the UK low-flying regulations."

If someone were standing on Penrith station and carrying out a visual observation that is exactly the conclusion to which he would come. The next passage of the Minister's letter reads:

"very few breaches, accidental or otherwise, are observed. Against this, we must carefully consider the cost of deploying sophisticated equipment of the kind you mention."

We are talking about £2 million. So in Germany they can have equipment which costs £2 million for chasing people who break the rules, but in Britain we are not allowed to have that kind of equipment. We are willing to put up with a vast loss of public expenditure as people gallivant across the fells of the Lake District, breaking the rules and generally joyriding and costing the Exchequer a lot of money, but we are not allowed to have the £2 million cameras that would catch them doing it, which would then enable us to exercise those sections in the Act, which would ensure that they are fully disciplined. Indeed, we might then increase the number of courts-martial from one out of 34,000 complaints in 10 years to many more. But the Minister does not seem to want to do that. I say to the Minister that my constituents want that equipment to be installed. He has a duty to install it. [AN HON. MEMBER: "He may not agree with the hon. Gentleman."] He may not agree with me because he wishes to turn a blind eye. That is why I raise the issue tonight. I object to Ministers turning a blind eye, which brings me to my last point of issue. That is, the indifference of Ministers to these matters.

The truth is that Ministers just do not recognise the anger of people living in the Lake District, in central Wales, Shropshire, or in the borders of Scotland. There are hon. Members from the borders, and I invite them to intervene. I should welcome an intervention from a Borders hon. Member.

Sir Hector Monro (Dumfries): I do not know when the hon. Gentleman last gave way in a speech that was so full of irrelevant and inaccurate information. All hon. Members are well aware of the problems of low flying. There is a requirement for low-flying training for Royal Air Force pilots. The way in which the hon. Gentleman has gone on about joyriding shows how little he knows about flying aeroplanes at high speed. One must train at low level, and one is not breaking the regulations. We must understand that if Royal Air Force pilots are to be the finest in the world, they must have low-flying training. We must, through the Ministry of Defence, see that they cause the least inconvenience. If the hon. Gentleman pushes all low flying out of the Lake District, he will only put it elsewhere. That does not help other constituents.

Mr. Campbell-Savours: First, I have never suggested that we should push it all out of the Lake District. The hon. Member for Dumfries (Sir H. Monro) has got his facts wrong. Secondly, he generalises. The truth is, as I have already said, with the same number of pilots we have doubled the number of sorties. I want the Minister to tell me why he has doubled the number of sorties. Why does he not go back to the——

Mr. Conway *rose*——

Mr. Campbell-Savours: I am sorry, I shall not give way. I intend to wrap up my 35 minutes to allow the Minister 10 minutes in which to reply.

As I said, the Minister does not recognise the anger in all parts of the United Kingdom in which low flying takes place. The truth is that I know the facts, and they are drawn from figures and statistics given by Government Ministers. Since 1978, the number of complaints has doubled. In 1978, according to Government replies, there were 2,290 complaints of low flying in the United Kingdom. Last year, there were 5,304 complaints. Indeed, I am wrong, it has not doubled; it has gone up by more than that. Everyone knows that what is happening is wrong. Everyone, apart from Conservative Members who are so obsessed and preoccupied with defence matters that they do not look at the issue objectively, knows that the pilots are breaking the rules. Everyone knows that there should be a proper review to secure a reduction in the number of sorties that are taking place.

I put it to the Minister that he will not reply to me. He has no intention of replying to me. He has no intention of changing the rules. Whatever I say, the only thing that will change the Minister's mind on the matter is some pilot veering over London and hitting Big Ben. When he hits

[Mr. Campbell-Savours]

Big Ben and perhaps lands on the Houses of Parliament. Ministers of the Government may finally wake up. Indeed, that happened on a previous occasion, I am told.

Mr. Freeman: The hon. Member for Clackmannan (Mr. O'Neill) asked me to comment on the recommendations of the Select Committee. I do not wish to take up the time of the House by giving detailed answers to all the 14 recommendations, but I shall write to the hon. Gentleman and place a copy of my reply in the Library for the benefit of the House.

I shall, however, refer to two of the key recommendations of the Committee, on which I had the honour to serve. The first was that standing civilian courts should be given the power to award suspended sentences. The Government accept that, and we shall take the necessary steps to ensure that that happens. The hon. Gentleman referred to the rights of the accused and to the so-called accused's friend. We are reviewing the summary powers of commanding officers and we shall certainly take the Committee's recommendations into account.

The hon. Gentleman then referred to the PVR rate—the rate of premature voluntary release applications by officers and service men, as did my hon. and learned Friend the Member for Colchester, North (Sir A. Buck). No doubt we shall return to this in greater detail when we consider the Defence Estimates, but the latest figures indicate that the PVR rate in all three services is still substantially lower than it was under the previous Labour Government. Furthermore, although the rate rose for a number of years following the Falklands conflict, there is now good evidence to suggest that the trend is down.

The hon. Member for Clackmannan rightly expressed concern about the state of the housing stock of our services. We have taken steps in this fiscal year to recycle into our works programme, which involves maintenance of married quarters, and rebuild where necessary, some of the receipts from the sale of vacant quarters and surplus land. That is a direct incentive for the services to improve the state of their housing.

I repeat that there are no grounds for holding a general investigation into allegations of bullying, particularly in the Army. Every serious allegation—whichever unit or regiment it concerns—is properly and fully investigated, and I have every confidence in the procedures used by the armed forces.

We have no intention of introducing ethnic monitoring for those in the services. First, we believe that it is unnecessary because there is no evidence to suggest that there is racial harrassment or discrimination. Secondly—and more important—it would be counter-productive. It would not only prejudice good order and discipline and the moral of the armed forces, but would be resented by members of the ethnic minorities.

I agree with my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) that there is absolutely no case for changing our laws and regulations dealing with homosexuality in the armed forces. The hon. Member for Clackmannan specifically asked me to say something about AIDS. The Government are considering our policy on discharging those who are carrying the virus, and we hope to make an announcement very shortly.

My hon. Friend the Member for Ruislip-Northwood referred to the problem of what to do with civilian employees in times of transition to war and war itself, and their control by military laws. We would expect emergency powers to be introduced if necessary to meet the sorts of requirements to which my hon. Friend referred. Civilians in the employment of the services would already be subject to service law had an emergency been declared.

The hon. Member for Linlithgow (Mr. Dalyell) raised the question of Mr. Colin Wallace and Mr. Fred Holroyd. I have nothing new to add to the statement that I made in answer to my hon. Friend the Member for Southend, East (Mr. Taylor) on 3 March.

Mr. Campbell-Savours: Why not?

Mr. Freeman: Because the statement that I made then was the truth. It was comprehensive, accurate and a definitive answer to the allegations that had been made.

My hon. and learned Friend the Member for Colchester, North raised the future of D Wing at the MCTC, Colchester. I am well aware of his representations and of those made by Mr. Ken Weetch, and I pay tribute to Ken Weetch's service on the independent board of visitors at the Colchester MCTC. We are aware of the representations and will reach a decision towards the end of this year. I assure my hon. and learned Friend that the decision will take account of his representations.

The hon. Member for Lewisham, Deptford (Ms. Ruddock) raised the case of the stickers and verse used at Upper Heyford. I am not aware of that case, but if the hon. Lady cares to write to me, or to table a question, I shall be pleased to answer in detail. I hope that the hon. Lady will not take offence at my comment, but I regard it as a somewhat trivial issue set in the context of the excellent relationship of the Royal Air Force with the United States air force and the acknowledgement of the tremendous job that the United States air force does in this country in terms of its public relations and co-operation with not only the military but the civilian authorities.

The hon. Member for Workington (Mr. Campbell-Savours) said that he had been singled out for special treatment. Perhaps it would be appropriate if I devoted a few more minutes to his allegations. He said that RAF pilots were joyriding. I reject that allegation. Royal Air Force pilots perform a vital job in a serious way and they are well disciplined. The discipline record to which the hon. Gentleman drew attention, which is the truth, although it excludes minor disciplinary action taken against pilots, speaks for the excellent way in which our pilots have observed the regulations, so I reject the hon. Gentleman's allegation.

The low-flying system, which was introduced by the last Labour Government in 1979, is as safe as we can make it. The accident trend is down, in the number of military aircraft that we lose and the number of casualties. There has been no civilian casualty this decade due to fast jet military aircraft activity. We spread the burden as fairly as we can. If we were to restrict activity in the hon. Gentleman's constituency, that would be reflected in complaints from the general public and other hon. Members.

The hon. Gentleman said that I had failed to publish statistics about the number of pilots killed. That is not true. If he re-reads the letter, he will see that I referred him to the Statement on the Defence Estimates. He may think that that is an obscure document, but I am sure that that

view is not held by other hon. Members. It is an important document which we take great care in publishing each year.

The hon. Gentleman also said that there had been an excessive loss of aircraft. I answered the questions that he tabled about Jaguar and Tornado aircraft. These are sad losses. There is an unfortunate tendency in the remarks of some who comment on the accidents to concentrate on the loss of equipment, not on the tragic loss of life. I am sure that all Conservative Members would send their condolences to the families of the pilots who are lost in these tragic accidents. The attrition rate that we suffer is not unusual or exceptional. Sadly, it is inevitable with the low-level training activity undertaken, and I have already explained why we have to do it.

I can give the hon. Gentleman good news about the monitoring equipment. The Skyguard equipment to which he referred is being introduced by the RAF——

Mr. Campbell-Savours: I thank the Minister.

Mr. Freeman: I am grateful for the hon. Gentleman's compliment. The Skyguard equipment will be used in coming years. Steps have been taken to introduce that equipment for monitoring the activities of fast jet flights.

The hon. Gentleman asked why the same number of pilots are doing more flying. The Government have substantially increased the resources available to all three services, including the RAF, so there are more aircraft, more fuel is available and there is more training.

Mr. O'Neill: Will the Minister answer two questions? Where will the monitoring equipment be employed? What is happening with the monitoring equipment employed in respect of drug abuse and drug taking by the armed forces? I raised that latter point, but the Minister did not answer it.

Mr. Freeman: I shall write to the hon. Gentleman on the point about drug abuse, and if he cares to table a question I shall answer it in the normal way.

I shall not tell the hon. Member for Workington where we will deploy the Skyguard equipment, because that would vitiate the purpose of using it.

Finally, my hon. Friend the Member for Shrewsbury and Atcham (Mr. Conway) asked about the regimental system. The regimental system is intact and will remain so. It has contributed to our loyal, efficient Army — characteristics that are shared by the Royal Navy and the Royal Air Force.

Question put and agreed to.

Resolved,

That the draft Army, Air Force and Naval Discipline Acts (Continuation) Order 1987, which was laid before this House on 26th June, be approved.

Channel Tunnel Bill

11.46 pm

The Minister for Public Transport (Mr. David Mitchell): I beg to move,

That the Amendments to the Channel Tunnel Bill set out in the Lords Message of 7th May, in the last Session of Parliament, be referred to the Examiners of Petitions for Private Bills.

This is simply a procedural debate to check that the Government agent has complied with House of Commons private business Standing Orders.

The Bill was extensively considered in the House in the previous Parliament before being passed to another place. Subsequently, the House carried the Bill over to this Parliament. It has already during this Parliament been reintroduced, passed again formally and on Monday it completed its passage through the Committee of the whole House in another place. This motion simply enables the Examiners of Petitions for Private Bills to consider whether the private business Standing Orders of the House have been complied with over certain amendments made by the Select Committee of another place, relating to access roads to the Cheriton terminal. I should explain that the motion does not give the House's approval to those amendments. It allows only certain necessary and important procedural stages to be completed. When another place has completed its work, the House will, on Commons consideration of Lords amendments, have the opportunity to examine all its amendments, including these particularly important ones.

Hon. Members will recall that the Bill, as originally introduced into the House, provided for a road access from the M20 that passed between the villages of Newington and Peene into the north-west corner of the terminal site. Local authorities, amenity societies and many local residents petitioned the House against those proposals. The Select Committee of the House was instructed to consider alternative access. As the House will recall, the Select Committee here did not favour the alternative. Subsequently, however, these access proposals were revised and a new package known as the "Joint Southern Access" was agreed by Eurotunnel, Kent county council and Shepway district council, which met the operational concerns of the Select Committee of the House, and had the environmental benefits of the alternative proposals. These revised arrangements found favour with the Select Committee in another place, which amended the Bill accordingly.

That is why we have this procedural motion on the Order Paper. It remits those access amendments to the Examiners of Private Bills, who will see whether Standing Orders have been complied with.

Finally, I remind hon. Members that these amendments received the support of the vast majority of those petitioners affected, and that the substance of those amendments is not under consideration tonight. We shall come to them with the Commons consideration of the Lords amendments.

11.48 pm

Mr. Michael Fallon (Darlington): The motion is the culmination of the long and detailed consideration that was given to access proposals alternative to those that were originally set out in the Bill. It is right to say that those alternative proposals would not have been considered at

[Mr. Michael Fallon]

all if it had not been for my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), who, from the beginning, advanced his constituents' interests by putting forward, in consultation with his local council, these alternative access proposals. It is fair to say that he did not entirely persuade the Committee or Eurotunnel at the first time of asking, but because of the way in which the Select Committee was able to consider those proposals the groundwork was done, and it was then possible for the Select Committee in another place to adopt the new, agreed, scheme that the Minister described to us. As my hon. Friend made clear, those amendments are the subject of the Lords Message, and are not the subject of our debate tonight.

The motion is technical and procedural, but none the less important. As with many of the procedures with which those who promote a Bill have had to comply, it is a further safeguard, in that the Government Agent will be required to prove to the Examiner that the Standing Orders have been complied with in all other respects. Obviously there has been a technical breach because of the annual cycle and the dates.

Mr. Jonathan Aitken (Thanet, South): There seems to be a conspiracy of silence at this early stage of the debate, because my hon. Friend the Minister and the stand-in for the former Chairman of the Select Committee seem to be under the impression that the Standing Orders have not been breached. As the Examiner will discover, the Standing Orders have been violated.

Mr. Fallon: It should be obvious to everyone that, in the technical sense of the date, the Standing Orders have been violated, because the Standing Orders of the House envisage an annual procedure, and because of the way in which the Bill was originally presented, out of the autumnal cycle, and because of the way in which the revised access arrangements have been devised to suit the interests on the ground, it is inevitable that the Standing Orders have not been compiled with in terms of the date. The Government Agent will be obliged to prove to the Examiner that the Standing Orders have been complied with in every other respect. That is a very important safeguard, not perhaps for my hon. Friend's constituents in Thanet, but for the constituents of my hon. and learned Friend the Member for Folkestone and Hythe, who may be affected by the revised joint scheme. I should have thought that my hon. Friend the Member for Thanet, South (Mr. Aitken) would have paid more attention to those necessary safeguards.

The other place has already agreed that such an examination should take place, and the only remaining consideration is whether this technical examination should be delayed. Perhaps my hon. Friend the Member for Thanet, South would like it to be postponed indefinitely, but that would not make sense. We already know what the Lords amendments are. They are contained in the Message. They have been agreed and printed, and soon they will be considered by the House. It would serve no purpose to delay their technical examination any longer, and I therefore commend the motion to the House.

11.52 pm

Mr. Julian Brazier (Canterbury): The House will be pleased to know that I will keep it brief, as we have had many late nights. It is with some sadness that, after less than a month in the House, I am rising to speak against a Government motion. I should say that I support the Government's values strongly.

The first experience that the new boys had of the procedures of the House was the election of Mr. Speaker a few weeks ago, and I was impressed by the historical allusions to the many occupants of the Chair who have risked their names, and sometimes their lives, to protect the liberties and customs of the House. I wish to quote Sir Thomas More, of whom there is a picture in the Central Lobby. When Cardinal Wolsey arrived in the House, he recognised the cardinal in his essential role as the King's Lord Chancellor, but then went on to say that his presence was

"neither expedient nor agreeable with the ancient liberties of this House."

The distinction that Thomas More made is especially relevant to the procedural motion. The substance of the amendments as they stand—I shall come back to the motion in a moment—seems fair. In common with my hon. Friend the Member for Darlington (Mr. Fallon), I congratulate my hon. Friend and learned Member for Folkestone and Hythe (Mr. Howard) on the work that he has done on this matter. However, the manner in which the amendments are being steam-rollered through and the fact that the procedural motion is being pushed through is an outrage.

Let us be absolutely clear. At this moment we are not talking about the Channel tunnel or the frailties that it will build into our European trading pattern. We are talking about maintaining the procedures, customs and traditions of the House. Those customs do not exist solely to ensure that hon. Members may have free and fair debates, but also to protect the rights of ordinary, English citizens.

Mr. Dennis Skinner (Bolsover): Get stuck into the Government, boy.

Mr. Brazier: I am grateful to the hon. Member for Bolsover, (Mr. Skinner) for his support. I never expected, so early in my career in the House, to be on the same side of the argument as the hon. Gentleman.

The Government are perfectly aware that the motion is totally unnecessary for the passing of the Channel Tunnel Bill. It is also totally unnecessary legally. We are aware that the Government are extremely anxious to get the motion through so that they can get the rest of the legislation through before the summer so that this wretched, half-cocked financial package that is being put together in the City does not go the same way as the package for Canary wharf.

Tonight we are being asked to refer the so-called amendments from the other place to the Examiners. However, the other place has not even finished considering the amendments. The other place has not got as far as the Report, let alone Third reading. We do not know whether the amendments before us will be the Lords amendments.

I agree with my hon. Friend the Member for Thanet, South (Mr. Aitken) that the Bill has been steam-rollered though at every stage. The last time that we debated a motion similar to the one before us now it went to the Examiners. They found that the individual rights of citizens, whose lifestyle was to be effected, had not been fully maintained.

As the result of the Examiners' findings, the motion was sent to the Select Committee on Standing Orders. The

Committee discussed this motion, this breach of Standing Orders, with such heat that it is common knowledge that it required the casting vote of the Chairman to get the anomalies through.

Mr. James Wallace (Orkney and Shetland): Is the hon. Gentleman suggesting that these amendments should not go to the Examiners upstairs in case there are other such violations?

Mr. Brazier: No, I am suggesting that they should go to the Examiners, but in their good time, when the other place has finished considering them.

I should like to give a brief quotation from the proceedings of the other place on the procedure. It illustrates the extent to which this business has been steam-rollered through. The Chairman of the House of Lords Select Committee considering this matter said:

"Before I call on the Parties,to introduce themselves there is one matter on which the Committee seek an early answer from the Promoters. The Committee are most concerned to learn that despite public assurances to the contrary, the Department of Transport did not intend to publicise the date 18 February, the day by which Petitions had to be lodged, and that the Department was not induced to honour its undertaking until halfway through the petitioning period."

The answer that the Committee received from the Government's representative was long-winded and said nothing. Therefore, the Cross-Bench peer who was chairing the Committee—it is sad that it had to be a Cross-Bench peer of the other place that brought this matter up rather than a Member of this House—replied to that answer and said:

"It is a slight on the Petitioners in our opinion. I accept that the assumptions that you have made are not unreasonable, but . . . there is a very clear undertaking made in that leaflet and the Department has reneged."

Finally, I wish to comment on the spirit of the procedures, which is equally important.

Mr. Fallon: I hope that my hon. Friend is aware of exactly what he is suggesting. It is precisely to ensure that we do not have the kind of breach of the Standing Orders that he alleges may have taken place that we are referring the new amendments to the Examiners. Considerable private interests are affected by the new joint southern access scheme. It is important that those interests have all the opportunities afforded to them under our procedures and that the examination begins as soon as possible. I cannot see how my hon. Friend can serve those interests by postponing that examination.

Mr. Brazier: My hon. Friend said that the purpose of the motion was to ensure that the Examiners examined these amendments. He knows that the motion is designed to ensure that these points are examined earlier than would normally be the case, and before the other place has completed its consideration. We think that the procedures and customs of the House, at this late stage on this long Bill, should be carried out properly according to traditional fashion. I wanted to say something about the spirit of the procedures. When this belated document was sent out it said:

"If you are affected you can get an opportunity to present your views to a Select Committee considering the Bill".

Elsewhere it said:

"It is up to the Select Committee to decide who is called," but it went on to say:

"but no doubt they will want everybody who will be genuinely affected by the scheme to have an opportunity to make their voice heard in Parliament".

Those were the assurances from the Department of Transport. We all know that nothing approximating to that actually happened. In no way do I suggest that my hon. Friend the Member for Darlington (Mr. Fallon) and his Committee did not work hard, but strength of feeling about the Bill was such that a vastly greater number of petitions were received on this motion than have ever before been received this century—no fewer than 5,000. That did not include the enormous number of people who wrote to the Committee after the deadline, which had not been properly advertised, had expired. I and many other hon. Members received letters saying, "Please speak up for us. Why were we not allowed to appear at these Committees?"

It is totally unnecessary for the Government to put forward the motion tonight. If they do, alas two things will happen. First, they will be driving a few—I hope that it will be more than a few—of their loyal supporters into the No Lobby. Secondly, they will be sending the clearest possible message to the markets that they know that this lame duck will not fly unless it gets off just before the wind changes.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. Before I call the next hon. Member, I should point out that I deliberately allowed the hon. Member for Canterbury (Mr. Brazier) to stray fairly wide. I know that he has a strong constituency interest in this matter, and also that he was not involved in the proceedings on the Bill in the last Parliament. I remind the House that this is a comparatively narrow procedural motion. We are deciding whether these amendments should go to the Examiners of Petitions for Private Bills.

12.5 am

Mr. David Shaw (Dover): I, too, normally support the Government, because they stand for the rights of private individuals, but I am concerned that, in this matter, the rights of private individuals have been abused and that there has been a considerable rush to get the legislation through.

My hon. Friend the Member for Canterbury (Mr. Brazier) and I were not here during the last Parliament, but it seems that some strange things happened during the passage of the Channel Tunnel Bill. Indeed, the project has been promoted in a strange manner throughout. The second fund raising, Equity II required three telephone calls by the Governor of the Bank of England to each fund manager in order to raise the money.

The amendments that are the subject of the motion have not even been finally approved by the House of Lords, which seems another example of a lack of proper procedure. That worries me, because the Bill, though not yet considered by the Lords, has passed through the Commons, and, as my hon. Friend the Member for Canterbury said, many petitioners and would-be petitoners who wanted to joint the petition process were caught out by the fact that the 18 February deadline was not properly advertised. I had to spend all my time and resources to meet the deadline when I put in my petition. Hundreds of my constituents missed out on getting their petitions in. The Chairman of the House of Lords Committee made the specific point that he was not happy with the way in which the Government had behaved, and my constituents should not have been treated in this way.

[Mr. David Shaw]

I understand that the amendments will be referred to the Examiners of Petitions, but, as my hon. Friend the Member for Darlington said, they all relate to improper procedures. I wonder how the investing public, in September and October, will be asked to invest £700 million in a project that is founded on improper procedures. One wonders why there is such a rush to push the project forward. There are problems throughout it.

In the prospectus of Eurotunnel, dated 20 October 1986, the shuttle system was referred to in two paragraphs, but there was no reference in the appendices to the prospectus as to the engineering feasibility of the shuttle system, and whether or not it would work. That is yet another example of how the whole project is flawed from start to finish.

It has been said by the Government that no public money would be invested in the project, but the amendments are about roadworks, and it is inconceivable that public money should not be involved. That concerns me, because I understand that, recently, neither British Rail nor Eurotunnel would publish details of the agreement reached on 12 May concerning capacity use and the charges that may be payable, which are material information to any prospective investor who may be required to invest in the prospectus that will be issued later in the year.

The provisions, and the considerations of procedure, seem to be in advance of the Lords amendments. It is possible that the Lords may decide to change the amendments even further in the next week or so, so the motion is surely unnecessary. It is being rushed through, and I urge the Government to withdraw it tonight, or I, too, shall be forced into the No Lobby.

12.9 am

Mr. Teddy Taylor (Southend, East): I wish to speak for only three minutes. As has rightly been said, the proposal is a narrow one. I ask hon. Members seriously to consider whether it is right for us to accelerate the technical examination of the amendments rather than delaying it. Since the Bill left the House, two of the basic assurances given in clause 2 and clause 40 have been changed, not by amendment of the Bill but by executive action. Clause 2 states specifically that no Minister of the Crown would guarantee or give public funds towards the project. Clause 40 states that British Rail would not be committed to provide funds, or that the Government could not do that for it.

Since the Bill left the House, because the project seemed to have no prospect whatever of obtaining the private funding on which it was based, by executive action the Chancellor of the Exchequer, as a member of the board of the European Investment Bank, has agreed to give to the project a cheap loan of £1 billion. That is a huge sum and there can be no question but that it is public money because if the European Investment Bank folds the Government will be responsible and the Chancellor is a director. That fundamental change has been made since the Bill left the House.

Secondly, although clause 40 provided that there would be no guarantees and no funding from British Rail and the position was set out specifically in a letter to British Rail, the Government have sent a further letter releasing British Rail from that obligation and the Minister has announced to the House that British Rail has committed itself to regular monthly payments irrespective of the use of the tunnel. In other words, instead of the risk being carried by the private investor it will be carried by British Rail and if traffic does not use the tunnel all rail users will suffer. British Rail may be right or wrong, but its passengers will be carrying a fair slice of the risk if guaranteed minimum payments are made to Eurotunnel irrespective of tunnel use.

The Government are asking us to speed things up and to accelerate consideration of the amendments by the Examiners. The Government wish the amendments to be dealt with faster than would normally be the case when the amendments have not even been fully considered by the House of Lords. If the Government had presented amendments, if they had said that they were terribly sorry but they had now discovered that the project could not be financed by private investment because private investors were not interested—the last flotation was a flop and the City regards the project as a potential dead duck—if they had come forward with amendments to provide for a cheap loan from public funds through the European Investment Bank, that would be fair enough. If they had come back and said that, despite their assurances that there would be no British Rail funding they had changed their minds, that would also be fair enough. The House could then have considered those amendments and perhaps decided that the project was such a good thing that public money should be invested in it and British Rail should carry the can even though if things went wrong every rail passenger in every constituency would have to find the money to make good the loss. The Minister may say that there will be no loss because British Rail's judgment is sound, but if that judgment is wrong every member of the travelling public will have to carry the can.

I therefore appeal to the House, before agreeing to this exceptional measure to accelerate the procedure beyond the normal pace, to stop and think whether that is the right thing to do when the Government have changed the basis of the Bill by altering clauses 2 and 40, not by means of amendments to be considered by the House or by a Committee but by executive action in getting the European Investment Bank to provide cheap loans from public funds and telling British Rail to forget all previous instructions and make guaranteed minimum payments to Eurotunnel irrespective of tunnel use. I suggest that, far from accelerating the procedure, we shold stop for a week or two and ask the Governmen to justify the fundamental changes that they have made.

Let there be no mistake about it. This will not now be a privately financed venture. It will be partly financed by public funds from the EIB and partly guaranteed by British Rail. We must ask ourselves whether it is fair or reasonable to go ahead on the basis of public funding because that is a wholly different question from that which was put to us on Second Reading. We must stop and consider whether it is right to speed things up when the whole basis of the project has been changed.

12.14 am

Mr. Keith Speed (Ashford): The last three speeches have been a real trip down memory lane, with latter-day Cassandras pouring cold water on the scheme. They had nothing to do with what we are dealing with, as was admirably observed by my hon. Friend the Member for Darlington (Mr. Fallon).

As for the speech of my hon. Friend the Member for Southend, East (Mr. Taylor), we had all this about the European Investment Bank in the last debate but a couple. Indeed, I challenged him then, and spoke of the Dartford tunnel and other projects in which the European Investment Bank was investing. He now apparently blames British Rail for backing its commercial judgment after tough negotiations. I was under the impression that he was a Tory and believed in BR using its commercial judgment and acting commercially. That is apparently wrong, however.

I understand why my hon. Friend the Member for Dover (Mr. Shaw) spoke as he did. I understand the difficulties there. I do not understand, however, the constituency problem for my hon. Friend the Member for Canterbury (Mr. Brazier). There is no environmental disadvantage for Canterbury.

Mr. Brazier: On a point of order, Mr. Deputy Speaker. Is it in order for my hon. Friend to comment on my constituency matters?

Mr. Deputy Speaker: I suggest that the hon. Gentleman leaves that to me.

Mr. Speed: It is quite clear that the object of my hon. Friends' speeches is to delay matters, as they said. We in Kent also have constituency interests. We are interested in 1,000 or 1,500 heavy lorries leaving Kent roads. We are interested in commercial and other developments and employment in areas such as Thanet and the south coast. I am sure that my hon. Friend the Member for Canterbury is as well.

The delays for which my hon. Friends are asking mean delays into the recess to kill the autumn funding. They are miffed. Under the leadership of Alastair Morton, we have a management team that will make a great success of the project. The quicker the House gets on, the better it will be for all concerned. We have a magnificent record of delaying every imaginative scheme under the sun and, if all else fails, we set up a royal commission. I am surprised that that has not been mentioned tonight. For God's sake, let us get on with it and stop snivelling and whining. The French have already passed a similar measure and we should do the same.

12.17 am

Mr. Peter Snape (West Bromwich, East): I hesitate to intervene in this public display of grief in the Tory party. I do not often find myself speaking for all of the Opposition, but I think that I can even take the hon. Member for Orkney and Shetland (Mr. Wallace), who represents the alliance, or whatever it is called these days, with me when I say that seldom have I seen a more public display of petulance than that which we have had from Conservative Members this evening.

Some of us are easily shocked by this sort of thing. One would have thought that Conservative Members would be dancing in the aisles—if that were possible in this place—at the project, but the motion, which I regard as innocuous, has put them verbally at each other's throats.

It seems that whatever the Select Committee which considered the project did would have been condemned. Originally, it had no brief to examine other access to and egress from the terminal. The Government instructed the Select Committee to consider the choices, which it did. It reached a view with which the hon. and learned Member for Folkestone and Hythe (Mr. Howard) and others disagreed. I do not complain about that. Because of that, changes were agreed to by all parties in the project and, because of those agreements, the motion appears before the House.

It is not for me to defend the Government's business managers or those who drafted the motion, but it seems that, although many controversial matters, which the House must debate, arise from the issue, tonight is not the right time to debate them. There will, I hope, be time to debate those matters, some of which have been mentioned tonight. Given the innocuous nature of the motion before us, however, much of the hot air that has been expended tonight, and much of the surprising disagreement that we have seen among Conservative Members, has been wasteful, to say the least. I hope that, when we come to the time to debate the issues, Conservative Members who have spoken tonight will give us the benefit not only of their knowledge of the procedures of the House, but of their understandable constituency concerns. I also hope that the Minister will bear in mind that those concerns are legitimate, and will find adequate answers to satisfy his colleagues.

I repeat that I do not think that tonight is necessarily the night to discuss these matters. The Opposition feel that the motion is somewhat innocuous and purely procedural, and that is how we shall look at it tonight.

12.20 am

Mr. Jonathan Aitken (Thanet, South): It is always wise to be suspicious when both Front Benches sing in unison that the motion is entirely innocuous. I am glad, therefore, that the Jolly Roger of rebellion has been hoisted so early in this Parliament on the Conservative Benches. It may cause the Patronage Secretary a qualm or two, but my hon. Friends the Members for Dover (Mr. Shaw) and for Canterbury (Mr. Brazier) are to be warmly congratulated on their stand. They will find that the life of a Government Back Bencher is not always easy: someone else said that one must steer a path between sycophancy and rebellion, but an hon. Member will never go wrong if he sticks up for the interests of his constituents.

This seemingly innocuous motion cloaks a real flesh-and-blood, gut issue of considerable importance. To realise how important it is—and I happen for once to be on the side of the amendments behind the motion—it is necessary to go back to last year, when almost exactly the same motion was on the Order Paper on 18 April. It seemed a minor matter—that the Examiners were to be asked to consider parts of the Channel Tunnel Bill. Hon. Members may have thought, when they saw tonight's motion on the Order Paper, that they were going to hear the great issues of whether the geography of the continent of Europe should be changed, whether we should ruin our maritime industry and whether we should allow Japanese and Arabian financiers to have an artery into Europe at our expense. But none of those issues has anything to do with the motion.

What the motion is about—what it cloaks—is a simple issue of fair play. The fair-play issue is this: have Standing Orders been broken? Standing Orders of the House are not written for some meaningless and pointless purpose. We are sent here not just to pass laws but to preserve liberties, and the Standing Orders are here to

[Mr. Jonathan Aitken]

preserve one or two crucial liberties for individual petitioners and individual constituents who want to exercise their rights.

One of those rights—and the issue was the same a year ago—is to be able to read in the local newspaper certain notices published on due dates in accordance with the Standing Orders of the House. A minimum period of notice was given. If ever there was an exercise in deception and cheating, it is the exercise that took place last year and, I am sorry to say, has taken place again a year later. The Government and their Civil Service advisers seem to have learnt nothing and forgotten nothing. Last year, they cheated on the dates. They said that they were going to put a lot of notices in newspapers by certain dates to give people an opportunity to petition, and they broke those promises: they broke the orders.

Mr. Fallon: I am rather at a loss to understand why, if that is my hon. Friend's line of argument, he should be seeking to oppose the motion—if that is what he wishes to do. Surely it is not possible to test whether the Standing Orders have been complied with unless we pass the motion and send the amendments to the examiner, so that the Government Agent has to make out his case.

Mr. Aitken: My hon. Friend the Member for Darlington (Mr. Fallon) has already admitted that the Standing Orders have been breached. I think that he said something about the autumnal cycle, which is an interesting explanation, since we are nowhere near the autumn. However, he does have a point and, as I said earlier, I am in favour of the motion and the amendments behind it. However, the fact there has been a violation of Standing Orders does not mean that everybody should just nod this through. Some people's rights have been gravely affected. My hon. Friend the Member for Ashford (Mr. Speed) seemed to be giving my hon. Friend the Member for Canterbury a ticking off for not looking after the interests of his constituents properly. A year ago, the House published a notice saying that announcements had been published in a paper called the "Canterbury Times". That paper did not exist, the notices did not exist and nothing happened on the days on which it was said the announcements had been published. If ever there was an example of——

Mr. Brazier: I should like to take this opportunity to say that the reason why I did not take up the point made by my hon. Friend the Member for Ashford (Mr. Speed) here and now is precisely because the right opportunity to do that, as he knows, is in a fortnight, and not now.

Mr. Aitken: My hon. Friends the Members for Dover and for Canterbury have shown that they have strong and articulate voices in their constituents' causes and they can be proud of that.

There are some rights of importance. The amendments that lie behind the motion are about a change in the route of a road. Although I happen to welcome that change of route, the fact remains that if any major road construction takes place it involves people's rights. Compulsory purchase orders will be served, two listed buildings will be destroyed and several people's environments will be changed dramatically. All the people involved should have had a proper announcement in accordance with the Standing Orders of the House to ensure that their rights and liberties were protected.

I would not be so hostile about this little motion if we were not repeating ourselves. The rules were broken last year and they were broken again just before the Select Committee in the other place, and the proceedings had to open with a grovelling apology from Government counsel, saying how they regretted that all the petitioning rules had been bent. Now, here were are again, violating the Standing Orders of the House.

I want to ask my hon. Friend the Minister an important question. The motion seeks simply to refer the 7 May message from the other place to the Examiners. The Examiners, as my hon. Friend the Member for Darlington has already said, are pretty certain to have to refer the broken promises to the Select Committee on Standing Orders. I want an assurance from my hon. Friend that the Select Committee on Standing Orders will be convened and will sit and hear evidence.

I have heard a disturbing rumour that another little cheating plan is on the way, which is not to have a Select Committee on Standing Orders meeting and to try to bounce the matter through with the Government's majority on a late night order such as this, so that it is not considered at all. That would not be fair. One has only to look what happened last year. Mr. Deputy Speaker, you are as good a witness as any of the fact that the Select Committee on Standing Orders, of which you and the other Deputy Speakers are Members, took the issue whether Standing Orders had been violated very seriously. You deliberated for about six weeks. You heard evidence from many witnesses, including myself, and at the end of the day there was a dead heat on the Committee. The Chairman of Ways and Means declined to exercise his casting vote, as a result of which the issue had to come back to be debated on the Floor of the House. Severe criticisms were made of the Government's idea of fair play and at the last minute a compromise was cobbled up to give more petitioning as the result of an announcement by a Minister. That was good work by the Standing Orders Committee. I want to hear a firm promise that if the motion is passed and if the Examiners, as they must, say that the Standing Orders have been broken, the issue will be referred to the Standing Orders Committee. I would like, indeed I insist, on a clear answer on that point.

A year ago about eight weeks of the House's time was taken up with what was seen initially as a small procedural issue, a mere innocuous matter. The same language was used as that we have heard tonight. It was not innocuous to the constituents of my hon. Friends and myself in east Kent who have to face the magnitude of what the Channel Tunnel will do to their environment. It is not some minor little mistake that we have now seen two consecutive breaches of Standing Orders. There was an apology to the House of Lords before the proceedings could begin because the Government broke the petitioning rules.

My hon. Friend the Minister loves a good quotation, and in conclusion I give him this one from Oscar Wilde's play "The Importance of Being Earnest". Lady Bracknell said:

"To lose one parent . . . may be regarded as a misfortune; to lose both looks like carelessness."

This is worse than carelessness. We are violating the Standing Orders for the second time. We should not put up with it. We should make our views clear and we should vote against this wretched little motion.

12.30 am

Mr. David Mitchell: My hon. Friend the Member for Darlington (Mr. Fallon) drew attention to the benefits of the revised agreed access road and paid a well deserved tribute to the Minister for Local Government, my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). Tonight we are dealing with a necessary step on the road to enabling my hon. and learned Friend's constituents to have the benefit of a change in the approach roads to the terminal which they want, which the joint consultation committee which has met in Kent wants, which the county council wants, which the Shepway council wants and which many of the petitioners want. It is to enable the wishes of the local people to be complied with that we are dealing with the matter at all. The other place came to the conclusion that it would be right and proper to proceed in that way. It is to enable that to happen that we are dealing with the motion.

My hon. Friend the Member for Canterbury (Mr. Brazier) said that the motion had been brought forward with undue haste. I disagree with him. The motion refers the amendments to the Examiners, who must consider whether standing orders——

Mr. Brazier: Will my hon. Friend give way?

Mr. Mitchell: Perhaps I can just complete this passage. The Examiners must consider whether standing orders were complied with. The notices and newspaper advertisements were issued in late July and early August 1986. The deadline for petitions to the House was 26 September 1986 and nearly 10 months have passed since then. I can see no reason why this stage should not be completed now. The longer we delay, the less clear will be the memories of those involved and the less relevant the Examiners' hearing.

Mr. Brazier: I think my hon. Friend misheard me. I did not suggest that the motion had been brought forward with undue haste. I said that the bringing forward of the motion was inducing undue haste. After all, there is only a week to wait for the Lords amendments to be ready.

Mr. Mitchell: My hon. Friend makes a point, but the amendments were unanimously agreed by the Lords Select Committee. They were not opposed in the Lords Committee of the whole House. One cannot suggest that it is at all likely that in the subsequent stages those amendments will not be maintained. Therefore, it is right and proper, if they are to be maintained, that they should be referred to the Examiners for as early consideration as possible.

My hon. Friend the Member for Thanet, South (Mr. Aitken) complained of the apparent failure to comply on timing. The amendments could not comply on timing because they were made during the passage of the Bill. There would have had to be a degree of clairvoyance in ascertaining what those amendments were before the Bill started its passage to satisfy my hon. Friend. But we all know that my hon. Friend will not be satisfied whatever happens.

My hon. Friend the Member for Dover complained about the closing date for petitions. It was extended and my hon. Friend was much involved in that. He went on to make an important point.

Mr. David Shaw *rose*——

Mr. Mitchell: I will just deal with that point. My hon. Friend argued that, as public money was being spent on roads leading to the terminal, that was a form of Government subsidy to Eurotunnel. I hope that I have understood correctly my hon. Friend's contention.

If there is no tunnel, the amount of traffic using the roads of Kent is expected to double by the end of the century. Is my hon. Friend the Member for Dover suggesting that, as the Department of Transport builds roads to Dover harbour to enable traffic to reach it, that is a subsidy to the ferry operators? Of course it is not, and no more is a subsidy being given to the terminal operators when roads are built to take traffic to that destination instead of enlarging the roads to Dover that lead to the ferries. I understand the debating point that my hon. Friend has made, but it cannot be said that he has raised a valid argument.

My hon. Friend the Member for Southend, East (Mr. Taylor) repeated the claim that he has made previously that public money is being invested in the Eurotunnel project because the European Investment Bank is to make available a loan of £1,000 million to Eurotunnel. My hon. Friend is mistaken. There is no Government guarantee and the identity of the bank's board members has nothing to do with the matter. The loan is not guaranteed or backed by any form of guarantee. It is a commercial loan to the European Investment Bank under commercial lending arrangements from banks and financial institutions. My hon. Friend shakes his head, but that is the fact.

Mr. Teddy Taylor: Does my hon. Friend accept the simple proposition that the European Investment Bank gets its money only from subscriptions from member states such as Britain and from loans that they make that are guaranteed by the Governments collectively?

Mr. Mitchell: My hon. Friend is wrong. The capital of the European Investment Bank may be subscribed by Governments, but they are not lending capital. They are lending money that they are borrowing commercially from financial institutions and banks. There is no Government money involved and yet again my hon. Friend is chasing a red herring. He will not be able to land it when he seeks to do so.

My hon. Friend the Member for Southend, East claimed that British Rail is prevented by the Bill from giving guarantees. He added, however, that it will do so, in breach of the terms of the Bill, under the financial arrangements that it is making to pay for the use of the tunnel. My hon. Friend is wrong. A purely commercial arrangement is being entered into to set out the terms under which payment will take place. That will be on a monthly basis with a proportion of the anticipated usage topped up by the actual usage. That is a normal commercial transaction and there is no element of guarantee in it.

My hon. Friend the Member for Ashford (Mr. Speed), in robust and rumbustious style, set out the case for getting on with the project. I think that the entire House would support him save for a small minority.

[Mr. Mitchell]

My hon. Friend the Member for Thanet, South sought assurances that the Standing Orders Committee would consider the matter. It would be wrong to consider what we shall do after the Examiners have considered the matter. When they have completed their consideration, we shall be in a position to know the best way to proceed.

I find myself on this occasion in agreement with the hon. Member for West Bromwich, East (Mr. Snape). This is not the time to discuss the substance of the Bill. We are dealing with a procedural matter, and I believe that we should proceed with it as fast as possible.

Question put:—

The House divided: Ayes 139, Noes 16.

Division No. 14] **[12.40 am**

AYES

Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkins, Robert
Baldry, Tony
Batiste, Spencer
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Boscawen, Hon Robert
Boswell, Tim
Bowis, John
Bright, Graham
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Campbell-Savours, D. N.
Carrington, Matthew
Cash, William
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Freeman, Roger
French, Douglas
Garel-Jones, Tristan
Gill, Christopher
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Neil *(Tatton)*
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hayward, Robert
Hicks, Mrs Maureen *(Wolv' NE)*
Hind, Kenneth
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Irvine, Michael
Jack, Michael
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Mrs Elaine
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
MacGregor, John
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Mans, Keith
Marlow, Tony
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Miller, Hal
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Morris, M *(N'hampton S)*
Moss, Malcolm
Moynihan, Hon C.
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Page, Richard
Paice, James
Peacock, Mrs Elizabeth
Portillo, Michael
Powell, William *(Corby)*
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Taylor, Ian *(Esher)*
Waddington, Rt Hon David
Wallace, James
Warren, Kenneth
Widdecombe, Miss Ann

Tellers for the Ayes:
Mr. Kenneth Carlisle and
Mr. Alan Howarth.

NOES

Aitken, Jonathan
Bradley, Keith
Cousins, Jim
Dixon, Don
Evans, John *(St Helens N)*
Farr, Sir John
Fields, Terry *(L'pool B G'n)*
Holland, Stuart
Janman, Timothy
Lloyd, Tony *(Stretford)*
Nellist, Dave
Powell, Ray *(Ogmore)*
Skinner, Dennis
Taylor, Teddy *(S'end E)*
Wall, Pat
Wareing, Robert N.

Tellers for the Noes:
Mr. William Brazier and
Mr. David Shaw.

Question accordingly agreed to.

Ordered,

That the Amendments to the Channel Tunnel Bill set out in the Lords Message of 7th May, in the last Session of Parliament, be referred to the Examiners of Petitions for Private Bills.

Message to the Lords to acquaint them therewith.

Liverpool Health Authority (Inquiry)

Motion made, and Question proposed, That this House do now adjourn. — *[Mr. Lightbown.]*

12.50 am

Mr. Terry Fields (Liverpool, Broadgreen): Cervical cancer is cancer of the neck of the womb, or the uterine cervix. It is one of the most common causes of the premature death of women. Over 2,000 women die unnecessarily of cervical cancer every year. Those deaths are preventable, provided that adequate screening techniques are used and women receive appropriate treatment. It is important to note that it is incorrect to assume that only older women are at risk. A woman beomes at risk when she begins sexual intercourse, which varies widely from person to person. Therefore, there should be no minimum age limit for women requesting a first smear, and publicity should be given to the need for screening from at least the age of 20.

In 1972, 15 per cent. of all women with cervical cancer were under 34. By 1982 that figure had risen to over 25 per cent.—it is on the increase. In 1987 the Liverpool area health authority revealed that, during the 21 months between March 1983 and December 1985, nearly 800 cervical smear test slides had been passed as "normal", when in fact abnormalities were present which required further investigation. The health authority decided that 487 should be recalled. One hundred of those people have since received, or are receiving, treatment and some have had hysterectomies. One can imagine the distress and worry if one's wife, daughter or grandchildren, or if my wife, had that problem. Tragically, there have been reports of at least one death—in the constituency of my hon. Friend the Member for Liverpool, West Derby (Mr. Wareing)—if not more, within the Liverpool area.

Once the error was discovered, the Liverpool health aurthority acted swiftly to trace most of the women. However, about 50 women have yet to be traced. Some have left the area. Others, for whatever reason, have refused to come forward. This incident illustrates how the value of a screening programme can be undermined by behind-the-scenes processes that most people take for granted. The validity of analysis techniques and skills are crucial to the effectiveness of screening for cervical cancer.

The error, which puts hundreds of Liverpool women at risk, must be thoroughly investigated and the findings acted upon by providing screening services throughout the country. The internal review conducted by the Liverpool health authority is totally inadequate for that purpose. For instance, representatives of the community health council have not been allowed to attend the inquiry, even as observers. Health workers called to provide information cannot be compelled to attend. More important, only the inquiry's key findings will be made public. This is done by administrators—place men and women put in by this Tory Government to cut funding to the Health Service, while they are on fat salaries for carrying out the Government's diktats. In those circumstances, there will be no self-criticism from those people or condemnation of their so-called professional performance. Clearly, any irregularities or criminality found will lead to compensation, but the Liverpool people fear that there will be no condemnation from those people.

The evidence presented by workers to the inquiry has shown that members of trade unions did as much as they could within the constrictions of their professional code of ethics to alert their seniors to the problem. They expressed disquiet. A few union members are not in favour of the public inquiry for which I call because they are aggrieved by the fact that following their previous ordeal, they would have to reappear before the same committee. The reason why they are reluctant to get involved in another inquiry is the way in which the inquiry has been conducted to date. It is my opinion that it has been most unsatisfactory, unjust and unequal. The medical staff—that is, the higher echelons in the pecking order—have each engaged legal representatives, who are allowed to intervene and to cross-examine witnesses, but the same facility has been denied to the union representative, who has been allowed to be present, but only as an observer.

The inquiry has currently been adjourned but will reconvene on 30 July. Perhaps the ground rules will be amended to allow trade union representation and legal representation. However, that is by no means certain at this stage. In any event, it may be too late to make any difference to the outcome of the inquiry, given the evidence that has been presented to date and the results that will ensue.

My view is that the union should have withdrawn from the inquiry when the unequal treatment became obvious. However, the representative concerned at the time felt that he had been asked to observe by his Members and to offer them moral support and he was faced with a difficult choice. I offer no criticism of his performance. However, by participating, the union has given credibility to a behind-closed-doors inquiry, which is what this health authority inquiry is.

The two most vital things that are required from tonight's debate are a public inquiry and a national quality control scheme to report on the smears. That will ensure that monitoring, of the results is carried out, perhaps externally from the Liverpool health authority in this case. At present, the results and the analyses are often left to the clinical judgment of a single pathologist. We demand that stringent controls be placed on the commercial laboratories that carry out such work. Many authorities send the work abroad, making democratic control even more difficult, if not impossible.

The public should be aware that there are widely differing opinions, even in the medical profession, about the usefulness of cervical cytology screening and the type of reporting systems that should be used. That deserves to be debated publicly, because at present many women assume that a single, unified system is in operation. They would not have questioned that in this case nor in the cases of other incidents that have been reported nationally.

Other abnormalities have been taking place in cancer screening in the Liverpool area. As a background to this case we can discuss the unevenhandedness of what is happening. One young women applied for legal aid to take her case forward, to be allowed to make representation and, if necessary, to have legal redress in the event of maladministration in the Liverpool area health authority. However, that has been denied to her because on the analysis of legal people in the Law Society, damage in excess of £500 has not been done to her because of the laser treatments that she has received. On that argument, she could have received the same laser treatment two years ago and has not, therefore, necessarily suffered to the amount of £500. If that is the value placed on the dignity of human life, and especially on women, as dictated by today's caring

[Mr. Terry Fields]

society, it is time that we put a stop to it, and this inquiry should expose what has taken place and the treatment of those women.

On the financial side of the appeal that this women will make, in consultation with the community health council and the Liverpool Labour Women's Council, if all else fails, we shall set up a fund and challenge the rulings of the Law Society in this case. We shall take this matter right through the courts on behalf of the women of Liverpool who have been so affected by this maladministration in the Liverpool area health authority.

One of my constituents was diagnosed as suffering from cervical cancer in January. In February it was confirmed, but this woman must wait until December before she can start to receive initial treatment to combat that potential killer disease. A young woman, whom I know personally, went to a Liverpool hospital because of lumps on her breasts and was examined in a linen or broom cupboard in the hospital. Incidentally, this is happening when we have the first woman Prime Minister in the history of this parliamentary system. That is a scandal and a condemnation of her and her Government. This Government's attitude to women has set the women's movement back many years.

In a written reply on 3 July 1987, the Minister reported that 75 health authorities were now computerised. We are talking about 75 out of 191, which is equal to 39 per cent. of all area health authorities. That means that the other 61 per cent. are not computerised. The Minister also reported that 19 of those 75 health authorities had call and recall systems. That means that 9 per cent. of the 191 authorities are attempting to deal with the problem of cervical cancer. I have to say to the Minister, in all honesty, that the people whom I represent and who have been in contact with me believe that this is an exposition of scandalous complacency by a woman Minister dealing with a problem that affects the nation's women.

In the case of the 500 Liverpool women, more concern was shown for older women. As I said, women have shown signs of being at risk at the age of 20, but older women were given preferential treatment in Liverpool because the consultant involved did not consider that the mild abnormalities in young women merited a repeat test to find out what they meant.

I am making 10 demands on behalf of the women's council, the community health authorities in the Liverpool area and Liverpool women. First, we want a national, integrated, National Health Service-based call and recall cervical cancer screening service, because there are many regional variations and we want this to apply to all women. Secondly, we want mobile screening units to visit estates and shopping centres to provide easy access for women. Thirdly, the system should not depend upon women volunteering for smears. It is important that health authorities actively seek out women, especially those known to be in high-risk groups.

Fourthly, screening facilities should be made available at the workplace, or time off allowed to allow women to visit a clinic who could not do so in normal circumstances. Fifthly, we want a full system of Well Woman clinics opearating round the country to provide resources and back-up for women in need. Sixthly, we want women doctors available wherever possible to carry out these tests. We are not being sexist about this, but the experience of the Liverpool women has distressed and upset them, and they thought that they would have been better served if they had had women doctors to attend to them at such a trying time.

Seventhly, we want follow-ups to be done with sensitivity. A call for a repeat smear test may be due to a breakage or technical problem, and giving that information could reduce anxiety in many women waiting for a repeat visit. Eighthly, we want to ensure that the most up-to-date equipment is available. For example, it has recently come to light that the type of spatula used to take the smear is critical, and in many instances it is not used correctly. Ninthly, we want counselling for the women involved, because of the trauma and worry through which they must go. Those who have been told that they have cervical cancer should not be left to their own devices, feeling some social stigma. We want back-up counselling.

Tenthly, we are actively opposed to the privatisation of any NHS services and support the public ownership of supplies to the NHS. Labour Members, and especially I and my colleagues here tonight, will campaign in our party for democratic control over the Health Service; but, more important, when we are looking for finance, we will go to the drugs and chemical industry and the vast profits that it makes out of the misery of people—in this instance, of women — and put those resources back into the Health Service to ensure that women are taken care of at the point of need.

In the past 24 hours I have consulted some of the women involved in these cases. I asked them, "If you had the facility of addressing Parliament and demanding the inquiry, which you have asked me to do, what points would you make?" they said that the mistakes should have been discovered earlier. Why did it take so long to call them back when the proper procedures should have been carried out? They want to know the truth, but they cannot be sure that they will be given the truth if the inquiry is not held in public. They need to be sure that the mistakes will not happen again. They say that they are not after anyone's blood — they just want to know what went wrong.

The women of Lverpool are really scared about going for a smear. They do not feel sure that they can believe that a negative result really means that they are OK. They need to be sure that the mistakes will never happen again.

I believe that a petition was delivered to the Minister yesterday.

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie) *indicated dissent.*

Mr. Fields: Well, a petition came down from Liverpool. Perhaps the Prime Minister has it tucked away with some of the other petitions that we have brought down from Liverpool. The petition delivered yesterday is symptomatic of the depth of feeling among Liverpool's women and it represents the views of the women of the Liverpool central, southern and eastern community health councils. It also represents the feelings of the Liverpool women's Labour council. The campaign has just started and although we may be talking about some 3,000 names on that petition, the organisation is well in place to take this matter forward, perhaps into a national campaign.

We ask the Minister to respond in a positive way. We are asking for an open inquiry so that women can feel that

the information about the causes of the incident and the remedies to prevent its recurrence will be undertaken, as it has national implications. It is only in that way that confidence in the national cervical cancer screening programme will be restored. That is essential if women's lives are to be saved by the early detection and treatment of pre-cancerous conditions.

My comrades and I believe that the nation's women deserve better treatment than they get from this Government. As I have said before to the Minister, she should not chide and harangue us. She knows what is wrong in these circumstances. If the Minister wants to make a name for herself and wants to do something on behalf of the nation's women she should take hold of this issue. The Minister should go along with us to ensure that there is a public inquiry. Women would be grateful that a woman in Parliament has done something positive to alleviate the sufferings, the worry and the hardship that they presently face under the existing system operated by the Government.

In conclusion — I hope that the Minister does not take too much offence — there are too many people posing as professional Scouses. She comes from up there and she should do something for that place instead of sitting here criticising us all the time.

1.7 am

The Parliamentary Under-Secretary of State for Health and Social Services (Mrs. Edwina Currie): I congratulate the hon. Member for Liverpool, Broadgreen (Mr. Fields) on his success in the ballot. He has raised some important questions on behalf of his constituents and, indeed, many women. I shall attempt to answer them.

The main events of this case took place in Liverpool between 1983 and 1985. I hope that the hon. Gentleman will accept that those events are not and should not be subject to party politics. I share with him and with colleagues on both sides of the House their concern about these events and their determination that we should put things right and learn from events to ensure that the same thing does not happen again. I am sure that that concern is also shared by the trade unions that he quoted at some length.

The hon. Gentleman mentioned that he thought that there had been cuts in the Health Service in Liverpool. However, I must put on record that the gross revenue of the Liverpool health authority for 1982-83 was £114 million——

Mr. Fields: Do not play the same old record.

Mrs. Currie: In 1987-88 the initial cash allocation was £144 million. The number of in-patients treated in 1982 was 80,000 and that figure increased to 88,000 in 1985. I am especially pleased to note that there have been considerable improvements in gynaecology. It is worth giving that information as part of the background to this case.

The hon. Gentleman may know that, yesterday, at the request of his hon. Friends the Members for Birkenhead (Mr. Field) and Liverpool, West Derby (Mr. Wareing), I met Mrs. Lily Hopkins of Fazakerley, who is one of the women tested in 1983 and subsequently shown to be in need of treatment. I admire her common sense and courage. She is now undergoing treatment and is in good hands. She has been contacted by various other women and has helped make their feelings known. I am glad I had the opportunity of meeting her, and I have asked the Liverpool health authority to take their views into account.

May I say to the hon. Gentleman that he has made one or two errors of fact in his description of cervical cancer. First, we give publicity to the fact that women from the age of 20 onwards—indeed any woman who is in the at-risk group, which the hon. Gentleman accurately described —may come in for a smear test. Indeed, if there is any clinical suggestion that a woman needs a smear test more regularly than the recommended period, it is for her practitioner to advise her and that test is available to her.

According to the hon. Gentleman's own figures, about 75 per cent. of cases are older women. Therefore, we continue to regard the reaching out to older women as a top priority. He said that this was on the increase. It is not. Thank goodness, it is going into slow decline. There is a steady but small decrease in the number of women now dying from cervical cancer, but I share the hon. Gentleman's feeling that it is nowhere near enough and I look forward to seeing a substantial reduction, hopefully along the lines achieved in the Scandinavian countries.

Let me now respond to the 10 points that the hon. Gentleman mentioned as being the requirements of the ladies in Liverpool. I agree with him absolutely on items 3, 6, 7, 8 and 9. We already have the requirement in item 1 or are working closely towards it. I would actively encourage item 4. Items 2 and 5 are matters for the local health authorities. If they wish to organise their services in that way, I would welcome it. I note item 10.

Let me comment further on the events in Liverpool. As the hon. Gentleman knows, on 15 January 1987 the Department was informed by Mersey regional health authority of the concern within Liverpool health authority about the results of tests on cervical smears carried out at the Women's hospital in Liverpool between March 1983 and December 1985.

During this period it appears that 911 tests were misinterpreted, reporting them as negative when, in the light of a recent preliminary re-examination of the slides, many showed evidence of abnormal pathology. During this period some 45,000 cervical cancer smears were examined at the Women's hospital.

The slides of 911 women had to be re-examined. Of these, 300 were eliminated because their slides were found to be normal after the second review; a further 103 women were eliminated by hospital records which showed them as having had further tests or treatment; another 21 women had been married since 1983 and had had a second smear under their married name; and 487 were identified as requiring further investigation or treatment. Of these 487, 437 have already been seen and every effort is being made by the health authority to continue to trace the remaining 50 women who have moved house at least once since having their smear between March 1983 and December 1985.

I became involved in the early weeks of 1987, when I indicated my full support for the plan of action by the health authority. This has included a complex programme of contacting all the women affected and making available whatever facilities and staff were required. The matter was given top priority and received the ready co-operation of consultant gynaecologists, GPs, nurses, laboratory and support staff.

[Mrs. Currie]

The women have been contacted through their original referral agents — either the GP or clinic they were attending. They have been invited to attend a clinic for advice and, if necessary, examination, repeat smear test, colposcopy or other form of clinical investigation as appropriate, except where this has already taken place. As many as 50 per cent. of the women affected were, or had been, under the care of a gynaecologist already and were therefore already receiving whatever care or treatment was required.

Mr. Robert N. Wareing (Liverpool, West Derby): The figures the hon. Lady has given are all very well. Nevertheless, the wife of one of my constituents died as a result of cervical cancer which was diagnosed in September 1984, even though that lady's last smear had been as recent as May 1984. What procedures exist to discover that sort of mistake? Surely the mistakes to which my hon. Friend the Member for Liverpool, Broadgreen (Mr. Fields) has referred should have been discovered as early as September 1984 when that lady's diagnosis was made.

Mrs. Currie: I am doing my best to set out exactly what the health authority has been doing. It is as well to put on record exactly what has been going on.

A special community tracing task force was set up in February this year by the Liverpool health authority involving community physicians, nurses and health visitors to make contact with any woman who was sent advice but who failed to respond. A knock-on-the-door approach was also carried out when no response had been registered. This follow-up part of the contact programme has located women in various parts of the United Kingdom and in countries abroad, including Australia, Bahrain, West Germany and Spain.

Some of the women unable to be traced so far have had their cervical smears referred to the Women's hospital from the Bedford clinic — the abortion clinic within Liverpool health authority—and it is possible that they have tried to conceal their identities, perhap by giving false names and addresses.

Nevertheless, the health authorities are continuing to pursue the matter of the women whom we have not found so far. I must say at this point that I have been very impressed with the efforts of Liverpool health authority since this problem came to light. It has put the patients' interests first and have acted with commendable speed and thoroughness. I know that it will continue to make strenuous efforts to trace the remaining women. In the meantime an independent and rigorous review of the 911 slides is being carried out under the direction of a distinguished professor of histopathology, in order to assist the health authority in its inquiries.

Mr. Fields *rose*——

Mrs. Currie: I met last night the chairman of the Liverpool district health authority, Mr. James Fitzpatrick and his district general manager Mr. Mike Collier, and am most grateful for the time they gave me. They have set up a review, whose terms of reference would, I believe, answer the points made by the hon. Gentleman's constituents. The first term of reference is to inquire how cervical cytology tests were processed from receipt at the laboratory between March 1983 and December 1985, to the point at which advice was submitted to a gynaecologist, a general practitioner or a clinical medical officer. The second is to assess the methods used to ensure a consistently high standard of reporting. The third is to inquire into the reasons for the delay in the doubts surrounding the suspect test results coming to light. The fourth is to assess whether improved management arrangements should be implemented, and the fifth is to make recommendations in the light of these terms of reference. The review is chaired by Mr. Fitzpatrick and has two other members of the health authority, neither of whom, as far as I know, have the fat salaries that have been mentioned. It includes a consultant pathologist from outside the Mersey region, nominated by the Royal College of pathologists, Dr. John Burston.

Mr. Fields *rose*——

Mrs. Currie: I heard what the hon. Gentleman said—and I know that it was also requested yesterday by Mrs. Hopkins—about a public inquiry, publication, holding discussions on the matter in public and so on. Such calls are, as yet, premature. Until the review team has finished conducting its work and has reported to the Liverpool health authority I suggest that the hon. Gentleman holds fire. He alleges that there will be no self-criticism, but that is to prejudge the conclusions of the review. It is wise, as the review is expected to report shortly, first to see what it comes up with. I shall ensure that all those views are passed on.

As for court cases, I am sure that Opposition hon. Members are aware that, to date, two women have taken out High Court writs against the Liverpool health authority, and another 48 women have registered claims against the authority through their solicitors.

In all the cases and events that we have been discussing, we should put on record the fact the hon. Gentleman's constituents, working for the Liverpool health authority, have been making a big effort to improve their services to women, both because of pressure from the Government and because they believe it to be right. Liverpool health authority has developed its smear testing system and the treatment and laboratory facilities to back it up. There are no backlogs in Liverpool; it keeps within the one-month target, even with a huge throughput. It was the first district in the Mersey region to operate the computerised call and recall system, which has been in operation since 1 April. Last year, almost 17,500 smears were dealt with in that laboratory, of which some 1,500 were picked up as requiring further investigation. In other words, these efforts have ended, not in failure, but in a substantial detection of early cancer and pre-cancerous conditions, and thus in the saving of many lives of Liverpool women.

I am asked whether women should have confidence in the system, and the answer is yes. Opposition Members could join us in helping to restore confidence. Many of those who die of cervical cancer have never had a smear. Many are in the older age groups. If they do not have a test, and they allow themselves to be sufficiently put off by the events of several years ago, or by some of the remarks made tonight, the death rate from this preventable cancer will remain high on Merseyside, instead of coming down as it should. Whatever the faults of the Liverpool system may or may not have been, one thing would have been worse — no system at all. I urge any of the missing

women to come forward, and I urge those who have never been for a smear to come and ask for the test. That is the message I want to put on record tonight.

Question put and agreed to.

Adjourned accordingly at nineteen minutes past One o'clock.

House of Commons

Thursday 9 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

COUNTY OF SOUTH GLAMORGAN (TAFF CROSSING) BILL

Queen's consent, on behalf of the Crown, signified.
Read the Third time, and passed.

FELIXSTOWE DOCK AND RAILWAY BILL *(By Order)*

LONDON REGIONAL TRANSPORT BILL *(By Order)*
Orders for consideration read.
To be considered upon Thursday 16 July.

HARWICH PARKESTON QUAY BILL *(By Order)*
Considered; to be read the Third time

LONDON DOCKLANDS RAILWAY (BECKTON) BILL *(By Order)*

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

KEBLE COLLEGE OXFORD BILL *[Lords] (By Order)*

SELWYN COLLEGE CAMBRIDGE BILL *[Lords] (By Order)*
Orders for Second Reading read.
To be read a Second time upon Thursday 16 July.

WESTERN ISLES ISLANDS COUNCIL (VATERSAY CAUSEWAY) ORDER CONFIRMATION BILL

Mr. Secretary Rifkind presented a Bill to confirm a Provisional Order, under section 7 of the Private Legislation Procedure (Scotland) Act 1936, relating to Western Isles Islands Council (Vatersay Causeway).

Oral Answers to Questions

NATIONAL FINANCE

Self-employment

1. **Mr. Patrick McNair-Wilson** asked the Chancellor of the Exchequer by how much self-employment has grown in the United Kingdom since 1979.

17. **Mrs. Virginia Bottomley** asked the Chancellor of the Exchequer by how much self-employment has grown in the United Kingdom since 1979.

The Economic Secretary to the Treasury (Mr. Peter Lilley): The latest published figures show that self-employment in the United Kingdom has increased by over three-quarters of a million since 1979.

Mr. McNair-Wilson: I congratulate my hon. Friend on his appointment and on the very encouraging answer that he has just given. Does he agree that self-employment and small businesses can provide a powerful force for reviving commercial and business efforts within the depressed inner cities as well as elsewhere? Will he please assure me that he and his Department will do what they can to remove the petty bureaucracy which still stands in the way of many who would like to start up on their own?

Mr. Lilley: I thank my hon. Friend for his remarks. He is absolutely correct in saying that there could be no greater benefit to the inner cities than a continuing growth in self-employment. He is also correct in saying that the Government will do all in their power to remove obstacles to that growth.

Mrs. Bottomley: Such a dramatic increase in self-emloyment figures must be a tribute to the success of the Government's economic policies in promoting enterprise. What information does my hon. Friend have on how those figures are spread throughout the country? Is it not important to encourage self-emloyment in those areas hardest hit by the loss of traditional industries?

Mr. Lilley: My hon. Friend is right. The growth has been quite dramatic. It is up 40 per cent. since 1979. The growth in the region is much the same as in the south-east and the south-west. The growth in the regions is particularly encouraging, because, for every self-employed person, in due course more jobs will be created as they in turn take on employees. That is why we are encouraging, wherever we can, the growth of self-employment in the areas that have been hardest hit by the decline in the traditional industries.

Ms. Short: Is the Minister aware that it is true that there has been a remarkable growth in self-employment, but that if we look at the historical record since 1945, we see that in every period when unemployment grew, self-employment grew? I invite him to check that. If he looks at the figures for tax and VAT, he will see that the self-employed are overwhelmingly very low-paid. It is not a real measure of a successful enterprise economy. A lot of it is the desperation of people struggling along because it is their only alternative to unemployment.

Mr. Lilley: The hon. Lady is right in one respect. Under the Labour Government unemployment doubled and self-employment fell. However, she is incorrect in suggesting that a similar pattern has occurred under this Government. Self-employment has increased by 40 per cent., which is five times the increase in self-employment that has occurred over the past 30 years.

Mr. Brandon-Bravo: I join my colleagues in wishing my hon. Friend every success in his new position. May I draw his attention to the fact that, although self-employment has grown fast in this country, it is still only one third of that in countries such as Italy? My hon. Friend will be aware that Italy's new economy has had many compliments paid to it in recent years. Is there a link between Italy's healthy economy and the mileage that still exists for self-employment in this country?

Mr. Lilley: I have no doubt that the self-employed in Italy contribute to that country's economic growth. However, this country's economy grew more rapidly over the period of the last Parliament than that of Italy, and we shall continue to encourage the growth of self-employment wherever it is appropriate in the United Kingdom.

Industrial Production

2. **Mr. Ian Taylor** asked the Chancellor of the Exchequer what is his latest estimate of the level of industrial production.

Mr. Lilley: In the three months to April industrial production was 2½ per cent. higher than a year earlier, and within that manufacturing output was up 4½ per cent.

Mr. Taylor: I welcome those figures, which must be very good news for many regions of the country. Does my hon. Friend consider that the growth of output can continue so that, by the end of next year, we will have the highest rate of sustained economic growth in this country since the war?

Mr. Lilley: My hon. Friend is correct. On official forecasts, we will have had seven years of sustained growth at one of the highest rates that we have seen since the war. Of course, on unofficial forecasts, the projected rate of growth is constantly being forecast to increase. We see no reason domestically for growth not to continue in this country.

Mr. Buchan: Will the Minister tell us whether the Government have succeeded in reaching the same figure for industrial production as existed in 1979?

Mr. Lilley: Yes. We are well above it.

Mr. Tim Smith: Will my hon. Friend confirm that since 1980 the growth of gross domestic product of United Kingdom Limited has been more rapid than that of any other European country? Is that not a welcome and refreshing change compared with the 1060s and 1970s? In those circumstances, was it not predictable that the shareholders would vote in the same board of directors?

Mr. Lilley: My hon. Friend is correct. It is interesting that since the election the board of directors has received praise from some surprising quarters. The growth of the economy is not only good for the continuing prosperity of the country, but it has restored the pride of the British people.

Mr. Blair: I welcome the Economic Secretary to his position and congratulate him on having achieved it. Is it not the case that any increase in industrial production has come about largely as a result of the exchange rate depreciation and the fact that those competitive gains are now being eroded? The hon. Gentleman boasts about the Government's economic record, but will he tell us when they will get back, under this Chancellor, to the position on the balance of payments in manufactured trade that they inherited in 1979?

Mr. Lilley: I thank the hon. Gentleman for his kind remarks and, in turn, congratulate him on the success that he achieved in the elections. Clearly, the Labour party has considerable sense in some matters.

The growth of industrial production is not just the result of changes in the exchange rates. We have had six or seven years of continuous growth that cannot possibly be attributed to the recent change in the exchange rates.

Personal Incomes

3. **Mr. Chapman** asked the Chancellor of the Exchequer what proportion of his gross wage a single person receiving half average industrial earnings pays out in income tax and national insurance contributions.

The Chief Secretary to the Treasury (Mr. John Major): A single person on half average male manual earnings will this year pay just under 21 per cent. of his earnings in income tax and national insurance contributions. The corresponding figure for someone on half average earnings for all occupations is just under 25 per cent.

Mr. Chapman: I appreciate that that proportion has been reduced significantly, in particular as a result of the past three Budgets, but will my right hon. Friend confirm that people earning quite modest wages and salaries are still paying far too great a proportion of those wages and salaries in direct taxation of one sort or another? Will he confirm that it remains the Government's top priority to reduce those direct tax levels still further during the course of this Parliament?

Mr. Major: We are certainly keen to reduce taxation whenever and wherever it is prudent to do so. As my hon. Friend intimated, since 1979 there have been substantial improvements, not only in the basic rate, but in the thresholds, and, perhaps most important of all, the fact is that nearly 1½ million taxpayers have been entirely taken out of tax.

Mr. Rooker: Will the Minister confirm that the figure in the latter part of his first answer — that for all workers on half average earnings the share of their wages taken in tax and national insurance is just under 25 per cent. — is higher than the figure of 23·5 per cent. in 1978-79, the last year of the Labour Government? Every worker, married or single, on less than average earnings loses a bigger slice of his wages in tax and national insurance under this Government than he did in the last year of the previous Labour Government.

Mr. Major: The hon. Gentleman is half right, in that he correctly interpreted what I said a moment ago. As regards a comparison with 1978-79, the more accurate comparison would be the updated index figure under the system that applied before. On that basis the reduction still applies.

Mr. John Townend: The figures given suggest the reason why the population voted to return a Government who are dedicated to reducing rather than increasing taxation. Does my right hon. Friend agree that our starting basic rate for income tax, plus insurance, is still relatively high compared with our industrial competitors?

Mr. Major: My right hon. Friend the Chancellor quite clearly indicated his opinion on that in the last Budget, when he reduced the standard rate.

Value Added Tax

4. **Mr. Martyn Jones** asked the Chancellor of Exchequer whether he has any plans to increase value added tax base in the United Kingdom.

15. **Mr. Parry** asked the Chancellor of the Exchequer if he has any plans to impose value added tax on children's clothes; and if he will make a statement.

18. **Mr. Fatchett** asked the Chancellor of the Exchequer whether the Government have any plans to extend the range of value added tax; and if he will make a statement.

The Paymaster General (Mr. Peter Brooke): My right hon. Friend has no such plans.

Mr. Jones: Will the Minister explain what the Government intend to do in the light of the probable result of the Cockfield report to the European Commission next week, which will certainly insist on the harmonisation of VAT rates within the European Economic Community? That, of course, will mean VAT on food, clothing, fuel and other goods in this country.

Mr. Brooke: Last night the Commission decided not to take a decision on the proposals put forward by Lord Cockfield's commission. Therefore, as yet, the hon. Gentleman's question remains hypothetical.

Mr. Fatchett: Will the Minister take this opportunity to confirm that the Government will veto any attempt to introduce VAT on children's shoes and clothes?

Mr. Brooke: My right hon. Friend the Prime Minister has made the situation on food and children's clothes entirely clear.

Mr. Heathcote-Amory: Does my hon. Friend agree, and will he confirm, that, whatever the merits or objections to extending the VAT base, it should remain a decision of this Parliament and not be subcontracted to the European Parliament? Moreover, we should not be pressured into it by the European Court.

Mr. Brooke: I have made it clear that my right hon. Friend has no such plans, but it is the need to preserve his freedom to have plans in this area that might cause us to exercise our veto in Brussels.

Mr. Robert Sheldon: Lord Cockfield's proposals also include the harmonisation of excise duties? Can the Minister assure us that the Chancellor will oppose any efforts to harmonise excise duties?

Mr. Brooke: My answer to the right hon. Gentleman is the same as the one that I gave to his hon. Friend the Member for Clwyd, South-West (Mr. Jones). Lord Cockfield has not brought forward his proposals. Therefore, that question remains hypothetical.

Mr. Neil Hamilton: Does my hon. Friend share my pleasure at the fact that the hon. Members for Dagenham (Mr. Gould) and for Sedgefield (Mr. Blair) on the Opposition Front Bench demonstrate that debility is not necessarily a bar to advancement in the Labour party? In view of the disgraceful scare-mongering that was carried out during the election campaign on the issue of VAT, has my hon. Friend yet received an apology from those hon. Gentleman for the lies that were told—*[Interruption.]*

Mr. Speaker: Order. I think the hon. Member for Tatton (Mr. Hamilton) knows what I am about to say.

Mr. Hamilton: I refer to the lies that were told by members of the Labour party who were not standing as candidates for membership of this House.

Mr. Brooke: I join my hon. Friend in admiring the two hon. Members on the Opposition Front Bench. As to secret agendas during the election, we were conscious of two pieces of small print that were missing from the Labour party manifesto. To paraphrase Lady Bracknell, "To omit one piece of small print might be regarded as a cock-up; to omit two looks like a conspiracy."

Mr. Gould: The Minister must know that the Prime Minister has merely said that she does not believe that plans to levy VAT on children's clothing and other items of the family budget would get through the House. I agree with her on that point, but what, however, is the Government's attitude? Will the Minister tell us whether he, his colleagues and the Prime Minister will ensure that a veto is applied to any such proposals?

Mr. Brooke: I have the distinction of having been the pairing Whip during the 1979 Parliament who uniquely lost a vote in the House, but it is not the Government's practice to put in front of the House proposals that they would not expect to carry.

Industrial Production

5. **Mr. Patrick Thompson** asked the Chancellor of the Exchequer what are the latest figures for the growth of manufacturing productivity in the United Kingdom.

Mr. Lilley: In the three months to April 1987 manufacturing output per head is estimated to have been over 6½ per cent. higher than a year earlier.

Mr. Thompson: I thank my hon. Friend for that welcome reply. Is it true that the growth in manufacturing output per head in this country is now greater than in any other major industrial country, including Japan? Is it not also true that, under the last Labour Government, we were nearly bottom of that league? Therefore, is it any wonder that the hon. Member for Dagenham (Mr. Gould) should now have taken to praising the Government on their economic record?

Mr. Lilley: My hon. Friend is quite correct. The rate of growth of manufacturing productivity in this country has exceeded that in every major industrial country, not excluding Japan, since 1979.

Mr. Litherland: Does the Minister agree that investment by overseas multinationals in manufacturing in the United Kingdom is now declining and that the 30 top overseas companies show a massive reduction in employment?

Mr. Lilley: Investment overall in this country is at an all-time record. If a Labour Government had been returned, there would have been negative investment from abroad in this country.

Mr. Yeo: Does my hon. Friend agree that the 4 per cent. growth in manufacturing output per head since 1979 not only contrasts favourably with the preceding six years from 1973 to 1979 but bodes extremely well for the creation of new jobs in this country, because it shows that Britain is becoming competitive again, compared with countries overseas?

Mr. Lilley: My hon. Friend is quite correct. That growth bodes well for the future. Manufacturing industry is now increasing productivity. It is doing so because we have restored to management the power to manage and to trade union members the power to control their unions. As a result we have better industrial relations and greater incentives to increase production.

EC Budget

Mr. McKelvey asked the Chancellor of the Exchequer what is the current level of Britain's contribution to the European Economic Community.

Mr. Brooke: The latest projection of our net payments to Community institutions in 1987-88 is £870 million.

Mr. McKelvey: We are still a large net contributor. Is it not the case that in Fontainebleau in 1984 there was an agreement that, if there were an increased resources payment, there would be proper budgetary control? Has the Prime Minister herself not agreed that there has been a budgetary control failure? If so, why are we agreeing to a further 3·5 billion deficit in this respect? Will we have proper guarantees that there will be proper budgetary control in future?

Mr. Brooke: I am not entirely sure about the 3½ billion to which the hon. Gentleman referred, but the great achievement of the Fontainebleau agreement was to secure a permanent abatement for the United Kingdom. Unfortunately, that was beyond the power of the Labour party to achieve during its time in government.

Mr. Marlow: Does my hon. Friend agree that if the British taxpayer has any more largesse to dispense charity begins at home, and that that money would be far better spent on our own inner cities than on Ireland, Greece and the Mediterranean coast?

Mr. Brooke: I share with my hon. Friend a desire to restrain expenditure in the European Community.

Mr. Spearing: Whatever our net or gross contributions, is it not a fact that a good slice of those contributions is taken up by VAT? Whatever the Chancellor said, and whatever plans Lord Cockfield may or may not have, is it not a fact that the European Commission is now taking the British Government to court so that VAT rates on all building, fuels, some new services and water should be put up? Should not that fact be in the Government's calculations?

Mr. Brooke: It is certainly a fact that the Commission has taken the British Government to the European Court under infraction proceedings on zero rates on a number of different items. That is a legal case, which will be heard on 15 September. We will not know the judgment until the end of this year or the beginning of next, and the Government will then react to whatever the judgment is.

Mr. Higgins: Does my hon. Friend agree that it is a mistake to pay twice for the same thing? As the House was persuaded to go along with an increase in own resources for the Community on the ground that there was to be budgetry discipline, we should not give a further increase just to get that guaranteed.

Mr. Brooke: I repeat and endorse what I said earlier to my hon. Friend the Member for Northampton, North (Mr. Marlow), that it is very much the concern of the Government to restrain expenditure in the Community.

Mr. Hoyle: As we are net contributors, what is our trade deficit in manufactured goods with the EEC? Can the Minister confirm that our deficit with West Germany is the largest trade deficit that we have? What will be done about this albatross around our neck?

Mr. Brooke: These are supplementary questions to question 6 to the Treasury, not "Mastermind". The hon. Gentleman's supplementary does not fall within the terms of the original question.

Labour Statistics

7. **Mr. Simon Coombs** asked the Chancellor of the Exchequer how many companies and how many employees have been transferred from the public sector to the private sector since 1979.

Mr. Major: Fifteen major businesses have been privatised, employing 650,000 people.

Mr. Coombs: Will my right hon. Friend remind the House of the proportion of public industry that has been returned to the private sector since 1979 and what other elements of the public sector remain to be returned in the immediate and medium term future, and will he take this opportunity of telling the House about some of the many advantages that privatisation bestows?

Mr. Major: Were I to respond in detail to all those points, I fancy that we would run on for rather a long time. Over one third of state industry has been privatised since 1979. As the House knows, we have a continuing rolling programme for the future. Many benefits are increasingly apparent, not least the access to capital markets and greater incentives for management and employees to produce a profitable return, as they are doing.

Mr. Ashley: Will the Minister confirm that the workers in most of the companies that have been transferred now have lower wages, job insecurity, lower pensions, lower sickness benefit and fewer holidays? What excuse has he to offer for this shabby transformation?

Mr. Major: I cannot confirm any of those propositions. The companies that have been transferred to the private sector were often unprofitable before, but they are now substantially profitable.

Sir Geoffrey Finsberg: Does my right hon. Friend agree that the result of 11 June shows that the public like the idea of transferring properties from the public sector to genuine public ownership? When will he start this process on the Bank of England?

Mr. Major: I have no comment on the latter part of my hon. Friend's question. On the former, I entirely agree. The concern for privatisation that we have shown has been followed in a number of other countries. It is noticeable that on 11 June privatisation was preferred to social ownership.

Mr. Blair: If the British Airports Authority is to be sold partly by fixed tender to get value for money for the taxpayer, why was the same procedure not followed on the sale of British Gas, British Telecom and British Airways, when thousands, if not millions, of pounds were lost to the taxpayers through selling those companies off at a knock-down price?

Mr. Major: I do not accept that any of those companies was sold at knock-down prices. The hon. Gentleman knows that I cannot comment on BAA at the moment.

Mr. Oppenheim: Does my hon. Friend recollect the dire predictions of doom and gloom when companies such as Cable and Wireless, British Aerospace and Jaguar were

privatised? How do those predictions square with the current performance of those companies in the private sector?

Mr. Major: As my hon. Friend intimates, those predictions do not square. For example, Jaguar's pre-tax profits are up 33 per cent. on 1984, and Cable and Wireless pre-tax profits are up fourfold since that date. Therefore, the predictions that were made at the time were wildly inaccurate.

Income Tax

9. **Mr. Tom Cox** asked the Chancellor of the Exchequer what plans he has to seek to reduce the present rate of standard income tax; and if he will make a statement.

The Chancellor of the Exchequer (Mr. Nigel Lawson): I aim to reduce the basic rate of income tax to 25p in the pound as soon as I prudently can.

Mr. Cox: While I note that reply, is the right hon. Gentleman saying that the Government's commitment, about which we now hear repeatedly, to regenerate and rebuild confidence in our inner cities is real? He must be aware that it will take substantial sums of money to do that, and it is certainly the wish of the general public that that money should go into our inner cities and the social fabric of our country rather than on tax concessions to the wealthy. Will he tell the House exactly what is his commitment to the inner cities and social fabric of the country?

Mr. Lawson: The hon. Gentleman's question betrayed two failings on the part of the Labour party to understand the facts of life which, I believe, cost it dear at the last general election. The first is that he referred to the basic rate of income tax as a tax on the rich. He totally fails to understand that that is a marginal rate of tax on millions and millions of ordinary working people, many of whom are earning incomes well below the average. Getting the basic rate of income tax down for them is something of the first importance—it is not simply a tax cut for the rich.

The second thing the hon. Gentleman fails to understand is that the achievement of all the things that we seek to achieve in the public sector must be secured by growth in the economy. Lowering the rate of income tax and creating a more dynamic economy and greater incentives in the economy is the crucial part of the way to get a stronger economy that will enable us to do more for the inner cities, among other things.

Sir William Clark: Does my right hon. Friend agree that the continuation of the reduction in the standard rate from 33p to 27p to 25p is welcome to all taxpayers, whether rich or poor? Indeed, it affects people who are retired. Does he further agree that when we get down to 25p as a standard rate of tax, the next jump to 42p in the pound will be far too high, and that it should come down at the same time as the 25p is achieved?

Mr. Lawson: I am grateful to my hon. Friend for his consistent support for the policy that we have been pursuing of bringing down the rates of income tax and raising thresholds. We shall continue to do that as and when circumstances permit. I shall certainly consider the question of the jump from the basic rate to the first higher rate, but it is interesting to note that, in the United States, the new tax reform package, which has gained a number of plaudits in this country, has a basic rate of 15 per cent. and then rises to 28 per cent. That is a gap similar to the one about which my hon. Friend has spoken.

Mr. Pike: Does the Chancellor accept that the tax cut in the basic rate has really been a con job on the majority of ordinary people? Is it not a fact that the tax cuts have not benefited the very low-paid and people living on state benefits, and that the majority of people on average earnings are paying more in VAT and national insurance and are worse off in taxation terms than they were before the cut in basic tax?

Mr. Lawson: On the contrary, the very low-paid have done particularly well under this Government as a result of the introduction—for the first time in this country—of reduced rates of national insurance contributions for employees and for those who employ them. That has helped those at the lower end of the wage spectrum, especially.

As for con jobs, the only con job that I can recall was when the Labour party sought unsuccessfully to conceal the fact that it planned to abolish the married man's tax allowance.

Mr. Boswell: Is my right hon. Friend aware of the healthy worldwide trend towards lower and less penal tax rates? Does he agree that that has considerable relevance to the level at which we set our own basic and additional rates?

Mr. Lawson: My hon. Friend is right. That international context is both very striking and something that we do have to take into account. It is something that I have to take into accont in deciding what is appropriate and necessary for this country. Indeed, the consensus about the need to bring down income tax is one that is now shared by all those in charge of the major economies of the world. It is only the Labour party in this country that is determined to put up income tax—at least it was at the last election. I do not know whether it still is. This revisionism that the hon. Member for Dagenham (Mr. Gould) is going in for is bewildering us. But it was only the Labour party—at least until very recently—that was determined to put up income tax.

Interest Rates

11. **Mr. Macdonald** asked the Chancellor of the Exchequer if he will make a statement on the current level of interest rates.

Mr. Lilley: Bank base rates are 9 per cent.

Mr. Macdonald: If the economy is as successful as the Chancellor frequently claims, why do we have one of the highest bank interest rates in the Western world? Does the Minister have any idea of the damage that that is doing to small businesses in my constituency, and when can my constituents expect some relief?

Mr. Lilley: It is not correct to say that British interest rates are the highest. Interest rates are kept at a level sufficient to keep downward pressure on inflation. I wonder whether, during the election campaign, the hon. Gentleman paused to think of the consequence for British interest rates if his party had been elected and had spent an extra £35 billion, largely financed by borrowing?

Mr. Michael Morris: Will my hon. Friend explain exactly what is preventing a reduction in interest rates, given that the economy is doing well, sterling is not under pressure and the credit expansion is being controlled?

Mr. Lilley: As I mentioned, it is our policy to keep interest rates at a level sufficient to keep money GDP on a steady downward path and, therefore, to maintain downward pressure on inflation. We shall continue to do that.

Mr. Campbell-Savours: Why are the interest rates of Belgium, Canada, — [Hon. Members "Reading"] — France, West Germany, Holland, Japan, Sweden, Switzerland and the United States of America all lower than the level of interest rates in this country? [Hon. Members: "Reading".] Why should British business men be penalised when overseas business men are not penalised?

Mr. Lilley: Real interest rates in Britain are about ½ per cent. above the average for other major industrial countries. I have not noticed British industry being penalised, since it is growing faster than industry in any other major Western economy.

Mr. Forth: In adding my best wishes to the others expressed to my hon. Friend about his new position, may I ask him whether he agrees that interest rates cannot be arbitrarily varied on their own as they are necessarily interlinked with and interdependent on the other great factors in any economy, such as inflation and exchange rates? Does he further agree that any responsible Government must bear that in mind when looking at interest rates, which cannot be considerd in isolation?

Mr. Lilley: I thank my hon. Friend for his remarks. He is quite correct. We have to take into account all those factors when determining the level of interest rates, but we give priority to keeping inflation on a downward course.

Mr. Gould: Does the Minister share the Bank of England's continuing concern, indicated again today, about the explosion of credit in the personal sector? Does he agree with his hon. Friend the Member for Lewisham, West (Mr. Maples) that manufacturing industry is now severely constrained by the high interest rates that the personal and property sectors are prepared to pay? Why is it that he and his colleagues are obsessed with public spending, when they should be doing something about this new and damaging version of crowding out?

Mr. Lilley: I am grateful to the hon. Gentleman, who asks almost as many questions as he received votes. Interest rates are not inhibiting output. Output is growing more rapidly and the CBI survey shows that investment intentions are very strong. The hon. Gentleman spoke about the remarks of the Bank of England. They were directed towards the prudential aspects of borrowing. Of course it is correct that financial institutions should look closely at the ability of borrowers to repay their debts and the effect that that has on their balance sheets. We support that.

Mr. Jack: Does my hon. Friend agree that the trend towards lower interest rates has been assisted by the reduction in the public sector borrowing requirement occasioned by the Government's programme of privatisation?

Mr. Lilley: It is certainly true that as my hon. Friend said, if we were to eschew privatisation — even though that programme is primarily carried out for reasons of competition and efficiency — and the revenues that flow from it there would have to be higher borrowing and, therefore, higher interest rates.

European Monetary System

12. **Mr. Alton** asked the Chancellor of the Exchequer if he has any plans for the United Kingdom to join the European monetary system.

Mr. Lawson: We continue to keep the matter under review.

Mr. Alton: Does the Chancellor agree that for far too long we have ducked membership of the European monetary system because of short-term arguments that have disappeared on the next prevailing wind of the world currency market — *[Interruption.]* Does the Chancellor agree that sterling is not a super currency and should not be subjected to the vagaries of the world money markets?

Mr. Lawson: I am not sure that I was able to hear every word that the hon. Member uttered, so I hope that he will forgive me if I do not give the fullest answer to his question. What he has failed to observe is that since the Louvre agreement towards the end of February of this year — which was conducted through G7, even though only six members were present on that occasion — we have enjoyed the benefits of exchange rate stability throughout all the major currencies, not just the European ones.

Sir Brandon Rhys Williams: Is it really a wise or constructive move to make binding commitments in regard to the exchange rate of the pound before we have completed the integration of the European market for capital? Would it not be much better to integrate our policies with those of the continental countries, particularly West Germany, after which the currencies will look after themselves?

Mr. Lawson: I agree with the first half of what my hon. Friend said. I strongly support the move that there is now throughout Europe for freedom of capital movements. A number of countries in the Community have complete freedom of capital movements and others are moving in that direction. The Commission is making further proposals this autumn for freedom of capital movements for those countries which, unlike the United Kingdom, do not already have it. This is an important development and I welcome it.

Mr. Skinner: I hope that the Chancellor of the Exchequer will not be lured by the call of the Liberals and Social Democrats into a further bout of merger mania and into agreeing that the pound should join the EMS. We have had enough twaddle about the Common Market in the past 14 years from Euro-fanatics at the back of me and the one below me who has just turned up for work. It has cost the British taxpayer £8,000 million net to be a member of this club, despite all the talk about barrow-loads of money being brought back by the Prime Minister. That has been the cost to the British taxpayer and it is time that it ended.

Mr. Lawson: I can assure the House that I am no more likely to be lured by the Liberals and Social Democrats than I am by the hon. Member for Bolsover (Mr. Skinner).

Value Added Tax

13. **Mr. Fallon** asked the Chancellor of the Exchequer how many new companies registered for value added tax in 1986.

Mr. Brooke: I regret that records are maintained in a form which enables only the net change in the number of VAT registered persons of different status to be given. In 1986 the net increase in the number of companies registered for VAT was over 7,000 and total VAT registrations increased by some 23,000.

Mr. Fallon: Will my hon. Friend confirm that some 6,000 new companies were registered during 1986 in the north-east alone? Is this not the best possible testimony to the success of Government policies in the region and the surest possible way of creating new jobs in the north-east?

Mr. Brooke: Because Customs VAT areas—what in Customs terms we call collections—do not match the boundaries of the economic regions, it is difficult to give regional figures, but the Middlesbrough, Newcastle and Washington collections showed positive VAT registrations last year.

Rebated Fuel

16. **Mr. Nicholas Baker** asked the Chancellor of the Exchequer if he has received representations about the rules concerning the use of rebated fuel in farm vehicles.

Mr. Brooke: I have received about 10 letters over the last six months on these long-standing rules.

Mr. Baker: I am grateful to my hon. Friend for that long-thought-out and carefully delivered reply. Is he aware that the effect of these rules, certainly as administered by the Inland Revenue, is to say that tractors may not be used, for example, in fetes and on community occasions in villages to help carry floats at carnivals and other such community projects? Is that not a ridiculous restriction on the use of tractors?

Mr. Brooke: Customs and Excise, which in fact administers these rules rather than the Inland Revenue, is a very old-established organisation. It is true that anxiety in the *Farming News* during the past year suggested that Customs officers had been instructed to intensify checks on the use of farm tractors. In fact, that was not true. In terms of community and charity work in rural areas, the law is complex because of associated use of public roads. In practice, few difficulties have arisen, and grass-cutting, not on a public road, is allowed. As to charity work, this would require a change in the licensing law and that would come under the Department of Transport, but in practice few difficulties arise.

PRIME MINISTER

Engagements

Q1. **Mr. Maxton** asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with a delegation from the Arab League.

Mr. Maxton: As the Tory party made the introduction of a poll tax a major plank in its campaign in Scotland, and as it suffered such a crushing defeat in Scotland, what moral or democratic justification can the right hon. Lady have for continuing to impose this unfair, unjust and unworkable tax upon the people of Scotland? Will she now instruct her Secretary of State for Scotland to introduce legislation to repeal it?

The Prime Minister: No. The Act was passed during the last Parliament, and I take it that the hon. Gentleman is proud to be a Member of the United Kingdom Parliament.

Q2. **Mr. Yeo** asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister: I refer my hon. Friend the reply that I gave some moments ago.

Mr. Yeo: During her busy day, will my right hon. Friend find time to meet the Leader of Her Majesty's Opposition to obtain agreement between the two Front Benches that attacks made the under cloak of parliamentary privilege upon individuals who cannot answer for themselves are particularly despicable? An outstanding example of that nasty practice that is deserving of condemnation came in the maiden speech of the hon. Member for Brent, East (Mr. Livingstone).

The Prime Minister: I hope that most hon. Members will agree that it is utterly contemptible to use the privileges and platform of the House to smear the reputation of those who lost their lives in the service of their country. I know that many of us in the House have the deepest sympathy for the families who are now suffering such grief and distress—the family of Captain Nairac a courageous officer of whom Britain can be proud —*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: —and the widow and family of Airey Neave, whose death we honour in this House, who was a deeply honourable, brave and gallant Member and who was murdered by Irish terrorists within the precincts of Parliament. I hope that the Leader of the Opposition will repudiate the despicable comments of his hon. Friend the Member for Brent, East (Mr. Livingstone)—

Mr. Speaker: Before we have any more questions of that kind, may I say to the hon. Member for Suffolk, South (Mr. Yeo), who well knows the rules—and to the whole House—that—*[Interruption.]* I did not get the drift of the hon. Member's question while he was asking it. Questions must relate to the Prime Minister's responsibilities.

Mr. Kinnock: Notwithstanding the blatant effort to usurp your position in the House by the hon. Member for Suffolk, South (Mr. Yeo) and the Prime Minister, Mr. Speaker, it is clear that this place cannot be used as an excuse or an opportunity to smear anyone about anything and must not be put to that purpose. However, it is fair to reflect to the right hon. Lady, that, as grave allegations — probably unfair allegations — have been made by people outside the House against a former Member of the House who died in tragic circumstances, and an officer of Her Majesty's forces, who was murdered, it may be reasonable to reflect upon the Government's decision not to respond to them. *[Interruption.]*

Mr. Adley: Klaus Barbie's defence lawyer.

Mr. Speaker: Order.

Hon. Members: Name him.

Mr. Speaker: Will the hon. Member withdraw that nasty remark. */Interruption./* Order. I repeat: will the hon. Member withdraw that nasty remark made from a sedentary position.

Mr. Adley: If you consider that my remark was unparliamentary, Mr. Speaker, I shall certainly withdraw it.

Mr. Kinnock: Mr. Speaker, the whole nature of Prime Minister's Questions is being changed by the efforts to use them in a particular way—by the view expressed in the question of the hon. Member for Suffolk, South (Mr. Yeo) —*/Interruption./*—by the answer that came from the Prime Minister, the use to which it was put, and the interjection of the hon. Member for Christchurch (Mr. Adley). I suggest to you, Mr. Speaker that, in view of that, it is necessary for us to treat this last passage as points of order and then revert to questions, as I want to ask the right hon. Lady an important question. That possibility has now been discouraged by the blatant use of Prime Minister's Question Time and the reference to tragedies in Northern Ireland by Conservative Members for strictly partisan purposes.

Mr. Butterfill asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Butterfill: Does my right hon. Friend agree that the British mining industry now has the opportunity to become one of our most successful and prosperous industries? Does she share my hope that the British miners will demonstrate their innate common sense by voting in favour of flexible working and disregarding the Luddite, negative advice of Mr. Arthur Scargill?

The Prime Minister: I agree with my hon. Friend that our Acts provide an opportunity for a secret ballot for the members of that trade union. I believe that miners should have the very latest technology and the best conditions. That will lead to a more efficient and prosperous industry, and I hope that they will not reject such a course of action.

Dr. Owen: In view of the appalling shooting in Woolwich today, and the further evidence of the widespread availability of pump-action shot guns, and so on, will the Prime Minister re-examine the whole question of the control of firearms? I have two suggestions in particular. First, will she look at the question of having to present a shotgun licence when buying ammunition—*/Interruption./* This is a serious question. Many people are shocked and appalled by what happened in Woolwich and must be very grateful that no loss of police life took place.

Secondly, will the Prime Minister consider whether the time has come for another amnesty on all firearms, to encourage people with unlicensed firearms to make them available?

The Prime Minister: As the right hon. Gentleman knows, we are increasing the maximum penalties for those who carry firearms with intent to commit a crime to life imprisonment. That is in our Criminal Justice Bill, which I hope will be fully supported. We are also examining matters such as the carrying of knives, which is causing considerable concern to the police. I shall consult my right hon. Friend the Home Secretary in view of the right hon. Gentleman's question.

Dame Jill Knight: Has my right hon. Friend had the opportunity during her busy day to note the concern expressed by some leading churchmen about the continued experimentation on foetuses without any rules or regulations to stop it? Bearing in mind the great concern of a large number of people within and outside the House, will she consider whether the time has come for legislation on the Warnock committee proposals?

The Prime Minister: The legislation on the Warnock committee proposals will not be introduced this year. As my hon. Friend knows, it will take a good deal of time to prepare and gives rise to very contentious issues. I hope that we shall be in a position to introduce it next year, but I understand that it may be a possibility that the proposals which previously came before the House from a private Member will come before us again in a private Member's Bill this Session.

Q4. **Mr. Andrew F. Bennett** asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Bennett: In the Government's plans for schools to charge for books, teaching material, visits, field trips and many other items, does the Prime Minister intend that those parents who have to survive on social security should be expected to meet those charges, or does she intend to change the social security regulations so that such people will have something with which to pay these new charges being imposed on them? The right hon. Lady will recall that about two and a quarter million children in this country live in households entirely dependent on benefits? Does she agree that it would be a great shame if their education was blighted because their parents cannot pay for those facilities in schools?

The Prime Minister: The hon. Gentleman will be aware that these charges have been extant for some time in education authorities on both sides of the political divide. He knows that there has been a case about it, and he will be aware that my right hon. Friend the Secretary of State for Education and Science is putting out a consultation document on the subject. The hon. Gentleman must also be aware that when parents cannot pay, for the reasons that he gave, the parent-teacher association is usually able to find the necessary funds.

Mr. Cormack: Does my right hon. Friend accept that the courage, service and dedication of the Member commemorated above the door through which we all come in each day are likely to be remembered for far longer than most Members of this House?

The Prime Minister: Yes. I am grateful to my hon. Friend. I remember the day when that crest was put up.

Mr. Livingstone: Does the Prime Minister accept that the allegations that I reported to the House in my maiden speech I repeated yesterday outside of parliamentary privilege and am prepared to do so again? As those allegations have been corroborated by sources available to RTE, and in some instances by forensic evidence, does the Prime Minister accept that the only way to clear the names

of Captain Nairac and Airey Neave is for her to stop obstructing an inquiry into the traitorous activities of the MI5 officers responsible?

The Prime Minister: No, I do not accept that it is a proper way to go about things by making smears and then calling for an inquiry. No inquiry is called for.

Mr. Gow: Will my right hon. Friend mark the contrast between the honour and courage of Mr. Airey Neave and Captain Robert Nairac, each of whom was decorated for gallantry, and both of whom were murdered by the IRA, and the turpitude of some of their critics?

The Prime Minister: Yes, we have a great deal for which to thank Captain Nairac and our former colleague Airey Neave in the defence of freedom.

Mr. Maginnis: Can the Prime Minister tell the House whether, during her most recent talks with the Prime Minister of the Irish Republic, she raised the subject of the Irish Republic's failure to implement the European convention on the suppression of terrorism? Did she convey to him the concern of the House about that matter, and did she receive any reassurance or any specific date on when the convention would be implemented?

The Prime Minister: No. That matter was not raised in the brief talk that I had with the Taoiseach.

Sir Anthony Grant: Does my right hon. Friend agree that the proper workings of the usual channels are essential to parliamentary democracy, particularly to deal with, among other things, cowardly attacks upon the dead? If that is the case, will she reflect on how this can operate if the Opposition Whips Office is apparently completely denuded by the resignation of many Whips?

Mr. Speaker: Order. That hardly falls within the Prime Minister's responsibilities.

Q5. **Mr. Tom Clarke** asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Clarke: Is the Prime Minister now convinced of the crucial importance to our manufacturing base of the Scottish steel industry? Will she therefore ensure that there is adequate investment in Ravenscraig to assure its future throughout this Parliament and beyond?

The Prime Minister: As the hon. Gentleman is aware, Ravenscraig's future was assured to August 1988 and we have not yet received proposals for after that time. There is nothing further to report than that which we said during the recent election campaign. The hon. Gentleman knows that every effort has been made to get as much work as possible into Ravenscraig.

Mr. Faulds: On a point of order arising out of questions, Mr. Speaker.

Mr. Speaker: I shall take points of order in the proper place, after the business statement.

Mr. Kinnock: On a point of order, Mr. Speaker. May I put it to you that the point I raised when you made the original ruling that there would be——

Mr. Speaker: Order. I say to the right hon. Member that I must apply the same rules to the Front Benches as to the Back Benches. We must have business questions next, please.

Mr. Kinnock: On a point of order, Mr. Speaker. I am afraid that I have to insist—*[Interruption.]*

Mr. Speaker: Order. I hope that the right hon. Member will not do that. This practice is of some standing and it has been discussed with him. We must stick to the rules. The same rules must apply to the Front Benches and the Back Benches. Business questions, please.

Mr. Kinnock: I am anxious to do that, Mr. Speaker. I shall just ask the Leader of the House to announce the business for next week.

Business of the House

3.32 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): The business for next week will be as follows:

MONDAY 13 JULY — Motion for the Summer Adjournment.

Proceedings on the Consolidated Fund (Appropriation) Bill.

TUESDAY 14 JULY — Consideration in Committee of the Finance Bill.

Motion on the Licensing (Northern Ireland) Order, followed by Motion on the Registration of Clubs (Northern Ireland) Order.

WEDNESDAY 15 JULY — Consideration in Committee of the Finance Bill.

Motion on the Rate Support Grant Supplementary Report (England) (No. 2) 1986-87 (HC No. 35), followed by Motion on the Welsh Rate Support Grant Supplementary (No. 2) Report 1986-87 (HC No. 23).

Motion on the Urban Development Corporations (Financial Limits) Order.

THURSDAY 16 JULY—Consideration in Committee of the Finance Bill.

Remaining stages of the British Shipbuilders (Borrowing Powers) Bill.

Motion on the Redundant Mineworkers and Concessionary Coal (Payments and Schemes) (Amendment) Order.

FRIDAY 17 JULY—Private Members' motions.

MONDAY 20 JULY—Remaining stages of the Finance Bill.

Motion on the Rate Support Grant (Scotland) (No. 2) Order.

Mr. Kinnock: I am grateful to the right hon. Gentleman. Will he ensure that time is provided next week for a procedural debate on the circumstances in which it is essential to raise, for instance, points of order when all the people who might have been associated with the matter that gave rise to them are likely to remain in the House? I ask that in view of the representations made on that point by the Leader of the Opposition when the ruling was initially considered in the House. Will the right hon. Gentleman also find time next week to have a procedural debate on the appropriateness of the form of the questions to the Prime Minister which, by their very definition, are taking the office of Speaker, making assumptions about the rules of order and raising questions which, whatever else they may imply, are not within the Prime Minister's general business? Perhaps we could have the right hon. Gentleman's response on that.

Early in the Consolidated Fund Bill debate next Monday, there will be a debate on the financing of local government, initiated by my hon. Friend the Member for Sheffield, Central (Mr. Caborn). Will the Leader of the House ensure that the Secretary of State for the Environment will be present to answer that debate so that he can give his views on the poll tax, in the same way as he is reported to have done to Conservative Members on Monday?

Before the House rises for the recess, will the Leader of the House arrange for a debate on the arts, in view of the difficulties that are currently experienced by the Royal Shakespeare Company and others, and of the statement made this week by the Minister for the Arts to the Council of Regional Arts Associations that those who are concerned about the future of the arts in Britain must simply

"make the best of the political and economic climate, whatever their private views."

In view of the fact that British Telecom has been criticised by Oftel and consumers as the "worst public service" in Britain, will the right hon. Gentleman shortly arrange for a full debate on the quality, accountability and charges of British Telecom since the corporation's privatisation?

Does the right hon. Gentleman agree that the statement made this week by his hon. Friend the Minister for Health that 10,000 people in Britain could develop AIDS during the next five years is a further reminder of the serious threat that the syndrome poses? Will the right hon. Gentleman therefore, ensure that the Government's response to the report of the Social Services Select Committee on that subject will be speedy and will reflect the Select Committee's concern about the levels of resources for research, health education, and treatment in relation to that disease?

Finally, could the House have an assurance that the reports of Her Majesty's inspectors of schools on the effects of local authority expenditure policies in education provision in England and Wales will be published before the recess as those reports are now already months later than usual?

Mr. Wakeham: Questions on Prime Minister's questions, whether they are in order, are a matter for you, Mr. Speaker, and not for me. However, in view of the right hon. Gentleman's request for a debate on such matters, the best way might be a discussion through the usual channels to decide on the appropriate way of dealing with that matter.

Sir Anthony Grant (Cambridgeshire, South-West): Where are they?

Mr. Wakeham: On the question referring to my right hon. Friend the Secretary of State for the Environment, I shall refer that matter to him and consider how to deal with it.

The right hon. Gentleman raised a question about the arts and the Royal Shakespeare Company. The Arts Council, and not the Government, determines the level of support for individual arts bodies. The Arts Council and the Royal Shakespeare company are discussing the company's deficit and hope to reach a conclusion that will ensure the future of that centre of excellence. My right hon. Friend the Minister for the Arts awaits the outcome of those discussions.

I take note of the point about British Telecom. Perhaps tomorrow's debate on the quality of industry might be the appropriate place for hon. Members who wish to raise such matters.

With reference to a debate on AIDS, I shall certainly refer that matter to my right hon. Friend the Secretary of State for Social Services, as I will the question of the education report, which the right hon. Gentleman also raised, to see whether that can be dealt with before the summer recess.

Mr. Cranley Onslow (Woking): Will my right hon. Friend consider that the conventions relating to maiden

speeches might also usefully be discussed through the usual channels when there are some? When shall we have an opportunity to discuss and settle the question of Members' pay? What form is the motion tabled by the Government likely to take on that occasion and shall we have a chance to discuss the secretarial allowance at the same time?

Mr. Dennis Skinner (Bolsover): We want a six-day week as well.

Mr. Wakeham: I certainly accept my hon. Friend's point about maiden speeches and that is something that we can discuss through the usual channels.

On Members' pay, I intend to table a motion reflecting the resolution that was passed by the House in June 1983. The linkage with the Civil Service grade will come into effect on 1 January 1988 and will determine subsequent annual adjustments. It is for the House to decide whether to confirm that arrangement. As I said last week, I intend to bring the matter to the House before the summer recess, and I hope that at the same time we can deal with the report of the Top Salaries Review Body on the secretarial allowance. Following discussions, I propose to accept the recommendations about the level of allowance and to take account of the TSRB's view on the tightening of arrangements for accountability.

Mr. David Alton (Liverpool, Mossley Hill): Has the right hon. Gentleman had a chance to study my early-day motion 79?

[That this House notes the recommendation of the 2nd Report of the Select Committee on Procedure, HC350, that in some cases amendments should be permitted to motions to approve statutory instruments; and believes that this would be a desirable first step in reforming the procedure for Northern Ireland business.]

Coupled with that is the desirability of debating the second report of the Select Committee on Procedure, especially giving the House the ability to amend statutory instruments. Does he agree that an issue such as the Northern Ireland orders on Tuesday, concerning the opening of public houses on Sunday, will be decided without giving the House a chance to amend them and would be far better dealt with in the normal way which would apply in England, Scotland and Wales?

Mr. Wakeham: These are very complex issues which I cannot answer on the Floor of the House, but I hope that we can have discussions through the usual channels.

Sir Peter Emery (Honiton): Does my right hon. Friend recall that at least four reports of the Select Committee on Procedure in the previous Parliament have been before the House, some for as long as two years, and that the previous Leader of the House said that he thought the House would want to debate these matters early in the new Parliament? Does my right hon. Friend also recall that, for many weeks, there was a Government order on the Paper to carry out one of the resolutions which might have assisted the Chair? Will he ensure that prime time is found to debate these matters, with the possibility of a resolution of the House, as soon as we get back after the summer recess, if it cannot be held next week? If senior Members of the House give a large amount of time to considering matters which the House has asked them to consider, they are unlikely to want to continue doing that if their reports are entirely ignored.

Mr. Wakeham: First of all, I pay tribute to the work of my hon. Friend the Member for Honiton (Sir P. Emery), as Chairman of the Select Committee on Procedure, and to the members of that Committee. We shall have to consider these matters, and we shall see what can be done as soon as possible after the summer recess.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House give further consideration to setting up the Select Committees, especially the Select Committee on Scottish Affairs? Although the Opposition appreciate the Government's difficulty in getting Members to serve on that Select Committee, does the right hon. Gentleman acknowledge that we have a superfluity of willing Members to serve on that Select Committee? The work of the House should not be delayed because of the paucity of Conservative Members in Scotland.

Mr. Wakeham: As the hon. Gentleman will see from today's Order Paper, some progress is being made. These matters take a little time, but it is my intention to make progress as quickly as possible.

Mr. Patrick McLoughlin (Derbyshire, West): Is my right hon. Friend aware of the disappointment of my constituents that the House could debate for three hours on Monday the business of the *Today* newspaper, in which no individual lost any money, yet the House has been unable to debate the fact that some councils have sunk hundreds of thousands of pounds of ratepayers' money into the *News on Sunday*? Would it not have been more appropriate for us to debate the use of ratepayers' money rather than the use of an individual's money?

Mr. Wakeham: The business of the House is arranged through the usual channels. We try to arrange debates which meet the requirements of all the parties in the House. I am sorry that my hon. Friend did not think that that was an appropriate subject for debate. However, the important issues that he raises would be appropriate to one of the debates on the Consolidated Fund Bill on Monday night.

Mrs. Margaret Ewing (Moray): The Leader of the House told the hon. Member for Dunfermline, West (Mr. Douglas) that he hoped to make progress as soon as possible on the issue of the Select Committee on Scottish Affairs. Will there be a statement before the summer recess? Is he aware of the widespread rumours circulating in this place and reported in the Scottish press, that that Committee may disappear altogether? Does he accept that that is not a solution to the predicament of the Conservative Government in Scotland which would be acceptable to the Scottish people or to Opposition Members?

Mr. Wakeman: I do not want to add anything to what I said to the hon. Member for Dumfermline, West (Mr. Douglas), except that I would not believe everything I read in the Scottish press.

Mr. Michael Latham (Rutland and Melton): Can my right hon. Friend say whether he proposes to test the opinion of the House before the summer recess on the question of televising our proceedings? As one who, in the past has always voted against it, I am beginning to think that I was wrong, in view of the behaviour in the past few days.

Mr. Wakeham: I cannot add anything more to what I said last week on that. I recognise that this is a subject that we shall have to deal with in the fairly near future, but I do not foresee time before the summer recess.

Dr. John Reid (Motherwell, North): Does the Leader of the House accept the points made earlier by my hon. Friend the Member for Dunfermline, West (Mr. Douglas) that there is great concern on the Opposition side of the House that the Select Committee on Scottish Affairs should be established as soon as possible and an announcement made? Will he also note that, if there is a reluctance in certain quarters on the Government Benches to fill those places, there are plenty of Members on the Opposition Benches who are ready and willing to fill them?

Mr. Wakeham: I cannot add anything more, except that plenty of my hon. Friends are also most anxious for the Select Committees to be set up.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Will the Leader of the House please make time available for a discussion of the ancient procedures and customs of the House? To explain my call for this debate, may I just say that maiden speeches in the past were always observed with great indulgence by the House, the reason being that an hon. Member could be heard, perhaps for the only time, in silence and without interruption to give the new hon. Member a chance to break the ice in this great Chamber. It is disgraceful when hon. Members who believe that they know it all disregard the conventions but when they attack the British Army it is despicable.

Mr. Wakeham: I recognise that my hon. Friend feels very strongly about this. I have undertaken to have discussions through the usual channels, and that I will do.

Mr. Graham Allen (Nottingham, North): Will the Leader of the House accept from one of the new Members who knows it all that people at home get an impression of this place through Prime Minister's Question Time and that the planted question and the open question bring our Parliament and our democracy into disrepute? Therefore, will he make time for a debate on the procedures of the House at the earliest possible moment?

Mr. Wakeham: If I may modestly say to the hon. Gentleman, I am unlikely to be more forthcoming to him than I was to the Leader of the Opposition. I do not think I can say anything more than I said to the Leader of the Opposition.

Mr. Eric Forth (Mid-Worcestershire): Is my right hon. Friend yet in a position to assess the progress of the legislation in the Queen's Speech in terms of the programme for Parliament? Is he satisfied that time will be found for all the measures in the Queen's Speech, particularly the major items such as the community charge and rent decontrol?

Mr. Wakeham: I can confirm to my hon. Friend that we are making very good progress and that we shall have a lively Session when we come back after the summer recess.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Leader of the House aware that, his modesty apart, he should have been far more forthcoming when the Leader of the Opposition asked about Prime Minister's Question Time, because there is evidence of abuse by the Prime Minister? I suggest to him that it is the job of the Leader of the House to listen to hon. Members on both sides when they raise matters that are of interest to the House and are not simply party political issues. Therefore, why does he not recommend a debate on Prime Minister's Questions as soon as possible?

Mr. Wakeham: I assure the right hon. Gentleman that for me, with my background, to say that we have discussions through the usual channels could not make the matter more important.

Mr. James Hill (Southampton, Test): Is my right hon. Friend aware of the way that anomalies in the Shops Act 1950 are affecting many hundreds of thousands of retailers? My own Southampton city council is having a purge of prosecutions, but the magistrates are taking a very lenient view. One of the great crimes in Ocean village in Southampton was selling a pair of boxer shorts on a Sunday. Is it not time for those anomalies to be cleared away and is he not aware of the vast amounts of ratepayers' money that are being wasted on those quite absurd prosecutions?

Mr. Wakeham: I am unlikely to forget that in the previous Parliament the Government sought to deal with some of the anomalies, but the House felt otherwise. The problem still remains and I shall refer my hon. Friend's remarks to the Home Secretary.

Mr. Gerald Bermingham (St. Helens, South): Does not the Leader of the House agree that on many occasions I have raised the subject of overcrowding in the prison system? Does he further agree that the current evidence is that the overcrowding is now reaching almost crisis level? Should that not be a subject for an early debate so that some solution can be found before we find that the summer of discontent comes upon us once again and the riots of last year spread from Scotland to England?

Mr. Wakeham: I recognise that that is an important matter as does my right hon. Friend the Home Secretary, to whom I shall refer the hon. Gentleman's remarks.

Sir Brandon Rhys Williams (Kensington): Is my right hon. Friend aware that this week the Department of Health and Social Security tabled no fewer than 20 statutory instruments that are important for the management of occupational pension schemes? Will he consider my suggestion that the appropriate way for the House to deal with them before we rise, since some of them are due to come into effect this month, would be to refer them for consideration by a Standing Committee?

Mr. Wakeham: I will look at my hon. Friend's suggestion and be in touch with him later.

Mr. Harold McCusker (Upper Bann): The Leader of the House will be aware that no two people could be more diametrically opposed in their views on the future of Northern Ireland or terrorism than myself and the hon. Member for Brent, East (Mr. Livingstone). However, will he remember that there are more people involved in the current controversy than the hon. Member for Brent, East and those who seek to defend the honour of Captain Nairac and Airey Neave? Will he remember that Captain Nairac operated in my constituency and that John Francis Green, whom it is alleged he killed, was a constituent of mine? Will he remember that a member of the Miami Showband was a relative of someone in my constituency

party and that two men constituents of mine are currently serving life imprisonment for the murder of the Miami Showband?

Central to the issue for myself and my constituents is the allegation that the gun used in the killing of John Francis Green was used in the Miami Showband killings. Believe it or not, that allegation has never been made to me by either of the two men——

Mr. Speaker: Order. The hon. Gentleman must ask a question, not make a statement.

Mr. McCusker: —or their families and it is important. If there is evidence available to prove or disprove the allegation, will the Leader of the House arrange for a statement to be made as soon as possible, to clear the air once and for all?

Mr. Wakeham: I have nothing to add to what my right hon. Friend the Prime Minister said. However, I will refer the hon. Gentleman's remarks to my right hon. Friend.

Mr. Tony Marlow (Northampton, North): When will the Government be able to introduce measures to assist the millions of pensioners, whom we all met during the election campaign, who have limited occupational pensions and limited savings but who get no support from supplementary benefit and the state and who find themselves no better off than their neighbours who blued the lot when they were in work?

Mr. Wakeham: There is nothing in that question to affect next week's business. However, I will refer my hon. Friend's comments to my right hon. Friend the Secretary of State for Social Services.

Dr. Norman A. Godman (Greenock and Port Glasgow): The right hon. Gentleman well knows that a Speaker's Conference on political devolution was appointed in October 1919 and reported in April 1920. He will recall that recommendations were made concerning the powers to be devolved to domestic legislatures. Why should that precedent not be repeated? May I ask for support in a request to the Procedure Committee that such a Speaker's Conference be set up once again?

Mr. Wakeham: We gave not yet set up a Procedure Committee, but if there is a general demand for one, of course we shall set one up. The hon. Gentleman does not necessarily require my support to refer a matter to it.

Mr. Nicholas Winterton (Macclesfield): Will my right hon. Friend accept, rather more readily, one of the requests of the Leader of the Opposition that we should have a debate on AIDS at an early date, preferably before we rise for the summer recess, not only in the light of the report of the Select Committee on Social Services, which was published just before the dissolution of the last Parliament, but because one of the more offensive new Opposition Members appears to go around the country promoting active homosexuality, which is one of the major causes of the spread of the disease?

Mr. Tony Banks (Newham, North-West): Give us a kiss!

Mr. Wakeham: I recognise that AIDS is a very important matter, but I am afraid I do not see time for a debate next week.

Mr. Allan Roberts (Bootle): In the light of statements made by Ministers during the general election denying that the Government were going to increase the rents of tenants, will the right hon. Gentleman arrange for a statement by the Secretary of State for the Environment on the speech of the chairman of the Housing Corporation, reported today? In that speech, he said that the housing association movement will have to charge profit or market rents rather than fair rents and that the Housing Corporation will implement that policy in advance of the Government's proposals. Is it the Government's proposal to switch from fair rents to profit rents?

Mr. Wakeham: I do not accept for one minute the hon. Gentleman's interpretation of what was said during the election. However, I will refer the matter to my hon. Friend the Secretary of State for the Environment.

Mr. Michael Brown (Brigg and Cleethorpes): Referring to the question from my hon. Friend the Member for Mid-Worcestershire (Mr. Forth), and the assurances given by my right hon. Friend that good progress is being made on the legislative programme, can my right hon. Friend specifically assure us that, at an early stage, we will have a Second Reading debate on the Bill to decontrol new lettings of accommodation?

Mr. Wakeham: I told my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) that we are making good progress, but I am not prepared to state any dates or times when debates will take place.

Mr. Andrew F. Bennett (Denton and Reddish): Does the Leader of the House recall that, when the House agreed to a time limit on the Consolidated Fund Bill, assurances were given that the House would be given a full day for the Consolidated Fund Bill and that it would not lose time to motions such as that on the summer Adjournment? Since that undertaking will be broken again on Monday, will the Leader of the House make sure that, for the rest of his tenure, we get a full day for the Consolidated Fund Bill and extra time for such things as the summer or Christmas Adjournment debate? Otherwise, Back Benchers will yet again be robbed of time by the Government.

Mr. Wakeham: I will certainly look at the matter that the hon. Gentleman has raised.

Mr. Ivor Stanbrook (Orpington): My right hon. Friend was present when the Prime Minister referred to the possibility of an hon. Member bringing forward a Private Member's Bill on the subject of experimentation on human embryos. If such a Bill is produced and receives overwhelming support on Second Reading, such as that which was given to Enoch Powell's Bill, will the Government offer their facilities?

Mr. Wakeham: That has the ring of a hypothetical question and I do not believe that I can answer it.

Mrs. Alice Mahon (Halifax): Does the right hon. Gentleman agree that some time needs to be set aside to discuss some of the effects of the disastrous privatisation policies? My district health authority faces chaos because the laundry service was put out to private tender. The authority was forced to take the tender of private contractors rather than the cheapest tender. The authority now faces chaos because the private contractor has put up its charges by 50 per cent. We do not know what to do about the laundry service in Halifax.

Mr. Wakeham: I suggest to the hon. Lady that there are one or two occasions next week when I believe that she may be able to raise the matters that concern her.

Mr. Andrew MacKay (Berkshire, East): Bearing in mind the recent appeals that have been allowed by the Secretary of State in Berkshire and elsewhere, which have resulted in the excessive development of housing in those areas, will my right hon. Friend arrange time for a debate on planning and development? That should not be during the debate on the Consolidated Fund Bill, as that would not give enough time. However, there should be a debate because this policy appears to conflict totally with the Government's aim of rejuvenating the inner cities.

Mr. Wakeham: I recognise that this is a very important matter, but I do not see there will be time for it next week.

Mr. Greville Janner (Leicester, West): When can the House debate the plight of the outer cities—the estates such as Braunstone, in my constituency? The people on that estate resent the help that is being given, quite rightly, to the inner cities. They feel that nothing is being done about the deep disadvantage, unemployment and need that they suffer because they are not in the centre of a city.

Mr. Wakeham: Of course, these are important matters, but there is no time for them next week.

Mr. Harry Greenway (Ealing, North): Will my right hon. Friend give us an idea about the motion on rates which is to come before the House next Wednesday? Will he bear in mind the deep suffering of individuals in Ealing who are facing a 65 per cent. rates increase from the Ealing Labour council? Many pensioners are going without meals to try to pay this increase. There are also great difficulties for industries that are having to find a 57·3 per cent. industrial rate increase, also set by the Ealing Labour council. Consequently, that increase will have a bad effect on jobs. Will the business on Wednesday include measures for rate-capping authorities such as Ealing?

Mr. Wakeham: I recognise my hon. Friend's concern about the ratepayers of Ealing. I shall see that the motion is tabled as soon as possible.

Mr. Andrew Faulds (Warley, East): Before the House proceeds to debate the televising of its proceedings, would the right hon. Gentleman carefully consider my suggestion of last week that he should produce a Green Paper with audio illustrations of how the media misrepresent and misreport what really goes on in this place, and avoid the hours of serious exchange and serious debate? Would he make an additional consideration; if the proceedings of the House are to be televised, what protection does the House have from the Prime Minister abusing set planted questions, however out of order, so that she can make her views known on any topic she wishes to do so?

Mr. Wakeham: I do not accept for a minute the hon. Gentleman's suggestion that my right hon. Friend abused Question Time. She answered the question, and she answered it forcibly. I shall certainly look at the suggestion made by the hon. Gentleman.

Mr. Nicholas Bennett (Pembroke): Will my right hon. Friend find time to debate early-day motion No. 2 standing in the name of my right hon. Friend the Member for Castle Point (Sir B. Braine) on abortion, especially in view of the answer given to me that, in 1986, two abortions out of 147,000 were carried out because the mother's life was in danger?

[That this House notes that since the enactment of the Abortion Act 1967 some two and a half million unborn children have been destroyed through legal abortion; notes that a large proportion of these abortions have taken place on demand, which was never the intention of Parliament; notes that since 1975 all Bills to amend the Abortion Act have had a substantial majority, but have been frustrated by a minority determined to thwart the will of Parliament; believes that the time has come for this House to be enabled to decide how the Act should be amended to bring to an end the tragic consequences of legal abortion; and calls upon Her Majesty's Government to give the new Parliament time for such a debate at the earliest possible opportunity.]

Will he further give time from the Government's allocation in view of the fact that the original Bill was given Government support?

Mr. Wakeham: Certainly, those are important matters. The Government intend to issue a White Paper later this year. I cannot promise a debate next week.

Mr. Tony Banks: Will the Leader of the House arrange for an early debate on the length of the summer recess? Some hon. Members on both sides of the House believe a recess from 24 July to 21 October is far too long. It is misunderstood by people outside. It plays into the hands of the Government by making it impossible for hon. Members to hold Ministers to account. As we are to have discussions on Members' pay, why can we not have a debate on the length of the recess?

Mr. Wakeham: I am grateful to the hon. Gentleman for his question. I am pleased to be able to say that there will be a debate on Monday night on just that point—and not only that, but he will have a chance to vote against it if he does not like the Government's proposal.

Sir Bernard Braine (Castle Point): Earlier, my right hon. Friend answered a question from my hon. Friend the Member for Orpington (Mr. Stanbrook), who was concerned about possible legislation on the subject of embryo experimentation, saying it was not a matter for him. Will he take note here and now that not only in the House but in the country as a whole there is a deep feeling of unease and repugnance at the possibility of the Government fudging the issue? There must be an early debate—if not now, soon after our return—so that the Government's intentions on the matter should be made plain to the House and to the country.

Mr. Wakeham: I recognise the strong feelings that many hon. Members have on such an important issue. The Government will publish a White Paper setting out their views. After that White Paper is published is the right time for the Government to arrange a debate.

Mr. Sam Galbraith (Strathkelvin and Bearsden): Because of the continuing cuts in the Health Service in Scotland and the deleterious effects that they are having on the health of the nation, particularly in my constituency, will the Leader of the House arrange a debate on the matter before the House prorogues for the summer recess?

Mr. Wakeham: I do not accept the hon. Gentleman's analysis, but I shall refer his point to my right hon. and learned Friend the Secretary of State for Scotland.

Mr. Edward Leigh (Gainsborough and Horncastle): As the Prime Minister said on Tuesday that it would be appropriate for a private Member to move a Bill on late abortions, if a private Member were to use his allocation in the ballot so to do, would the Government consider giving Government time to such a Bill? If they did not do so, it would be all too easy for a small minority in the House to use time-wasting tactics to defeat it.

Mr. Wakeham: In all these matters, it is better to proceed slowly and see how we get along. Certainly, at the Dispatch Box now, I cannot say that the time-honoured conventions regarding private Members' Bills can be altered immediately.

Mr. Dennis Canavan (Falkirk, West): May we have a statement next week about the implementation of the Tory manifesto commitment to consider changes to improve the Government of Scotland? Now that the Tory Government have been even more resoundingly rejected by the people of Scotland, and senior Tory Members, such as the last Leader of the House, the former Prime Minister and the present Father of the House, have said that more recognition should be given to the Scottish political dimension, when will the present Leader of the House show some real leadership and arrange for a statement to be made at the Dispatch Box that the Government intend to set up a devolved Scottish assembly with legislative and economic powers, in accordance with the wishes of the majority of Scottish people?

Mr. Wakeham: There may be doubts about whether the hon. Gentleman's views on Scotland are those of the majority of Scottish hon. Members. Certainly, I do not anticipate my right hon. Friend making a statement next week.

Mr. Robin Maxwell-Hyslop (Tiverton): Since a White Paper is a declaration of policy, should not a debate on foetus experimentation occur before the declaration of policy rather than after it? If it occurs after it, it will occur too late. Will my right hon. Friend revise the decision that he gave in reply to the question asked by the Father of the House and arrange the debate before the White Paper is published rather than after it?

Mr. Wakeham: Certainly, if there is a strong view I shall discuss it with all those who are interested to find out the most acceptable way to proceed.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall call the hon. Gentlemen who have been standing, but I ask them to be brief, please.

Mr. Jeff Rooker (Birmingham, Perry Barr): May we have a debate next week on the specific criteria that are used by inner-city task forces in giving grant aid? A registered charity in the inner-city part of my constituency runs day-care facilities for pre-school children and enables their parents to stay in jobs. It runs the only latchkey project for children of school age up to the age of eight in the Handsworth area of Birmingham. When it asked for help to expand its vital project, it was told by the inner-city task force that it met all the criteria but was not politically visible enough. That smacks of a Conservative party pork barrel in inner cities. That is totally unacceptable, and it should be debated in the House.

Mr. Wakeham: I shall certainly refer the hon. Gentleman's point to my right hon. Friend, but I certainly do not accept the strictures that he put on the Government.

Mr. Michael Jack (Fylde): My right hon. Friend will be aware of the recent television coverage of accidents and fatalities that have occurred in children's playgrounds. The issue focuses on safety outside the workplace. Since there are about 3 million accidents a year and about 500,000 admissions to hospital, will my right hon. Friend give thought to a debate on the subject so that the House may contribute some initiatives to tackling the serious problem and perhaps relieve our pressured accident and emergency hospital departments?

Mr. Wakeham: My hon. Friend raised an important subject. I shall see what can be done. I am afraid it will not be before the recess.

Mr. Tony Worthington (Clydebank and Milngavie): Will the Leader of the House give a simple assurance that a Select Committee on Scottish affairs will be set up?

Mr. Wakeham: I have every intention that we should set up a Select Committee on Scottish affairs if that is the general wish of the House.

Mr. Michael Fallon (Darlington): Is my right hon. Friend aware that those hon. Members with northern constituencies would welcome an early opportunity to debate proposals on local government finance and to underline the advantages for business on Tyneside and Teesside of a national non-domestic rate?

Mr. Wakeham: I recognise that my hon. Friend would like to have a debate on this important issue. However, I cannot promise one next week.

Mr. Skinner: When will the Leader of the House ask the Chancellor of the Exchequer to have a proper debate on the way in which the big four banks are offloading their debts onto the backs of the taxpayers? Is he aware that the negotiations with the Inland Revenue in respect of the National Westminster and Midland banks, with Barclays and Lloyds to follow, could result, according to information today, in the taxpayer having to find £875 million to pay for the entrepreneurial so-called risk that the banks took several years ago? If it is right for the Government to withdraw rate support grant from hard-pressed inner cities, to hammer the unemployed and the sick and to give only 80p a week to the pensioners, why are we not having a debate about the transfer of nearly £1 billion to the banks?

Mr. Wakeham: I do not accept for one minute the hon. Gentleman's analysis of the situation. I am not in a position to refer to the individual tax affairs of any bank. I will refer the matter to my right hon. Friend the Chancellor of the Exchequer.

Mr. Neil Hamilton (Tatton): My right hon. Friend will appreciate the importance of combating homelessness, and the fact that there would not be so much homelessness were it not for the Rent Acts, which have dried up supplies of accommodation that would otherwise be available for rent. I appreciate that my right hon. Friend is not able to say when we shall have the Second Reading debate on the Bill promised in the Queen's Speech, but will he confirm that there will be such a Second Reading debate during the course of this Session?

Mr. Wakeham: I can confirm it absolutely.

Mr. John Maxton (Glasgow, Cathcart): Is the Leader of the House aware that some alarm is felt by Labour Members because of his response to the question put by my hon. Friend the Member for Motherwell, North (Dr. Reid), with the implication that Government members of the Select Committee on Scottish Affairs might not be Members representing Scottish constituencies? Can we have assurances that that will not be the case, that the number on the Committee will not be less than nine and that it will be set up fairly soon?

Mr. Wakeham: Membership of departmental Select Committees is not a matter for me.

Mr. Speaker: Statement, Mr. Newton.

Mr. Faulds: On a point of order, Mr. Speaker.

Mr. Eddie Loyden (Liverpool, Garston): On a point of order, Mr. Speaker.

Mr. Speaker: We will take the statement first.

Child Abuse (Cleveland)

4·13 pm

The Minister for Health (Mr. Tony Newton): I will, with permission, make a statement about child abuse in Cleveland.

The House is already aware of certain action which has been taken by the authorities there in response to the concern expressed in this House and elsewhere. The Northern regional health authority has set up an independent professional panel to provide a second opinion on cases already subject to investigation. It has also established a special group to consider future cases. On Tuesday, the Cleveland social services department agreed with the police and the health authority about medical examinations where child sexual abuse is suspected. I hope, as will the House, that these steps will go some way to overcome the problems which have arisen.

However, having studied the reports for which I asked last week from the regional health authority and the social services inspectorate, together with representations by hon. Members and the material that they have made available to me, we have concluded that there should be a full inquiry into the arrangements for dealing with suspected cases of child abuse in Cleveland in recent months.

Therefore, we propose to establish a statutory inquiry headed by a High Court judge. The judge will be assisted by a panel of three assessors: one with medical experience, one with social services experience and one with experience of police work. It will be necessary to ensure that there is no risk of conflict between the inquiry and litigation presently arising from individual cases. It will be for the judge to determine how best to carry out the inquiry, but I can say now that its report will be published.

Important as it is to resolve and learn from the situation which has arisen in Cleveland, it is not less important to carry forward the work already set in hand to improve our capacity to tackle the problem of child abuse wherever it may occur.

Draft guidance on the way in which different authorities should work together in this sector was issued last year, covering for the first time the specific issue of sexual abuse. Preparation of the final version of this guidance is being pressed ahead, with a view to issuing it as soon as possible, after taking account of any relevant lessons from Cleveland and the current inquiries into the deaths of Tyra Henry and Kimberley Carlile. Meanwhile, I am asking the social services inspectorate to check with all social services authorities that proper co-ordinating arrangements have been made in their areas.

As envisaged in the draft guidance, we shall arrange with local authorities for the collection of national statistics on child abuse. I shall be discussing with the National Society for the Prevention of Cruelty to Children, whose director I met this morning, the contribution it can make from its special experience in maintaining child abuse registers in various parts of the country.

The standing medical advisory committee has been asked to prepare guidance for doctors on the clinical diagnosis of sexual abuse. Practice guidelines are also being prepared for social workers and for nurses, including

health visitors. The professional groups concerned are being asked to aim to complete this work by the end of the year.

The House will also be aware that the European Court of Human Rights, in a judgment published yesterday on five cases from the United Kingdom, has found inadequate our legislation on parental access to children in local authority care. These cases pre-date legal changes made in 1983 and 1986 to strengthen parents' rights, but we fully accept the need to make further changes to reflect the court's findings.

We shall be studying the full judgment in detail, in relation to the proposals of the White Paper on child care law published earlier this year. In framing legislation, we shall also wish to take account of the lessons of Cleveland and the other inquiries to which I have referred, but our aim will be to bring such legislation forward at the earliest practicable opportunity."

Mr. Michael Meacher (Oldham, West): Is the Minister aware that, while the Opposition in principle welcome any initiative that will cool the partisan sensationalism of the past few weeks, we are concerned that this does not turn into a narrow judgmental inquiry confined to one area when what is needed is to implement new agreed child care procedures throughout the country to safeguard the rights of both parents and children alike? What specific evidence of a breakdown in medical and social procedures has been discovered which now justifies a full public inquiry? Will the Minister state the precise terms of reference for the inquiry, which, surprisingly, are left vague in his statement? Will this inquiry be in public or behind closed doors?

Why is it that, after 12 years of mounting public anxiety over child abuse and 13 months of consultation, the Government still have not produced an advisory code of practice for handling such cases? Will he give a firm date when it will be produced?

Why is there nothing in this statement about implementing last year's proposals for reform of the law on child care and family services, which command all-party agreement and are tailor-made for strengthening parental rights, which have been such an issue in Cleveland? The Government produced a White Paper on these agreed proposals in January this year. Why was there no Bill to implement them set out in the Queen's Speech?

Is it not extremely regrettable that the Government have found time this Session for the introduction of the poll tax and the liberalisation of the licensing laws but not for reform of child sex abuse procedures, which can cause enormous anguish to parents and children alike? Is it not wrong that, under the present procedure, children can be removed from parents for a month without either the parents or the children having the chance to oppose the move in court? As 6,000 children each year are removed from their homes through place of safety orders, will the Minister accept that all such orders should be confirmed by a court within a week, with the parents having an automatic right to attend and to be legally represented?

Above all, will the Minister accept that a national consensus does not yet exist, either on the criteria for identifying child sexual and physical abuse or on the interprofessional procedures to be followed when such cases are suspected? Will he acknowledge that, until such a consensus has been created, no reliable statistics of the national incidence of child abuse can be attempted, and the conflict between paediatricians and police surgeons that we have seen in Cleveland will not be resolved? Will he accept that a judicial inquiry into specific events in Cleveland is not an appropriate vehicle to achieve such a national consensus?

Finally, will the Minister accept that his responsibility is not discharged merely by removing a child from the hands of its abuser, but that care programmes should guarantee necessary counselling, support and family therapy if we are ever to break the tragic cycle whereby an abused child becomes an abuser?

Mr. Newton: I shall take those questions in approximately reverse order. The issue of consensus to which the hon. Gentleman referred is indeed a difficult one. That is one reason why we have set about the drawing up of guidelines in relation to clinical diagnoses and practice, and why we shall be having discussions with local authorities and others about the collection of statistics, including, as I made clear in my statement, the NSPCC. I am grateful to the hon. Gentleman for recognising the difficulties in this area and the fact that there are no easy answers.

Far from not referring to the reform of child care law in my statement, the last two paragraphs of the statement—which the hon. Gentleman cannot have heard—made clear our intention to legislate as soon as practicable, but, not least, to take account of yesterday's judgment of the European Court. It would be right to do that.

The hon. Gentleman asked me a number of questions about the terms of reference and the conduct of the inquiry. The details will need to be determined in conjunction with the judge who is appointed to conduct the inquiry. That is the normal practice.

On the introduction of agreed procedures, one reason why I have announced to the House an inquiry that we hope can produce an early report specifically about Cleveland is that we do not want an enormously lengthy report that would necessarily be likely to delay further progress in introducing precisely those procedures that the hon. Gentleman wants.

Mr. Jerry Hayes (Harlow): I would have hoped that both sides of the House would have welcomed my hon. Friend's statement, which was sensible and sound. I hope that my hon. Friend appreciates that child abuse cases should really be heard in a professional and properly structured family court. Will my hon. Friend take heed of what his right hon. and learned Friend the Lord Chancellor said yesterday about family courts, and may we have some legislation on this issue as a matter of urgency?

Mr. Newton: I note what my hon. Friend has said and undertake to draw it to the attention of my colleagues.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): I thank the Minister, his Department and officials for all the hard work they have been doing as the lead Department for child protection. It is deeply appreciated.

Does the Minister accept that child protection has to include mental, physical and sexual abuse? Does he concede that, when we talk of child care, care must mean care? Sadly, it does not always mean care. Will my hon. Friend go one step further after the inquiry and examine

[Mr. Geoffrey Dickens]

the area of care to ensure that, when children are taken into care, that trust is not betrayed? Unfortunately, it sometimes is.

Mr. Newton: We are certainly very concerned that when, unhappily, it is necessary to take a child into care, local authorities should have appropriate policies for taking care of that child in the best way. However, the focus of the present concern, and of the inquiry, is the processes by which children are taken into care. It is important to ensure that those are correctly handled.

Mr. Stuart Bell (Middlesbrough): Is the Minister aware that the people of Cleveland in my constituency will welcome his long and detailed statement today and his announcement of the inquiry? I thank the Minister for the courtesy and diligence that he has shown in what is, after all, a sensitive matter.

I look upon sexual abuse as a heinous and evil crime, and I want every effort made to prosecute the perpetrators. Will he give the House an assurance that the specific things that happened at Middlesbrough general hospital, where children were taken in for specific ailments but were analysed and investigated for sexual abuse, will be part of the inquiry? Will the fact that parents and children were held for hours on end, and that children were woken in the middle of the night and taken to a room to be photographed, and that the police were obstructed in their duty of investigating what is a serious crime be part of the inquiry? No one wants the Health Service to be brought into disrepute or discredited, and it is in the interests of the Health Service that the inquiry should complete its investigations and studies, that the report should be published, and that the Health Service be maintained with its reputation intact.

Mr. Newton: I am grateful to the hon. Gentleman for his remarks. I shall reciprocate by saying how grateful I am to him for the way in which he has kept me in touch with his own work and made his papers fully available to me. One of the difficulties with the inquiry, as I said in my statement, is the interrelationship with other investigations of a judicial kind, or under the hospital complaints procedure, which are already going on. Therefore, I cannot be specific at this stage about precisely how the judge will feel it right to go about his work, or the extent to which he will be able to look at particular cases that are already the subject of other forms of action. In general terms, I have no doubt that he will wish to examine the allegations that the hon. Gentleman has made about events at Middlesbrough general hospital and other places.

Mr. John Morris (Aberavon): I welcome the judicial inquiry that the Minister has announced, because the sheer concentration of cases will not go away and because a period of calm is required.

Will the terms of reference be drafted in such a way that the evidence that we have obtained in Cleveland and the remit of the judge in the inquiry will enable national comparisons to be made and national lessons to be learnt? Finally, what powers will the inquiry have? Will it have the power to summon witnesses, to take evidence on oath and to take action for contempt when witnesses are unwilling to give evidence?

Mr. Newton: The answer to the right hon. and learned Gentleman's last point is that this is a statutory inquiry, and it will have the powers to which he referred.

As regards the terms of reference, it is certainly my expectation, subject to discussion with the judge, that, while the initial focus will be on Cleveland, the inquiry will be empowered to draw conclusions that are of relevance elsewhere.

Mrs. Elizabeth Peacock (Batley and Spen): I greatly welcome my hon. Friend's statement, but will he assure the House that he will take time during the inquiry to discuss with his right hon. Friend the Home Secretary some of the delays that occur when these cases come to court and the court wishes to appoint guardians ad litem. That is causing much concern in other parts of the country, as well as in Cleveland.

Mr. Newton: I shall certainly discuss that matter with my right hon. Friend as my hon. Friend asks.

Ms. Clare Short (Birmingham, Ladywood): Is the Minister aware that many hon. Members are worried about the way in which Cleveland has been highlighted and vilified? We know that the problem of child sex abuse has been neglected for many years, and that a child that is being sexually abused has its whole life damaged. There is a danger that any authority that tries to move on the issue, and therefore finds more cases, will be attacked in the press for doing so, that parents who are not abusing their children will feel in danger of losing their children, and that the net result will be that the abusers will continue to get away with their crimes. We know that there is more abuse than that which is dealt with. The research is clear on that point. Parents who abuse always deny it.

It is a mistake to have a judge heading the inquiry. The judiciary does not have a good record on the issue and it is a mistake to confine the inquiry to Cleveland. We need the best lessons and the best practice in this country and internationally so that we can deal better and more sensitively with the needs of children who are being sexually abused. Most of those children are not being protected or given the appropriate therapy and support at present.

Mr. Newton: It is precisely because I see some risk of the kind that the hon. Lady outlined in the first part of her question that it is right to have the kind of inquiry that I have proposed focused primarily on Cleveland. The risks about which she is rightly concerned will multiply as long as public confidence is not restored about what is alleged to have happened in Cleveland.

Mrs. Virginia Bottomley (Surrey, South-West): I welcome the statement by my hon. Friend. The inquiry should be focused, specific and time-limited. There has been near hysterical public reaction to what seems like a professional over-reaction in Cleveland. The vast majority of child abuse cases arise because of what appears to be a lack of professional vigilance, not an idiosyncratic excess of professional interference. We shall have to co-ordinate our professional operations and the conduct of our professionals, but primarily our health and welfare services are there to protect not the interests of parents and professionals, but the welfare of vulnerable children.

Mr. Newton: I very much agree with the spirit of my hon. Friend's remarks, and I am grateful to her.

Mr. Simon Hughes (Southwark and Bermondsey): I welcome the inquiry, the way in which the judge will be assisted by assessors and the fact that the report will be public. I hope that the inquiry will be wide-ranging and that as far as possible—given that the inquiry needs to be speedy—the judge will take the comments of hon. Members into account.

The Minister said at the end of the statement that there will be legislation at the earliest practicable opportunity. That must mean next year. It is 13 years since the Finer committee recommended family courts, and a year has passed since we had all-party agreement on the need to reform child care law. As has already been said, many less important pieces of legislation for this year were announced in the Queen's Speech. There is no justification for the Government not legislating at the beginning of the next Session to take into account this inquiry and the European Court judgment, because these are vital national issues.

Mr. Newton: I cannot go beyond the words that I used in my statement. Those words show our clear wish to make progress in this area, taking account of recent events.

Sir Trevor Skeet (Bedfordshire, North): I appreciate the method of approach adopted by the Minister. Will he bear in mind that in many cases one parent can be entirely innocent of the other parent being involved? If we are to get a balance between the child and the parents, is it not very much better to have a family solution for the benefit of the parents themselves?

Mr. Newton: Yes. Again, I very much agree with the spirit of what my hon. Friend has said.

Dr. Norman A. Godman (Greenock and Port Glasgow): I welcome the Minister's statement. He said that he is to consult the NSPCC, and it is right that he should do so. May I also advise him to seek the advice of the officials of the Royal Scottish Society for the Prevention of Cruelty to Children? It, too, has many years of experience, and the Minister must remember that it works within a different legal framework.

I am sure that the Minister is aware, although other hon. Members may not be, that a significant number of referrals about alleged child abuse come from neighbours and even the families of the children concerned. Voluntary agencies and social work departments have sought to establish a climate of opinion which encourages the families of abused children to come forward. Does it not make sense to ensure that that positive development is not diminished or retarded by unhelpful publicity and thoughtless criticism made in this House and elsewhere?

Mr. Newton: Again, rather as I said to the hon. Member for Birmingham, Ladywood (Ms. Short), one of the reasons for the sort of inquiry that I have proposed is that we hope it will act speedily to respond to the point raised by my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley)—the re-establishment of confidence in Cleveland. That is important so that the fears that have arisen there will not spread to other parts of the country and undermine good developments of the kind that the hon. Member for Greenock and Port Glasgow (Dr. Godman) has mentioned.

The hon. Gentleman also spoke about the Royal Scottish Society for the Prevention of Cruelty to Children. I am sorry if I inadvertently appeared to have ignored Scotland. I shall certainly ensure that we take note of the views of the RSSPCC.

Mr. Nicholas Winterton (Macclesfield): Will my hon. Friend accept that the care and speed with which he has acted in this matter is deeply appreciated? In fully supporting the views and thanks expressed by the hon. Member for Middlesbrough (Mr. Bell), in whose area these sad cases occurred, may I ask whether my hon. Friend accepts that many of these problems could in part have been dealt with if the Government had acted on the recommendations of the Select Committee on Social Services? That Committee carried out an in-depth inquiry into children in care. It did not deal specifically with the matter of child abuse, but the Committee's particular recommendation about the formation and establishment of children's courts would have made a major contribution to the prevention of these cases. Will my hon. Friend also accept that a valuable part is played by police surgeons in identifying and dealing with these matters? I hope that their contribution, experience and expertise will not be overlooked.

Mr. Newton: I have made it clear that one of the assessors will be someone with experience of police work.

My hon. Friend spoke about the Select Committee on Social Services. I am well aware that the Government, the House and, indeed, the country gained much from the work of the Committee. However, I resist the conclusion — if such a conclusion was implied — that the Government have not been taking vigorous and effective action to make progress on these matters.

Several Hon. Members *rose*——

Mr Speaker: Order. We have a very heavy day ahead of us. I shall call hon. Members who have been persistently rising, but I hope that we can have questions on the statement concluded by 4.45 pm.

Mr. Derek Fatchett (Leeds, Central): Will the Minister ask the inquiry team to ignore many or all of the comments that have been made in the House, especially comments along the lines that there has been obstruction of the police and that professional workers have been over-reacting? All those comments prejudge the evidence and therefore prejudge the conclusions. Will he also take this opportunity to reassure those who work in this very sensitive area—doctors, health visitors, nurses and social workers—that the Government support their activities? The frenzied atmosphere generated either in the House or in the newspapers in recent weeks makes their job more difficult. Some reassurance from the Government or from the Minister that the primary responsibility is always for the safety of the child would be very welcome.

Mr. Newton: I certainly echo the hon. Gentleman's last sentence. I hope it is implicit in everything that I have said and done over a much longer period than the last fortnight that we greatly value the work of all the people who are involved in seeking to tackle those problems.

I cannot respond quite so forthcomingly to the first part of the hon. Gentleman's question. I think that the House as a whole would take it rather amiss if I asked an inquiry to ignore everything that was said in this House.

Mr. Andrew Rowe (Mid-Kent): Will the Minister accept that many of us are very pleased about the tremendous

[Mr. Andrew Rowe]

emphasis that he is putting on inter-professional co-operation? Will he also accept that co-operation on the ground depends far more on the quality of the one or two people working at ground level than on which profession they belong to? Will he give an assurance that he will be very careful not to be dragged down the path of automatically giving guidance that one profession should be the lead profession at local level in cases of this kind?

Mr. Newton: Yes. I have always been very conscious that the issue of guidance or circulars will not achieve as much as anyone would like if there is not practical working co-operation between individuals on the ground. That is one of the problems that anyone faces in this area.

Mr. Roland Boyes (Houghton and Washington): I am sure that the Minister agrees that the sexual abuse of a child is a most serious and tragic event. He will also agree that it is extremely difficult for many and almost impossible for the vast majority of children to do anything about the situation.

I am sure he will also agree that social services departments throughout the land have an obligation to act promptly if they suspect that any child is being sexually or physically abused. We must take care to ensure that social workers do not become over-cautious because of remarks, such as those made by the hon. Member for Surrey, South-West (Mrs. Bottomley), that social services departments might be guilty of over-reacting. Many of us think that perhaps on some occasions they act rather cautiously.

On a number of occasions the Minister mentioned parents' rights, but does he agree that children also have rights?

I welcome, as do other hon. Members, the inquiry into the matter in Cleveland, but will the Minister give the House an assurance that the inquiry will be concerned not solely with the social services department at Cleveland but will involve other authorities, such as the police and the health authority that may have been involved in what happened in Cleveland?

Mr. Newton: I go along with the spirit of much of what the hon. Gentleman has said. As to his specific question, if he looks at my statement he will find that it refers not to any one authority but to the arrangemants for dealing with cases of suspected child abuse, including, in particular, child sexual abuse in Cleveland. That manifestly is intended to embrace the work of all the authorities that are involved.

Mr. Bob Hayward (Kingswood): I welcome the Minister's rapid announcement of an inquiry, but will he say when the judge will be appointed and who will head the inquiry?

Further, will he clarify his comments with regard to adoption? Will there be a review of the guidelines used by social services departments with regard to adoption practices and the people whom they consider suitable for adoption? I have recently received two cases which express concern about two social services departments' guidelines which are being applied to potentially adoptive parents.

Mr. Newton: We shall be consulting my noble Friend the Lord Chancellor about the appointment of the judge. I hope that it will be possible to make the name known within a week or so.

Ms. Short: May we have a woman, please?

Mr. Newton: The point about adoption does not relate directly to the issues that have arisen in Cleveland, although it is closely related. I take on board the point that my hon. Friend has raised.

Miss Marjorie Mowlam (Redcar): Will the Minister consider the question of additional funds for Cleveland county council? I accept the point that a number of different services will be included, but there has been great pressure on Cleveland's social services over the past couple of months, and clearly it will increase in the months to come.

Mr. Newton: I think it would be a little premature for me to come to such conclusions at present. The hon. Lady will be aware that last year there was a substantial increase in the provision for social services generally which took account of pressure on children's services and the need for training. In the next few months we shall be considering provision and related matters for next year which will take account of these issues, but I cannot make a specific promise from the Dispatch Box about resources for Cleveland.

Mr. Roger Sims (Chislehurst): Is my hon. Friend aware that the setting up of the inquiry will be warmly welcomed by professional and lay people, not least because it should help to establish the facts of the matter as distinct from the rumours and speculation that have surrounded it in the media? One of the dangers of setting up an inquiry is the possibility that there will not be action until it reports. Therefore, I was delighted to hear that my hon. Friend is going ahead with the establishment of a national child abuse register and with the issue of national guidelines. Will he say a little more with regard to the possibility of legislation? Is he aware that he will have the full support of Conservative Members for any steps that he may take to get the White Paper turned into legislative form in the present Session of Parliament, which is rather longer than normal?

Mr. Newton: I cannot go beyond what I said in my statement. I am grateful to my hon. Friend for his remarks, not least because I know of his close interest and involvement in these matters through his work with the NSPCC. I am glad to say that the NSPCC thinks it right to have an urgent, focused inquiry so that the action that is needed to make progress on other fronts is not held up.

Mr. Matthew Taylor (Truro): I join in the all-party welcome of the Minister's statement, but will the inquiry or the Minister's Department be considering the provision of independent counselling and advice for parents whose children have gone on to the "at-risk" register or where it is suspected that there has been abuse? I have received a number of cases in recent months from parents who have wanted some independent qualified advice on what they should do in those circumstances. Not all of those parents have acted in a criminal or evil manner and many of them need help and advice. Will that help and advice be provided through Government offices?

Mr. Newton: I will consider what the hon. Gentleman has said, but I think that that matter goes rather wider than the inquiry that I have announced. We shall wish to consider with the judge the need to ensure that parents and children are effectively represented in the proceedings of the inquiry.

Mr. Patrick McLoughlin (West Derbyshire): I welcome the setting up of the inquiry, as I am sure the whole country does, but, without wishing to constrain it, in what sort of time scale does my hon. Friend expect the inquiry to report? During that time, with regard to the guidelines that he has talked about, will he ensure that they are communicated directly to county councils and magistrates, who sometimes make these orders?

Mr. Newton: The draft guidelines were widely circulated and brought a number of comments which need to be and are being taken into account in the further work. I said that we were asking the social services inspectorate to check that appropriate action has been taken already in the light of those draft guidelines. If further action is needed, it will be taken.

Mr. D. N. Campbell-Savours (Workington): I welcome the inquiry and think that the right decision has been made. However, many junior policemen — young constables and sergeants—are not competent or trained to deal with these matters in as sensitive a way as they should when they visit families where these matters have been reported. Will the Minister raise that matter with the Association of Chief Police Officers with a view to it briefing policemen on what is expected when reports are brought before them?

Mr. Newton: As the hon. Gentleman will understand, the appropriate course is for me to undertake to bring those remarks to the attention of my right hon. Friend the Home Secretary.

Mr. Richard Holt (Langbaurgh): I thank my hon. Friend, on behalf of my constituents in Middlesbrough and Cleveland, for the decision to have this inquiry. May I draw my hon. Friend's attention to the fact that, despite the media publicity and furore and the fact that procedures were allegedly established whereby children could no longer be taken from their parents on the say-so of one of the paediatricians named in the House, as recently as three days ago a family has been broken up in similar circumstances? I have spent almost two days on the telephone seeking to find out whether there was a second opinion that confirmed the diagnosis of Dr. Wyatt. I have been bluntly refused by everybody, and the children are in care. There was no corroborative evidence whatsoever that any person can get access to the single diagnosis and, as I understand it, it was not put to the magistrates. It is clearly in breach of the rules that were laid down for operation by the Northern regional health authority, where Dr. Donaldson bluntly instructed the director of social services that he would not give him the information, nor, if he found it, was he allowed to give it to me. The parents are distraught. The police were involved in finding the children and rounding them up when the father absconded with them, but the police have not been brought in to see whether charges should be brought against that parent. In all these circumstances, the inquiry is welcome but urgency is still the order of the day.

Mr. Newton: I accept the need for urgency, and I hope that that was conveyed by my statement. As to the particular case that my hon. Friend has raised, he will understand that I would not wish to make some quick comment at the Dispatch Box on what he said. However, I understand that the position on first or second opinions and their availability is the normal one. They would be made available with the consent of the patient concerned or, in the case of a child, with the consent of the parents or guardians. It is not normal for medical opinions to be made available to third parties without that permission, and that is the position that would be maintained in this case.

Dr. John Marek (Wrexham): I welcome much of what the Minister has said, in particular the announcement of the inquiry. I am sure that that will find favour with both sides of the House. Has the Minister decided who the judge will be? If not, will he announce that as soon as possible? Will he give the House a guarantee that the assessors will be of sufficient integrity in their own professions to command the various opinions within the professions that are involved?

With regard to the recent judgment of the European Court of Human Rights, is the Minister aware that should the Government introduce legislation as a result of that judgment they will have the co-operation of the Opposition? Even if it took them until Christmas to study that judgment, it would not be too late to introduce appropriate legislation early in the new year. Will the Minister guarantee that he will look at that carefully?

Why was I able to read about this statement in the afternoon press an hour before it was delivered in the House? Has the Minister any explanation?

Mr. Newton: I am certainly not in a position to explain the hon. Gentleman's last point, but I note the implicit concern that he has expressed.

As for his remarks about legislation, I cannot go beyond what I said earlier, but I am again grateful for the helpful spirit in which, I take it, the hon. Gentleman's remarks were intended.

With regard to the integrity of the assessors, I can certainly guarantee that our aim will be to find assessors who will command the sort of confidence that the hon. Gentleman wants. I have already indicated that we would hope to be in a position to announce the name of the judge within a week or so.

Points of Order

4.51 pm

Mr. David Winnick (Walsall, North): On a point of order, Mr. Speaker, arising from what was said earlier. With respect, will you now give further thought to the question of points of order? As you know, my right hon. Friend the Leader of the Opposition wanted to raise a point of order and you explained that Front Benchers would be treated the same as Back Benchers. However, a situation arose that we believe merited valid points of order, but because of what happened they could not be taken. All those mainly involved have now left the Chamber—I do not criticise them, as I am sure they have many other commitments—including the Prime Minister. You will remember that in the last Parliament you made a distinction between points of order that arose from questions and other points of order. Will you bear that in mind and consider whether points arising from Question Time, particularly Prime Minister's Question Time, should be taken at the time they arise?

It might be argued that the situation has now been defused, but hon. Members may have strong points of view which for various reasons they cannot press because they are not here at the appropriate time. For example, as is normal on Thursdays, business questions follow Prime Minister's Question Time and there could well have been another statement in addition to the one that has just been made. For all these reasons, it is in the interests of the House and of hon. Members to ensure that if they wish to raise a point of order—especially if it arises from questions—it should be taken immediately after questions. That would have the advantage that those involved—be it an hon. Member wishing to criticise or wishing to obtain a ruling from you—would be present, especially as the Prime Minister is unlikely to be present for no more than five or 10 minutes after Prime Minister's Question Time has come to an end.

Mr. Robin Maxwell-Hyslop (Tiverton): Further to that point of order Mr. Speaker. What the hon. Member for Walsall, North (Mr. Winnick) has just said might be an argument in favour of taking the point of order at the moment when the occasion for it arises, but in my considered opinion it cannot be an argument for having three different times for points of order—one when the event occurs, another after Question Time, and another at the normal time for points of order of which notice has been given.

That was the evil which your ruling dealt with very effectively, Sir. But if there is a balance of opinion that points of order should be taken during Question Time, the abuse might be self-correcting, because there is no doubt that there was abuse. Indeed, the hon. Gentleman rather let the cat out of the bag when he referred to "points of view". Points of order are not to do with points of view and should be tightly constrained, but they have become open to abuse.

The only alternative to the ruling that you gave, which I think met with general acceptance, would be to experiement with taking points of order at the moment when the occasion for them arose—the discipline being that the House would get very cross if they were unnecessarily used or expanded upon at the cost of questions that would not be reached in those circumstances.

Mr. Alan Williams (Swansea, West): Further to that point of order, Mr. Speaker. You will recollect that earlier this week I took the opportunity to advise you that I felt that we might run into the very difficulty that has arisen today as a result of the ruling give on 12 February. In fact, this is the second Thursday in succession, as you will appreciate, on which we have had just such a difficulty. Last week, in response to the only question from the Leader of the Opposition, the Prime Minister dodged answering it by a complete mis-statement of the rules of this House when she said that she was not allowed to comment on sentences—a matter that you remedied later. But even you had to wait for an hour before you were able to put it right in your guidance on further points of order because of the business statement.

Today we had a triple abuse. We had a planted question on a matter that was not the responsibility of the Prime Minister—the very sort of question that you in the past have said that you are not willing to allow. That was then followed by what was clearly a carefully prepared and detailed statement from the Prime Minister on which she could not be questioned because she made it in the form of a supplementary answer. Rather poetically, she did so on the conduct of the security forces, a subject on which she had been singularly coy about making any statement at all in recent months on which she could be questioned. The third abuse was that the Prime Minister then chose to pontificate in her usual style on matters of privilege and procedure which have nothing to do with her but which are matters for you and the Committee that we have appointed to deal with these things.

As you will see from the clock, Mr. Speaker, it is now more than an hour and a half since that incident arose. Understandably, the Prime Minister has had to leave the Chamber, as has the Leader of the Opposition. We are now discussing the matter in a vacuum. We must therefore ask you to look at the way in which this ruling is operating. I well understand why you made it, and I understand that you wanted to avoid one set of abuses, but I put it to you that you have opened up the possibility of a further set of abuses, because we have a Prime Minister who consistently, repeatedly, and calculatingly abuses the procedures of this House when it suits her purposes. I therefore ask you to protect the House and to reconsider your ruling.

Several Hon. Members *rose*——

Mr. Speaker: Order. We have a busy day ahead of us and I should like to deal with this matter. I shall therefore call one more hon. Member from either side.

Mr. Michael Fallon (Darlington): I would not want you to consider ruling on that point of order, Mr. Speaker, without our correcting a matter of fact. The Prime Minister's answer this afternoon actually invited the Leader of the Opposition to make his position on these matters clear and did not rule out further questions.

Mr. Dennis Skinner (Bolsover): As I observed when you made your ruling, Mr. Speaker, it was a valiant try, but it was not likely to last permanently, for the very good reason that the House of Commons is subject to points of order at any time during the day. Indeed, this whole episode began when an hon. Member raised a point of order in the middle of a maiden speech, and he was able to do so because it is acceptable that a point of order can

be raised at any time, even in the middle of a maiden speech. Therefore, if a maiden speech can be subjected to a point of order, why on earth cannot we have points of order at times when the Prime Minister is still in the House, when the Leader of the Opposition is available to raise points of order and so on?

No one should crow about this, Mr. Speaker, because your ruling was an attempt to bunch points of order together rather than to have one set after questions and some later on. To some extent, the experiment has worked for a time, but there was bound to come an occasion when all these conflicting interests needed to be present so that the point of order could be properly examined and dealt with. On those occasions when the participants, including Back Benchers—not just the Front Benchers, incidentally—want to raise such a point of order, the ruling should be revised to enable them to do so.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall take one more point of order and then I shall rule on the matter.

Mr. Eric Forth (Mid-Worcestershire): Further to the point made by the hon. Member for Bolsover (Mr. Skinner), Mr. Speaker, I hope that in weighing the matter you will take into consideration the fact that your ruling was tried with great success in the last Parliament. There are two reasons why I hope you will resist the suggestions made by Opposition Members. This is a blatant attempt to extend Question Time, the very thing that you have said you always wanted to avoid. Secondly, as we have seen in this case, your ruling provides a cooling-off period during which those hotheads who might have wanted to cause trouble earlier drift off to the Tea Room, so that only responsible and mature Members are left to raise relevant points of order.

Mr. Speaker: I think that the question of the hon. Member for Suffolk, South (Mr. Yeo) was an abuse. I did not appreciate what the hon. Gentleman was seeking to do until too late, but it was an abuse and I shall have to reflect upon the matter.

However, I am reluctant—and I think the House will be reluctant—to return to the time when we had points of order arising out of questions because, as I said in my statement on 12 February, that is an open invitation for hon. Members to raise points of order. The House will recollect that in the early days of my Speakership—I inherited this practice—we started every day with points of order. Since my ruling, that has not occurred. However, the hon. Member for Tiverton (Mr. Maxwell-Hyslop) is probably right — I shall reflect upon his suggestion carefully — that points of order should be raised immediately; we should apply the doctrine of the first occasion.

The House should know that I made my statement on 12 February after wide consultation and discussions with those likely to be involved, and I would wish to do so again before making any further changes.

Mr. Alan Williams: Further to that point of order, Mr. Speaker. I am most grateful for your clear rebuke of the activities of a Conservative Back Bencher. You were correct that, as with points of order, you cannot always tell until near the end of a question whether it is in order. However, by the time that the hon. Member for Suffolk, South (Mr. Yeo) had finished, you, Sir, were clearly aware that what he said was in breach of your ruling. Why then did you allow the Prime Minister to read from a written statement for a full minute on a question that was not permissible?

Mr. Speaker: I have just said — the right hon. Gentleman must not put words into my mouth—that I did not appreciate what was happening until the Prime Minister was on her feet. I have said that I will reflect on the matter, but I hope that the House will agree that one clear abuse should not lead to a change in our procedures which would lead to many other abuses on a daily basis.

Scottish Business

5.2 pm

Mr. Donald Dewar (Glasgow, Garscadden): On a point of order, Mr. Speaker. I am sorry to delay the normal business of the House. However, it has just been drawn to my attention that on the Order Paper today there is a selection which purports to be the Committee on the Local Government Bill. You will recall that, at the start of the Second Reading debate on that Bill, considerable anxiety was expressed about the fact that, although it was a United Kingdom Bill, it included provisions affecting the very essence of local government in Scotland. You will remember, Sir, that you listened for nearly half an hour to points being raised on that matter. Much justified anxiety was expressed about the difficulty for Scottish Members of dealing with the Scottish aspects of the matter when there was no Scottish Office Minister to answer the points.

I note with horror and very considerable anger that no Scottish Minister is to serve on the Local Government Bill Committee. I was told on Second Reading that in Committee we should have adequate opportunities to debate the Scottish aspects of the Bill and that there would be Scottish Office Ministers to answer our points. The Committee on the Local Government Bill is a large Committee, on which the Scottish National party will be represented and on which one of my Scottish Front-Bench colleagues and two or three Scottish Labour Back Benchers will serve. However, not only is there not a single Scottish Conservative Member on that Committee but—and this is more germane—there is not a single Scottish Office Minister.

On Second Reading, it became absolutely clear that Ministers from the Department of the Environment were not in a position to deal with detailed questions about Scotland. That was bad enough, but it is an outrage that there is to be no Scottish Office Minister on a Committee dealing with a fundamental and extremely controversial Bill which affects Scotland.

I appeal to you, Mr. Speaker, to agree with me that we must have protection on this, because it makes a mockery and a farce of the role of this House as a scrutinising body. I appeal for your help.

Mr. Tony Marlow (Northanpton, North): Further to the point of order, Mr. Speaker.

Mr. Speaker: Is it to do with the same matter?

Mr. Marlow: Yes, Sir. As an English Member, can I say how fed up we are with Scottish Labour Members whingeing on and on about their lack of ability to debate matters in this House? As you know yourself, Mr. Speaker, when matters such as rate support grant are discussed in this House, there is as much time available for 70 Scottish Members as for 500 or more English Members to discuss the same matters.

As Opposition Members ought to know, there is a majority of Conservative English Members of more than 200 over Labour English Members. There are seven English Conservative Members for every three English Labour Members and they get one question for every one question that we get. If there is any degree of over-representation in this House, it is by Labour English Members against English Conservative Members and if there is an imbalance of debate in this House, English Conservative Members have suffered a damned sight more than anybody else.

Mr. Bruce Millan (Glasgow, Govan): Further to that point of order, Mr. Speaker. The hon. Member for Northampton, North (Mr. Marlow) obviously does not know what he is talking about.

I return to the point of order raised by my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar). This issue is important not only in connection with the Standing Committee on the Local Government Bill. It gives us an idea of the way in which the Government—if they are allowed to get away with it this time—intend to treat Scottish legislation in future. We know that the Government are in difficulties because of the small number of Conservative Back Benchers who represent Scottish constituencies and because some of those Back Benchers have said that they have no intention of serving permanently on Committees dealing with Scottish Bills. The fact is that the Scottish provisions in the Local Government Bill should in any case have been included in a separate Scottish Bill. We asked for that, but the Government resisted it and have introduced a United Kingdom Bill full of clauses applying to Scotland. It is as much a Scottish Bill as an English and a Welsh Bill and it is an outrage that on a Committee of 30 Members—it is not a small Committee—there is not a single Scottish Conservative Back Bencher and, even worse, there is no Scottish Minister to deal with Scottish points.

This matter goes well beyond normal questions of Committee selection. I hope that the Leader of the House will say something about this, because if the Government think that they can get away with it, they could not be more mistaken. We shall simply not put up with this kind of behaviour and I hope that you, Mr. Speaker, will do your part to protect the interests of Scottish Labour Members.

Mr. Speaker: I have the point.

Dr. Norman A. Godman (Greenock and Port Glasgow) *rose*——

Mr. Speaker: May I say to the hon. Gentleman that a number of hon. Members wish to take part in the subsequent debates and some of them are maiden speakers? It would be in their interest and for the convenience of the House if I dealt with this matter.

Mr. Ernie Ross (Dundee, West) *rose*——

Mr. Speaker: Order. I am on my feet. The whole House knows that I do not make appointments to Standing Committees; that is a matter for the Select Committee of Selection. Any complaints about the nomination of Members should correctly be taken up with the Chairman of that Committee. I have no power to overrule the Select Committee's decisions or to take hon. Members off Committees or appoint to them. That is not my responsibility.

Several Hon. Members *rose*——

Mr. Dewar: Further to that point of order, Mr. Speaker. I fully accept what you are saying. However, this matter deeply affects the workings of the House, the standing of hon. Members and our credibility as a body that scrutinises legislation. The Leader of the House is with us. I know that he takes his duties to the whole House

seriously and I think that he will recognise that this is not, in any sense, a frivolous point and that we are not expressing fake indignation. We now feel very strongly about the matter. We have been snubbed dramatically in this matter and I hope that the Leader of the House will say something about it now.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): It is for the Government to determine which Ministers should lead on a Bill. I have every confidence that my hon. Friend the Minister of State and his ministerial colleagues will be able to deal with all matters raised in Committee on the Bill.

Mr. Dewar: No!

Mr. Wakeham: I must tell the hon. Member for Glasgow, Garscadden (Mr. Dewar) that under the Labour Government there were occasions when Standing Committees on Bills affecting Scotland had no Scottish Office Minister as a Member of the Committee.

Several Hon. Members *rose*——

Mr. Speaker: Order. I cannot deal with matters that are not my responsibility.

Mr. Dewar: Perhaps, Mr. Speaker, you can help me with a little technical information that I am sure will be within your knowledge. The selection is totally unsatisfactory. We can and will complain about it, but there is no question of the matter going unchallenged on the Floor of the House. How do we block the Committee and force a debate on an issue which is fundamental to our rights and to the conduct and working of Parliament?

Mr. Speaker: It is not for me to advise the hon. Member on tactics. There are opportunities to raise these matters. *[Interruption.]* Surely the hon. Gentleman is not asking me to make a judgment on matters for which I have no responsibility. It is a matter for the Committee of Selection, on which the Opposition are represented. Complaints about selection should be taken up with the Chairman and the Committee.

Mr. Alan Williams: On a point of order, Mr. Speaker. I promise to be brief. I appreciate that you have been put in a difficult situation which we do not want repeated. At the beginning of a new Session of Parliament, it is as well to have the matter clarified straight away. I appreciate that it cannot be done here and now, but, as the Leader of the House is present and has intervened, may I say through you, Mr. Speaker, that I hope that between now and the first sitting of the Standing Committee the Leader of the House will take the opportunity to have discussions through the usual channels so that we may consider how in the future we deal with issues that are clearly essentially Scottish issues but on which equally clearly there is inadequate Scottish representation at both ministerial and Conservative Back Bench levels. If the Leader of the House will give that undertaking, I am sure that my hon. Friends will be only too happy to allow businesss to continue now.

Mr. Wakeham: I am always happy to have discussions through the usual channels.

STATUTORY INSTRUMENTS, &c.

Ordered,

That the draft Building Societies Investor Protection Scheme (Maximum Protected Investment) Order be referred to a Standing Committee on Statutory Instruments, &c.— *[Mr. Alan Howarth.]*

Orders of the Day

British Shipbuilders (Borrowing Powers) Bill

Order for Second Reading read.

5.12 pm

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): I beg to move, That the Bill be now read a Second time.

I begin by congratulating the hon. Member for Dunfermline, East (Mr. Brown) who I understand will be leading for the Opposition. He did not shadow my previous Department but he hounded and persecuted me none the less regularly from the Back Benches. He was so successful in that and other ways that he has been elected to the shadow Cabinet. I am sure that we all agree that that is richly deserved and congratulate the hon. Gentleman on his success.

In a vein which I hope will arouse equally little controversy, I come to the British Shipbuilders (Borrowing Powers) Bill. By tradition, Bills of this kind have become the occasion for a debate on the fortunes of the merchant shipbuilding industry. We all realise that the fortunes of the industry remain in a very difficult state. Once a major employer, the industry on the mainland now has fewer than 8,000 employees, most of whom work for British Shipbuilders. As we all know, and certainly as I know, behind that stark figure of the reduced number of employees lies a history of hardship, difficulty and unemployment for many thousands of people in great industrial centres in this country.

The adjustment in the scale of the industry has not been for lack of support from the Government and the taxpayer. Since 1979, British Shipbuilders alone has received more than £1¾ billion. That is an enormous figure. The root cause of the continued problems for British shipbuilding has been a world market dominated since the first major oil price increase in 1973 by massive excess capacity in shipping and shipbuilding alike. The two industries are linked. The merchant shipping industry—the customer of the shipbuilding industry—has been through a terribly difficult time. Great tonnages are laid up throughout the world. Shipping rates are generally depressed and returns on capital are very low. When the customer is in trouble, the industry which supplies the customer with essential equipment—in this case, the shipbuilding industry—gets into deep trouble as well.

By 1976, when the need to restructure had really hit home in the older shipbuilding countries, about 230,000 people worked in merchant yards in the European Community and 175,000 were employed in Japan. Since then, the European Community work force has fallen to below 100,000 and the Japanese work force to about 90,000. In January this year I visited the great Mitsubishi yard in Nagasaki where the Japanese imperial fleet was built before the war. The yard is short of work and shedding labour rapidly. Some of the managers who showed me around explained that they were unable to win orders and could not compete with the Koreans. The problem of change has gone on throughout the world. As we consider the stark international position, therefore, I hope that we shall not hear too much today from hon. Members pressing the case for their own industries and seeking to attribute the changes of the past 10 years to the Government's policies, our economic line, Thatcherism or anything else. The problem is a world-wide phenomenon with very obvious causes — the excess capacity of shipping and the resulting excess capacity of shipbuilding.

The past 18 months in particular have seen dramatic restructuring of the shipbuilding industry in a number of countries. We certainly have not been alone. France began 1986 with five yards and is now reduced to one. Sweden effectively abandoned merchant shipbuilding altogether and a number of West German shipyards went into liquidation. The Japanese announced a programme to cut capacity by 20 per cent. but look like ending it with capacity cuts and jobs losses nearer 40 per cent. Even the South Korean yards are under pressure.

[Miss Betty Boothroyd *took the Chair.*]

Hon. Members: Hear, hear!

Mr. Clarke: Madam Deputy Speaker, I had thought that the cheers were for the difficulties in South Korea, which would be understandable in view of the constituency difficulties of many hon. Members present. I am glad to see, however, that they were for your taking the big Chair for the first time. It is a pleasure to welcome you there. You and I will recall taking part in debates chaired by your distinguished predecessor, Betty Harvie Anderson. There has been too long a gap since a woman took the Chair as Deputy Speaker. We are pleased to see you there and we look forward to your presiding over our affairs with great distinction.

As I was saying, even the South Korean shipyards are under pressure. All are looking to reduce their dependence on new merchant building and are diversifying into other engineering activities. Despite the difficulties of all the existing shipyards, however, newcomers such as the Chinese and the Yugoslavs are actually building new shipyards and increasing their shipbuilding capacity.

The international situation of more than 10 years, of depression both at home and overseas, will be familiar to those who follow the fortunes of the industry. I have set out the position again today because those of us in the House, including just about every hon. Member now in the Chamber, who are concerned with the prospects for the communities, towns and cities of Britain which were once dependent on shipbuilding for their industrial life, have a duty to face those international facts of life. The present world position is that there is capacity to build 18 million tonnes of new merchant ships each year. Last year, however, new orders totalled only 9 million tonnes, of which the Japanese took 41 per cent., the Koreans 14 per cent. and the European Community 15 per cent. and of which our share was 2 per cent. The latest forecasts from the Association of West European Shipbuilders and the Shipbuilders Association of Japan accept that there is no prospect of an upturn in market demand until 1990 at the earliest. Even if that upturn were to start—many are not certain that it will begin even then—even optimists do not predict a balance between supply and demand until the mid-1990s at the earliest.

That leads me to my first conclusion. When we consider the problems of people in the communities worst affected by the situation in the shipbuilding industry, we shall clearly have to look much wider than shipbuilding itself as

we tackle the problems of towns in Scotland and the north-east in particular. The expansion of an enterprise economy on Clydeside, Tyneside and Teesside must be a key objective of all our policies. But if I start going into that, I shall go wider than today's debate on the Bill.

British Shipbuilders is a corporation that has had to adjust. Orders are still, and will remain, hard to win. Inevitably, the profound imbalance of the market has had particularly severe consequences for British Shipbuilders' finances.

The Bill concerns British Shipbuilders' borrowing limit. The Aircraft and Shipbuilding Industries Act 1977 places a statutory ceiling on the funds that British Shipbuilders may acquire in the form of public dividend capital from the Government and loans from the commercial market. The limit on the corporation's borrowing stands at £1·4 billion as a result of the British Shipbuilders Borrowing Powers (Increase of Limit) Order, debated in the House as recently as December last year. The Bill proposes an increase in the borrowing limit to £1·55 billion and makes provision for further increases, subject to affirmative resolution of the House, up to £1·8 billion.

The Bill does not vote money. It simply gives British Shipbuilders the power that it requires to receive moneys. The actual provision of funds in the form of public dividend capital is, of course, a matter for Parliament to decide in due course through the normal Estimates procedures. The borrowing limit has no effect on the other important source of Government support for British Shipbuilders—intervention fund in support of particular orders.

Many hon. Members will recall that it was only this time last year that my hon. Friend the then Minister of State — the hon. Member for City of Chester (Mr. Morrison)—spoke at the Dispatch Box in favour of an increase in the borrowing limit from £1·2 billion to £1·3 billion. As I said, the order agreeing an increase of a further £100 million was made in December last year. In veiw of the frequency of debate, obviously reflecting the frequency of the expansion of financial demands by British Shipbuilders, the House deserves an explanation as to why a further increase is needed now. That increase is urgently needed. The corporation forecasts that it will come close to exceeding its present limit before the summer recess. I hope that no one contemplates delaying the Bill, because that could have a profound consequence for the corporation. An amount of £200 million is a considerable sum for a business of this size to exhaust in little more than a year.

Mr. Frank Field (Birkenhead): The right hon. and learned Gentleman says that it is right that the House should know what is happening to taxpayers' money. Will he take the argument back a little? I think that, two borrowing requirement Bills ago, we raised the sum from £1 billion to £1·2 billion. The £200 million was largely for Barrow to build a construction hall. Since we voted that money, Barrow and Cammell Laird have been privatised for a considerably lower sum, although all their assets were privatised. What happened to that taxpayers' money? I ask that question because we are so concerned about the growth announced in this Bill.

Mr. Clarke: The privatisation was debated at the time and I believe that the hon. Gentleman was given explanations as to why the price was set as it was. Several privatisations have obviously involved getting the current market value of the assets. Sometimes offsetting expenditure has to be made to discharge losses on work in progress, and so on, so those costs were not counted at Barrow.

The hon. Member for Birkenhead (Mr. Field) is labouring under a fundamental misconception. The fact that one has to pour money into an institution does not make it more valuable. If one is privatising a company, it has a market value based on the prospect of returns to the purchaser. To compare whatever extra borrowing may be required when an industry was nationalised with the price realised on the taxpayer's behalf when the asset is eventually sold is a false analogy. Many loss-making nationalised industries have consumed vast amounts of taxpayers' money. It is only too true that eventually, when the industry has been sold, although the market price may have been obtained, the taxpayer has to wipe off a lot of money expended for past folly.

Mr. Frank Field: I am not trying to trap the right hon. and learned Gentleman. He will have seen from BSEL's returns that it was not a loss-making concern, but a profitable concern, which was to be privatised. I suggest that £200 million of taxpayers' money was not just poured into a bankrupt industry. It was poured into the building of a construction hall at Barrow, which is building Trident. Far from the Government presenting the case as one of taxpayers' money being wasted, should not the right hon. and learned Gentleman be saying, as part of his conversation with the House, that that money should be put to the cost of building Trident? The money has not been lost to taxpayers. It has been a real cost. From the way the accounts are being presented now and the way they have been presented, one could be forgiven for thinking that taxpayers make contributions and the whole contribution is then forgotten. It should be attributed to the right accounts.

Mr. Clarke: If the hon. Gentleman is talking about how the cost of Trident is calculated for the purpose of defence debates, he must make his point to my right hon. Friend the Secretary of State for Defence the next time Trident's cost is regarded as an issue. If he is asking whether the correct market value was placed on Vickers when it was privatised, I must say that I understand that it was correctly valued. We are now dealing with the £200 million incurred over the past year. Although the hon. Gentleman took the opportunity to intervene, I think that it is right for me to explain what on this occasion has caused us to come back with an increase of £200 million on the borrowing limit agreed only 12 months ago. The hon. Gentleman will have to make his point in defence debates if he is trying to add his estimate of the cost of Trident.

Mr. John Smith (Monklands, East): This is a trade and industry matter.

Mr. Clarke: If the Opposition say that this is an industry matter, the hon. Member for Birkenhead will have to deal with that difficulty when it presents itself. I think that I am being patient in conceding that it has anything to do with the Bill. It does not. I should like to come to this year's £200 million and to why we are considering it again within 12 months.

Of the £200 million, only some £20 million has been absorbed in what one might call the normal costs of the

[Mr. Clarke]

business-capital investment and such essential charges as research and development, marketing and general administration. Last year's restructuring cost some £30 million, a direct result of the shortage of orders. Another £30 million or so was needed in final settlement of the sale of Scott Lithgow to Trafalgar House, principally representing compensation for losses on work in progress which British Shipbuilders agreed as a condition of sale necessary to secure the future of that yard.

Another £40 million of the £200 million has arisen because of the receivership of one of British Shipbuilders' major customers — International Transport Management. ITM had ordered, but barely begun to pay for, a major craneship when the receiver had to be called in. This was no fault of British Shipbuilders, but it reflects the predicament of a customer whose operations had been considerably affected by the recent fall in the price of oil.

Mr. Bruce Millan (Glasgow, Govan): The right hon. and learned Gentleman mentioned the additional payments in respect of Scott Lithgow. Can he tell us how much in total has been paid out in respect of Scott Lithgow's transfer to the private sector?

Mr. Clarke: I cannot do so on the spur of the moment, but no doubt my hon. Friend the Under-Secretary of State —the hon. Member for South Ribble (Mr. Atkins)—will be able to answer that point if he catches your eye later, Madam Deputy Speaker. Off the cuff, I cannot say how much has so far been paid out.

Mr. Gordon Brown (Dunfermline, East): How much of the money has been spent in funding employment instead of funding unemployment? In particular, will the right hon. and learned Gentleman tell us how much is involved in new investment in the shipbuilding industry?

Mr. Clarke: All this is essential for employment. I am describing a huge extension in the borrowing by British Shipbuilders to keep the corporation in existence and to ensure that it can continue to trade and to protect the jobs of the 8,000 employees in the industry. When we are dealing with a problem of surplus capacity, a lack of orders and customers who place orders and then get into financial difficulties, the idea that I should be asked to describe what we are doing to invest in new capacity misses the point. It is part of the tragedy of British Shipbuilders that the position is so bad at the moment that money is being drawn in the kind of provision that I was describing.

I had reached the stage of describing the provision that has to be made when orders are placed by customers who get into financial difficulty. Such is the state of the shipbuilding industry and the problems of shipping companies that builders have had to become involved in their customers' problems and provide sufficient security for finance of new purchases. When it gives guarantees for the finance required to buy the ships that will be built, in the present market British Shipbuilders face a high risk of those guarantees being called in or of becoming involved directly in the financial reconstruction of shipping companies to avoid the full impact of such guarantees being called. Therefore, shipbuilders are required to shoulder part of their customers' risk and to prop up their customers to make sales.

In addition to the ITM illustration that I gave earlier, a further £20 million has been the result of other customer difficulties. A further £30 million represents the cost of labour and overheads that cannot be attributed to contracts over the past year. Because of the nature of their business, eligible merchant shipyards must bear the costs of spare capacity if they do not have profitable work in addition to that taken on a break-even basis with intervention fund help. During the past year, delays in winning orders, notably the delays that took place before we had great success in winning the China order at Govan, have swelled those costs considerably in the case of British Shipbuilders.

However, in addition to all those factors which affect the state of the market, and which are largely beyond the control of British Shipbuilders, the largest single element of the increase — £50 million, or a full quarter of the capacity to borrow that was agreed by this House last year —has been lost on contracts that are in progress in the yards. That is in addition to the subsidies that were required to win the orders in the first place. When a contract has been entered into and a great deal of subsidy given to win it, losses are being made of the order of £50 million in a single year. That figure is a stark reminder of the total cost involved in supporting this industry.

I know of few other industries in which losses on contracts amount to almost half of the turnover before intervention fund support. While Govan and the smaller yards have been far from immune — they have made their contribution to the losses—the greater part of the losses have been made at North-East Shipbuilders' Sunderland yards. That performance must improve against the background of the dire market conditions that I have described.

Undoubtedly, the most unsatisfactory aspect of British Shipbuilders' performance has been those contract losses. I must concede that, even in that case, the fault can be laid only partly at the door of the building yards. In a buyer's market for ships, in which most builders are in desperate straits, suppliers have been able to secure terms that leave the builders exposed to a considerable share of the risks of delayed delivery, unsatisfactory performance, and the costs of rectification. I am glad to say that British Shipbuilders is making great efforts to redress that imbalance. However, it is obvious that British Shipbuilders' performance during the past year has, to say the least, considerable scope for further improvement. I trust that every hon. Member who takes an interest in shipbuilding will join in wishing to see that improvement made. Their constituents must certainly understand how crucial it is to improve the performance of the yards.

The hon. Member for Dunfermline, East trailed his speech a moment ago by suggesting, in describing that great extension of borrowing and explaining where the money has gone, that I did not say enough about what was being done to sustain employment. I reject that just as earlier I rejected strongly the idea that it is nonsense to suggest that the present state of shipbuilding is in any way closely related to the policies of the Government. It is also absolute nonsense to suggest that the Government have not gone to enormous lengths to try to maintain the future of the surviving yards and to keep their employment in existence. We have expended great sums of taxpayers' money to support the corporation's efforts to find work for its yards.

I trust that Ministers agree with those many hon. Members who are present, whose constituents work in the industry, that we are all relieved to know that the

corporation has secured work, in a difficult market, which will take all its yards beyond this year and, in the case of the two major yards, well into 1989. The key orders for the 25 Danish ferries at North-East Shipbuilders and for the two, but we hope three, Chinese container ships at Govan were won with the assistance of a great deal of Government subsidy, using taxpayers' money. In the case of the Chinese order, advantage was taken of the soft loan provision that the Government are providing for trade with the Republic of China. We won those orders in the previous 12 months and the Government have put a great deal of taxpayers' money into helping those yards to try to get through their difficulties and to achieve further orders.

Dr. Norman A. Godman (Greenock and Port Glasgow): Is it not a matter for serious regret that the closing date for the tenders for the contracts for the construction of the replacement vessel for the St. Helena service has been put back, this time by three weeks?

Mr. Clarke: As I understand it, the final date for the tenders has been put back because certain British yards that wish to tender require more time because their suppliers require more time to give the necessary details, and the holiday season is upon them. However, I hope that the St. Helena Government will be in a position to consider those tenders and will place an order later in the year. Obviously, we all hope that that date will not be too far away. The St. Helena order is one of the prospects in sight that we hope will give at least some assistance to one of those yards.

Looking ahead, the corporation now has a new chairman, Mr. John Lister. I have had the advantage of meeting him twice in the past few days.

Mr. Nicholas Brown (Newcastle upon Tyne, East): Before the Minister leaves the subject of intervention funding, it would be right if he told the House about the Government's attitude to intervention funding for merchant work in the privatised warship yards. The Government are encouraging British Shipbuilders to reject merchant work, partly because they have run the industry down to such an extent that it cannot undertake such work, and partly for other and more suspect reasons. Do the Government intend to deprive the privatised yards of such work as well?

Mr. Clarke: I am not sure to what the hon. Gentleman is referring when he says that we are telling British Shipbuilders to reject merchant work. I thought that the position of naval yards was well known, but I realise that it is not acceptable to everybody. The naval yards were privatised on the clear understanding that they would not receive intervention fund support for merchant orders. There are good reasons for that.

The problem that I described in the earlier part of my speech is that we have an excess capacity of shipbuilders for conceivable merchant orders. It does nobody any good, given that we expend large amounts of intervention fund money, to keep the merchant yards in the hunt for those merchant orders that exist. If we suddenly greatly expand potential capacity by giving intervention fund support to the naval yards to go for merchant shipping orders, the result would be that potential capacity would greatly increase but the market would remain the same. That would damage some of the merchant yards to which we have been giving a great deal of intervention fund support in recent years.

I have considered that policy because two hon. Members representing Aberdeen constituencies have already been to see me to press the case on behalf of Hall Russell. However, I can see no ground for changing the policy or for going back on the clear understanding that was made at the time of privatisation that intervention fund support would not be available to naval yards.

Mr. Nicholas Brown: The Minister is being disingenuous. The understanding on privatisation was not as clear-cut as he has said. If the Minister means that work which the Government will not allow British Shipbuilders to do will not be undertaken by privatised yards because the Government will not put intervention funding into those privatised yards after British Shipbuilders has said that it cannot do the work, is he saying that an entire segment of the industry will be lost to our country for good, and that our European or far eastern competitors will have a slice of the market to themselves, or he is saying that the Government will no longer support a section of the industry in this country?

Mr. Clarke: I continue to be mystified by the hon. Gentleman's reference to work that we shall not allow British Shipbuilders to undertake in merchant yards. We make British Shipbuilders work within a contract support limit that it has not yet reached. Obviously, we are interested, but we are constrained by the EEC rule on the amount of intervention fund support that we can offer to British Shipbuilders. I am afraid that I remain mystified by the case that the hon. Gentleman appears to have in mind about an order that British Shipbuilders has been told not to take and that has been driven to the far east because the naval yards cannot take it.

I repeat that it is quite clear, and known to the owners of the privatised naval yards, that intervention support is not available for merchant orders. It is common sense for us to insist on that and it is consistent with the policy that this House has supported for some years of giving intervention fund support to the merchant yards that are still having all the difficulties that I have described. The merchant yards at Govan, and North-East Shipbuilders, would be horrified to discover that we are suddenly opening up intervention fund support to allow a lot of naval yards to try to get into their merchant markets. I am not persuaded of the case for doing that.

I have already met John Lister twice during the past few days, and I know how determined he is to improve the performance of British Shipbuilders and to sustain the efforts of the corporation to create new market opportunities. He has promised a new corporate plan in the early autumn setting out the corporation's view of the way ahead. I await that with impatience and I shall consider it with care. Meanwhile, as a result of the Bill, Mr. Lister will know that we propose that he should have the headroom within which the business can survive and be financed. To give added reassurance to hon. Members with shipbuilding interests, I can tell the House that I have agreed that the British Shipbuilders external finance limit for 1987-88 will be £118 million.

The external finance limit is the limit on cash, either in the form of borrowing or intervention fund support, within which the corporation must try to operate this year.

[Mr. Clarke]

I trust that the House will appreciate that £118 million is a considerable figure. It is a very substantial increase over the existing provision, and I am satisfied that it is a necessary increase. It represents nearly £20,000 for each employee of the corporation over the year. I hope that we shall not continue to hear from the Opposition that the Government are not doing enough to support the industry and the employees of British Shipbuilders. But it must be obvious to everyone of common sense that all the figures that I have mentioned are far too high. The corporation must reduce its costs and continue to improve its performance.

Merchant shipbuilding continues to face unprecedented market difficulty. The Government have always accepted that the industry needs substantial support if it is to have any chance of survival. The new external finance limit signals the limit on cash within which the corporation must try to operate this year. But its continued operation beyond the end of this month depends upon an increase in its limit on borrowing, as provided by the Bill. Its continued survival depends, above all, on its ability to continue to win orders in a crowded market and to improve its performance and justify the huge finance which the Government and taxpayer are putting forward.

I commend the Bill to the House.

5.42 pm

Mr. Gordon Brown (Dunfermline, East): On behalf of my colleagues and myself, it gives me great pleasure to welcome you, Madam Deputy Speaker, on taking up your duties in the House. It gives us special pleasure, not just because of the personal qualities that you bring to the job, but because you are the first woman Deputy Speaker from the Labour party. We look forward to working under your chairmanship in our debates.

I welcome the Chancellor of the Duchy of Lancaster to his first debate on shipbuilding. I also welcome the Under-Secretary of State for Trade and Industry, the new shipbuilding Minister, who will reply to the debate. During the past four years we have had four Secretaries of State for Trade and Industry, who are responsible for shipbuilding, yet we have had three shipbuilding Ministers during the past nine months. I hope that the new Minister will not take it amiss if I recall that the maiden speech of the previous shipbuilding Minister in December last year turned out to be his valedictory address on the issue. If we had had as many new orders as we have had new shipbuilding Ministers, the industry would have been in a much better position.

As the Chancellor of the Duchy of Lancaster said, this is more than a debate about the technicalities of the Bill; it has become a debate about the general state of shipbuilding. The main point that we wish to make is that Britain used to have 25 per cent. of world orders, but now it has only about 2 per cent. The privatisation of many yards has led to rationalisation and, in some cases, the elimination of shipbuilding in our communities. Half of the yards that have closed in Europe during the past 10 years have closed in Britain, and half of the merchant shipbuilding jobs that have gone have gone in Britain. Therefore, we need more than just a new British Shipbuilders (Borrowing Powers) Bill; we need new measures to protect and to advance shipbuilding, and a new commitment to winning orders for the rest of the 1980s that will bring new hope to our shipbuilding communities.

This summer is the 10th anniversary of the creation of British Shipbuilders. During those years, 70 yards and facilities have become only seven and a work force of 80,000 has become one of fewer than 6,000, and, despite what the Minister says about what is happening elsewhere, Britain more than any other European country or any of our international competitors in the far east has suffered the lion's share of job losses in merchant shipbuilding. Other European Community countries have suffered losses of 30, 40 and 50 per cent., but during the past eight years we have suffered losses of 300 per cent. in our shipbuilding work force. The Minster must answer this question: why does Britain — a merchant shipbuilding and trading nation — with most to gain do least while other countries with least to gain do most to protect their industry?

During the past few months, we have seen the end of engine building at Clark Kincaid at Wallsend and the closure of Smith's Dock. My hon. Friend the Member for Redcar (Miss Mowlam) will wish to catch your eye, Madam Deputy Speaker, to mention her fears about her area. Despite the success of North-East Shipbuilders in winning the order from Denmark and the success of Govan in winning the Chinese orders, those yards will still be running at about 70 per cent. capacity as a result of the redundancies in April this year.

There should be no further cuts in capacity in the industry and no further job losses. The Government should take the necessary action to sustain merchant shipbuilding, not least because about two years ago the former shipbuilding Minister, now the Financial Secretary to the Treasury, said

> "British Shipbuilders now employs less than 12,000 people in merchant shipbuilding and engine building — that if it declines much further it will simply disappear. The road runs out."

During those two years, the work force has halved. If the Minister does not take action to protect the industry, Britain will be without a merchant shipbuilding industry worthy of its name.

Will the shipbuilding Minister tell us what is happening about the orders in the several areas in which British Shipbuilders is competing for business? The Cuban order could bring new jobs and opportunities, especially to North-East Shipbuilders. What has happened to the additional Danish orders for which North-East Shipbuilders is looking to sustain jobs in the area? What resources will be made available to pursue Govan's aim to re-enter the cruise ship market? At least four new orders will be placed later this year. Remembering that the QE2 was refitted abroad — something that should not have been allowed to happen — may I ask what action the Minister will take to ensure that when the Cunard orders are up for tender British yards are put in a position where they can win the orders?

What is likely to happen with regard to public sector orders? In an answer that I received this week the Minister said that, apart from the Cal-Mac order and the St. Helena ship, there are only two sets of public sector orders that are likely to be placed in 1987 and 1988. We would be grateful to know the dates when those orders are likely to be placed. I think the Minister has a responsibility to trawl

through the Government Departments to look at whether public sector orders in other areas can be advanced to sustain the capacity that is in the industry at the moment.

Will the Minister also refer to the St. Helena supply ship order? He may recall that it was in the debate last May that the decision to order the St. Helena ship, after many years of discussion, was announced. It is now more than a year since that announcement was made. We understand that the order is out to tender, but when will a decision be made that will enable at least one yard to benefit in jobs from that order, which should have been placed some time ago?

What can the Minister do to ensure that British ship owners buy British and that, as we have suggested, a task force is set up within his Department to scour the world for available orders? Will the Minister tell us something about the Government's protest to the European Commission about the Brittany Ferries order? Given that the original complaint was made by the Government to the Commission in January and given the recent statement by the Competition Commissioner that a decision was about to be made and a report issued, has the Minister been notified of the Commission's decision? If so, what action does he expect to come from what is the first case under the sixth directive and what action will he now take to ensure that, just as the French take the action that they feel is necessary, we in Britain will take the action that is necessary to ensure that British ship owners buy British, repair British and fly the British flag?

If the Japanese can say that as long as there is an ocean to sail they will build ships to sail on it, if the French can take the view that they will take what action is necessary to protect their shipbuilding industry, and if the Germans, as they did a few months ago, can make money available from their defence and regional aid budgets to ensure that orders were made available to their own shipyards, Britain, the biggest island trading nation in Europe, a nation that lives or dies according to its sea-going trade —90 per cent. of our imports and 90 per cent. of our exports go by sea — should take the action that is necessary to ensure that existing yards are saved, that there is a full order book for them and that our shipbuilding skills and communities are kept in being and not put in jeopardy. I hope that the Minister will provide the money that is necessary to sustain in this country a vibrant merchant shipbuilding industry.

5.53 pm

Miss Emma Nicholson (Torridge and Devon, West): It is a great privilege for me to make my maiden speech. As the Member for Torridge and Devon, West I have set myself the welcome task of serving my constituency better than any Member before me. That is a hard task to fulfil — some might say impossible, some might say impertinent — as I follow that much-loved former Member of Parliament, Sir Peter Mills. Peter was a rare Member of Parliament in that he was as much admired and respected in the House as in his constituency. Many hon. Members excel in their constituencies. Many dedicated Members of Parliament work all the hours that they can to look after their constituents, and earn honour and renown locally. Many other Members of Parliament shine brightly in the Westminster firmament. It is unusual to find a Member of Parliament as much admired and respected both in his constituency and in the House. Peter Mills was such a Member.

Peter Mills was an independent thinker. Although he was a loyal supporter of the Government, he did not shrink from disagreeing with the Government when his integrity demanded it. For example, he did not support the dairy inspection charge and, at the risk of incurring the House's displeasure in a future debate, may I say that he did not support the uplifting of the secretarial allowance for Members of Parliament. At the core of his work was his strong Christian faith, which I suggest helped him to overcome his recent illness, coupled with the excellence of the surgery and the nursing care that he received in Devon from the NHS and the strong support of his loyal wife, herself a former nurse. He has now entered a welcome retirement, when he will be farming.

In Peter Mills' footsteps I am proud to represent a truly magnificent constituency, where the beauty of the countryside is excelled only by the outstanding people who live there. We encompass much of Dartmoor, our great national park. Surely the term "an area of outstanding natural beauty" must have been coined by someone while standing on Dartmoor. Preservation and conservation of those areas for visitors and residents to enjoy, and for wildlife to flourish in, is close to my heart. However, visitors bring traffic, and we have heavy transport locally. I welcome with relief the Okehampton bypass which my right hon. Friend the Secretary of State for Transport will open on Thursday next. It will bring income generation, not just to my constituency but to constituencies in Cornwall. For that reason, I will be urgently pressing for the widening of the next stage of the A30 leading to Cornwall, lest we create more vast bottlenecks to thwart our tourists and our local trade.

The impact of road development on the surrounding countryside was much discussed in the House and the other place in the debates on the Okehampton bypass. Farmers care for 70 per cent. of our countryside and, in my constituency, rural prosperity depends on the successful continuance of the small family farm. Spending money in market towns, the relative success of small businesses and large industries, and trade in pubs and restaurants all rest on profits generated by the farmer.

If we want to continue the pattern of country life that we love to see and, as holidaymakers, to visit and to enjoy, we have to help the small farmer in an era of over-production while he diversifies. Aside from tourism development — a crucial leisure industry — we have a famous rural arts community, the Beaford Centre. Last year the centre celebrated its 21st birthday. There, not to cut the cake but to unveil a tapestry woven for the occasion, was my right hon. Friend the Minister for the Arts. Perhaps his great thoughts on the use of Government funding for the arts as the fly trap to attract the spider of much greater private funding started there. The centre has some public funding, but it was begun by private foundation money. Through the very excellence of its work, it attracts the outside finance that it deserves. I strongly support the Minister's new move.

One would expect to find the arts, farming in beautiful countryside, tourism and a high retirement population in the south-west. What one would not expect to find — and the reason I speak in the debate — is shipbuilding. Appledore is no large yard. With 550 employees, it is a small yard both by world standards and when compared with other British Shipbuilders yards. In common with other British Shipbuilders yards, redundancies occurred last May. But — and I spoke with the managing director

[Miss Emma Nicholson]

yesterday no more redundancies are planned. Of the 95 people made redundant, British Shipbuilders (Enterprise) Ltd. interviewed each one with positive results: 49 have now found employment; 19 have been on or are undertaking special retraining courses; 19 have started their own businesses; and eight are being assessed now for special help. I welcome the funding provided by the Government for British Shipbuilders (Enterprise) Ltd.

Appledore may be small, but it is now stable. As a large employer in a seafaring place, it is a vital part of our community's prosperity. I welcome Appledore's successful move back into the dredger market. Dredgers have been built well and on time, and the order book is full until year end. We must give equal credit to management and the work force, as well as to the Government for their support.

Price is of prime importance in securing orders, particularly with cheaper labour forces overseas. This is where the intervention fund comes in. However, high quality work and perfect timing matter just as much and that is why Appledore has secured orders for three ships over the past two years from just one owner, ARC Marine Ltd. I am confident that Appledore's reputation will place the yard in front when competing for further orders in the coming years.

I am particularly proud that Appledore is developing Questor, the new general purpose research vessel. That should further strengthen the yard when it finds a market. The move by British Shipbuilders into the more complex sectors of the market shows, once again, the technical achievements of our yards. I suggest that that rests upon British Shipbuilders' achievements in the new technology, particularly computer-aided design and computer-aided manufacture.

I will be seeking strongly the restoration of assisted area status that my constituency so badly needs. New software would open the door to far swifter development than we can achieve without European Community funds. In Appledore, as in other British Shipbuilders' yards, we have outstanding hardware and software, designing our ships with line drawings on screen in depth. What happens then? All of that complexity produces a punched paper tape that is carried downstairs by hand and fed into the computer-aided manufacturing mechanism and the cutting begins. That is archaic in computer terms. My industrial background lies in computers. I trained with ICI. The link between screen and cutting should be electronic, not manual.

More funding is needed for software development, funding that could come from Europe. Why allow our shipbuilders to be held back? Assisted area status holds no shame. It is a just recognition that some historic industries — shipbuilding is as old as man — cannot survive by market force alone and justify the taxpayers' suppport. That does not detract from our philosophy, which I most heartily share, that the free market is the fairest mechanism for the regulation of supply and demand and is the only mechanism that endures.

However, intervention is needed where our society wants production to continue against the market force, to boost the old and to come into the era of our sunrise industries. The building of ships and the continuance of the small family firm fall within that pattern. Intervention creates a partnership between the private and the public investor and between private enterprise and the state. The state should be able to take a dwindling role as private enterprise flourishes and grows.

I welcome the continuance of development aid, which Appledore Ferguson Shipbuilding Ltd needs now for two tenders out to the developing countries.

I support most strongly the British Shipbuilders (Borrowing Powers) Bill. It is a crucial measure which will support our yards into the 1990s' upturn of demand.

6.3 pm

Miss Marjorie Mowlam (Redcar): I begin by congratulating the hon. Member for Devon, West and Torridge (Miss Nicholson) on an excellent maiden speech. She made a convincing case for public spending and I hope that her obvious analytical and intellectual skills are not totally wasted on the Conservative Benches. Madam Deputy Speaker, may I add my congratulations to those of others and say how pleased we are to see you in your new role?

I would like to pay tribute to the previous Member for Redcar, Mr. James Tinn. Jim Tinn is a quiet man, well respected in the House and the constituency for the work that he has put in over 23 years representing the people of Redcar. I wish him well in his retirement. I would like to pay tribute to another Member from Teesside, Ellen Wilkinson. She made her maiden speech over 60 years ago, when she was the only woman on the Opposition Benches. She spoke powerfully about the problems of women in low-paid jobs, about the inequalities in widows' benefits and about the difficulties of the long-term unemployed. We are fortunate now to have 21 Labour women on the Opposition Benches but, sadly, many of the issues that Ellen fought for are still high on the political agenda today. Above all, she was a practical woman who liked to see things done. She liked to get results and I feel that I will have deserved the votes and support of the people in Redcar if I can work with the same energy and commitment as she did.

This debate, the Second Reading of the Local Government Bill earlier in the week and the Gracious Speech have a common theme — the theme of division. There is the division between British shipworkers and those in Korea, the division between the north and south, the division of inequality and even the division between central and local government. However, there is another division which is in some ways greater than those I have mentioned — the division between fantasy and reality. There is the fantasy of the Government who believe that they understand the problems of this country and know the solutions to them and then there is the reality — the day-to-day reality that working people have to live with.

The Government seem impelled by their own fantasy. They do not try to understand the real world. Nowhere are Government fantasies made more clear than in the legislation that they have proposed so far in this Parliament. I have always thought that censorship is a difficult and a complex issue but, having read the obscene fantasies in the Government's legislation, I am beginning to change my mind.

I shall begin with the Minister's fantasy this afternoon. He said that the problems faced by British shipbuilding in the past 10 years had nothing to do with the Government's policies since 1979. He suggested that we should face the facts of the world market. The reality, as the people in my constituency know, is that if there had been intervention

funds and if there had been British orders for British firms, the position of Smith's Dock would have been thoroughly different. Last year, 1,300 people were made jobless when Smith's Dock closed. The dock was efficient even by the present Government's standards. It was efficient in that it had a superior computer-aided design and manufacture system. It was efficient in that it had the latest modular construction techniques in addition to the best labour relations in the past 20 years of many of the shipyards in Britain. The saddest thing, as my hon. Friend the Member for Dunfermline, East (Mr. Brown) mentioned, is that there was the possibility that multiple cargo ship carriers from Cuba would be placed at the dock, but the closure made that impossible.

The saddest task that I face in my job as the hon. Member for Redcar is dealing with Smith's Dock park. That is the only piece of British Shipbuilders land left in the area. It consists of four football pitches and two cricket pitches that we are desperately fighting to keep in the constituency so that the ex-dockers living in Southbank, Grangetown and Dormanstown have something to do in their leisure time, along with the other 22·5 per cent. of people on Teesside who do not have a job to go to.

The picture of what the closure of Smith's Dock has done is made worse by what has happened to manufacturing investment in the area in the past 10 years. On Teesside, 32,200 jobs have been lost. A total of 9,000 or so of those were in oil and chemicals, 17,900 were in metal, primarily steel, and 6,000 were in shipbuilding. That picture is not complete, because one has to add the jobs that have been lost in the past eight years in construction, which amounts to a further 10,600.

People should sit and think about that. A total of 42,000 jobs in Teesside have been lost in the past 10 years, and that is without going into the detail of the skill base that has been disappearing, the lack of training opportunities for young people and the impact that that has had on the secondary economy, be it shops or small businesses. That is the reality of what has happened in Redcar in the past 10 years.

Mr. Michael Fallon (Darlington) *indicated dissent.*

Miss Mowlam: The hon. Member may shake his head, but that is a small indication of his inability to understand the real world. If we are going to reinvest, repair the economy and increase the manufacturing base, we have to work with the public sector, the private sector and local government. That investment must exist in an environment that is both flexible and stable. I am sure that is what we all want and I hope that the next two years will bring that flexibility and stability.

Another Government fantasy concerns local authorities. In the Bill that we discussed on Tuesday, we were offered the fantasy that competitive tendering will in some way increase the efficiency of services in refuse and cleaning. In reality, the people of Redcar who receive or work in those services know that that change will mean more part-time, short-term, temporary sub-contracting. Services will become less efficient in the process.

Another Government fantasy concerns their proposed legislation on industrial relations. The Government have the illusion that, by introducing such legislation, they will increase democracy in the trade union movement and increase choice in industry. The reality, as the people of British Steel and ICI Wilton know even the Confederation of British Industry acknowledges it is that that legislation will not increase democracy. That legislation states that people can have a ballot they can all vote, that is fine but the Government can ignore the decision they reach. That is disfranchising people and taking away democracy. Yesterday, my hon. Friend the Member for Motherwell, North (Dr. Reid) said that the Scottish people would fight hard to keep Ravenscraig open after August 1988, the deadline that the Prime Minister mentioned at Question Time today. We on Teesside will fight alongside the people of British Steel at Ravenscraig. We certainly will not have one plant played off against another.

If any hon. Members intend to go to the races at Redcar this weekend, the only odds-on bet that they will be able to place is that, whether people work in the public sector or receive those services, the next four years will be horrendous. I hope that the Government realise that fantasies are for private indulgence and not public policy.

6.11 pm

Mr. Michael Fallon (Darlington): It is a pleasant duty to be able to congratulate the two previous speakers on their maiden speeches. I do so with some sense of depression, because the more we hear speeches of such polish and self-confidence, the more we reflect on our own inadequate efforts some years ago.

My hon. Friend the Member for Torridge and Devon, West (Miss Nicholson) spoke with eloquence and clarity, combining deep local knowledge with the subject of our debate. I believe that my hon. Friend has set herself a formidable task in seeking to follow Sir Peter Mills. However, having heard her today, we are in no doubt that she will succeed in that task.

The hon. Member for Redcar (Miss Mowlam) spoke with equal eloquence, but perhaps with even greater passion and urgency, about the problems of Teesside, and of Smith's Dock in particular. We admire her commitment. In the north-east we need such commitment if we are to promote wider understanding in this House of the deep-rooted problems that we face in the region. The hon. Member for Redcar has also set herself a formidable task in seeking to emulate Ellen Wilkinson. That will be some task, but if the hon. Member speaks on every subject with the same commitment with which she spoke on Smith's Dock, she will be listened to with great respect.

Those of us who have spoken before on similar Bills—I recall Bills of 1983 and 1986—will, of course, have a sense of deja vu. Yet again we are upping the borrowing limit of the corporation and increasing the expendable maximum prescribed under the Aircraft and Shipbuilding Industries Act 1977. Some may believe that we return to this Chamber too often to increase those limits, but I believe that it is right that we should periodically debate the problems of our shipbuilding industry. It is also right that Parliament, conscious of the fact that shipbuilding is one of our great industries, and as protector of the taxpayer, should remind itself of the problems that that industry faces.

The hon. Member for Dunfermline, East (Mr. Brown) referred, as I intended to do, to the fact that this debate falls almost exactly 10 years after vesting day. It marks the 10th anniversary of nationalisation. Therefore, this debate gives us more opportunity than the debates of 1983 and 1986 to look back over the decade since nationalisation to review progress.

[Mr. Michael Fallon]

That decade of nationalisation must be set against a continually deteriorating international background, an increasingly difficult world market for merchant shipbuilding and the fact that, in each successive year, prices are more and more depressed and orders more scarce and therefore harder to secure. The continuing depression of the world market must be coupled with the absence of any firm evidence that the serious structural over-capacity in Japan and South Korea will be reduced in the foreseeable future or that there will be any true change in the low-cost, high-subsidy regimes practised by those countries. Those regimes underpin that over-capacity. I shall return to that problem later.

Given the international situation, I believe that three points should be emphasised. First, continuing support will be required for British Shipbuilders. I am glad that the hon. Member for Dunfermline, East did not make too much of the extent of financial support provided in the past. I can think of few industries that have enjoyed such support from the Government. The borrowing limit initially set in 1977 was £250 million. Today we are being asked to extend that borrowing limit to £1,800 million. Given that there is now a work force of just over 10,000, it is now running at some £150,000 per man.

Secondly, it seems inevitable that British Shipbuilders must continue down its newly chosen path of specialisation. I hope that, however difficult the corporation's financial position may become, the product development programme will continue to be well funded. I trust that British Shipbuilders will continue to identify the niches in the market place from which added value and a sufficient return on capital can be derived.

Thirdly, there is the continuing problem of over-capacity in the international market. Obviously, as my right hon. and learned Friend illustrated, it is a worldwide problem. It is not something that the Government can tackle alone. However, I believe that we are now beginning to make some progress, at least on a Community basis. The sixth directive is now in place and I believe that the importance of that directive is not simply in establishing uniformity among the state aids that are given to various member states, but also in introducing much stricter guidelines on the transparency of financial relations between member states and their shipbuilding industries.

What I want to know from my right hon. and learned Friend is whether it would be possible for the Government to take the negotiating position that they adopted in Brussels during negotiations on the sixth directive on to a much wider forum, perhaps within the OECD. In that way we might be able to establish some internationally agreed code of transparency that would make it easier to identify the extent of subsidy within the Korean and Japanese regimes.

I will leave that suggestion with my right hon. and learned Friend, but, in the meantime, I am happy to support this Bill.

6.19 pm

Mr. Matthew Taylor (Truro): I begin my speech by congratulating three people. The hon. Member for Torridge and Devon, West (Miss Nicholson) spoke about her constituency with a calm and ease that deserves our congratulations. Many of the issues that she raised are of concern to me as an hon. Member representing a south-western constituency, the dualling of the A30 through Cornwall being one example. I hope that we shall be able to work together to achieve that aim.

I congratulate the hon. Member for Redcar (Miss Mowlam). All hon. Members must have been impressed—some were possibly a little embarrassed—that, unlike her, we did not speak entirely without notes. That deserves particular congratulations.

I also congratulate you, Madam Deputy Speaker, on taking the Chair. I hope that you will respect the importance of free debate by Back Benchers and, of course, minority parties and their role in debates.

I do not claim to represent an area in which many workers are employed by British Shipbuilders. However, I represent an area in which the Merchant Navy, shipping and boat building are important. Above all, it is an area in which we can see only too clearly the effects of the decline in shipbuilding. A great number of large boats are moored in Carrick roads in my constituency—a rusting badge of honour for the decline of shipbuilding and the Merchant Navy.

All hon. Members are united in the belief that it is absolutely necessary to continue to support British shipbuilding and to maintain it at its present level. It is clear that we must produce policies and support that will achieve that end. But I am afraid I must say that the Minister seemed to be struggling to justify his position, that he showed precious little verve or imagination to demonstrate that he saw a way of moving forward from the present situation. With the world now facing 40 per cent. over-capacity in its ability to produce ships, and Europe having only 15 per cent. to 18 per cent. of world trade, we are facing a crisis. We must decide whether we wish to continue to support the industry.

Korea and Japan are dominating the market with, frankly, Korea deliberately producing below cost, on the basis of Government subsidies and, at the same time, expanding its capacity—an expansion of capacity of about 240 per cent. over the past 20 years or so. It is possible to argue—I encourage hon. Members to examine the argument—that Korea wants the far east to take control of the world market by effectively buying out its opposition through subsidised production.

John Lister, who is newly appointed to the industry, has asked:

"How can you compete with a country that trains its army commandos to bite the heads off live venomous snakes?"

Perhaps that is an exaggeration, but it is true that we have to face up to the reality that British Shipbuilders is not suffering purely from market forces or a shipbuilding depression. It is also suffering from a deliberate and well-thought-out strategy to undermine European shipbuilding to the point at which it is unable to compete effectively and at which, once again, there is an increased demand for British ships and ships throughout the world.

Mr. Lister also asked how one can work productively under a Government that puts a man into office and tells him that his job is to

"cost them less money and prepare the group for eventual privatisation?"

Such a Government would not win prizes for motivation in the present circumstance. The truth is that it is not possible to prepare the industry for privatisation while we suffer the current cut-throat competition in world markets and the current challenges to shipbuilding in Europe. We

have seen not only three ministerial changes in the past year, but in the past four years, four chairmen of British Shipbuilders. The changeover in personnel seems to be the one growth area in the industry.

British shipbuilding is a vital industry, but we have seen a gradual depletion of the merchant fleet, with enormous trade and strategic implications and also implications for shipbuilding. It is predicted that, as we approach the 1990s, world orders for British ships will double, yet British Shipbuilders has been cut to a shadow of its former self, while Korean shipbuilding has expanded. That is why it is essential to increase borrowing powers. It is essential to maintain the basis to be able to meet the challenges of the 1990s and not withdraw from an industry that, sooner or later by its very nature, as the hulks rust away, will see a resurgence. The House does not want to face a far eastern monopoly that Europe cannot challenge and meet.

That is why, going beyond the measures that we are debating tonight, it is important that many other measures are taken to help the British shipbuilding industry. It is important for jobs and, as we have heard, for the communities that are involved, but it is also important for the country and its strategic interests.

The Government can and should look further than the limited matters covered by the Bill, towards responding, for example, to inquiries for selected product ranges that are backed by different European countries, so that, once again, the industry can gain the economies of scale that it risks losing at present. There should be more work on standardising equipment ranges in the interests of supporting shipowners and shipbuilders in their desire to compete internationally. There should be more use of the intervention fund to enable the United Kingdom to tender internationally. Therefore, it is essential to have stable exchange rates. To do that, we must join the European monetary system. I urge the Minister to approach the Chancellor of the Exchequer and forcibly argue that case on behalf not only of British Shipbuilders but of the industry in the United Kingdom as a whole.

We need to examine a tax regime that is designed to encourage the construction of new ships. We must look at a scrap and build policy to support the shipbuilding industry and modernise the aging merchant fleet. Strong pressure must come from the European Community and the United Nations to end subsidised competition against our merchant fleet and growing competition from Comecon countries. Above all—it is directly within the influence of Ministers—we must ensure that all ships that are built with public money are built in United Kingdom yards.

On top of the normal cyclical adjustments, we face a deliberate attempt to destroy the European industry. It places an obligation on the House and on the Government to rise to the challenge.

6.27 pm

Mr. Bruce Millan (Glasgow, Govan): Shipbuilding debates tend to follow the same pattern. I do not intend to go over the whole range of shipbuilding issues. They were covered comprehensively and competently by my hon. Friend the Member for Dunfermline, East (Mr. Brown). On this occasion, there has at least been a little variety in the debate. We have heard two maiden speeches by hon. Ladies. It is a pleasure to add my congratulations to those that have already been expressed to the hon. Member for Torridge and Devon, West (Miss Nicholson), who spoke of her predecessor, Sir Peter Mills, who was well regarded by hon. Members. She spoke extremely competently and confidently about the problems affecting her constituency.

I also congratulate my hon. Friend the Member for Redcar (Miss Mowlam) who spoke extremely well. She mentioned her predecessor, Mr. James Tinn, who was highly regarded by hon. Members. I particularly congratulate my hon. Friend because she made what many maiden speakers do not make—a real debating speech, and she did so with hardly any use of notes. I look forward to hearing her in many shipbuilding debates. Unfortunately, the number of Members with an interest in shipbuilding is declining all the time as more and more yards are closed. That declining number is a reflection of the dreadful experience that the industry has had.

I shall be speaking about my yard, Govan Shipbuilders. I was delighted with the Chinese order. I acknowledged at the time to the Minister's predecessor—and I am glad to acknowledge again — the help given by the Government to obtain that order. The aid and trade provision played an important part in the difficult negotiations. The main tribute for their success must go to the managing director of Govan, Eric Mackie, and various members of Govan who were part of the negotiating team. I am happy to pay tribute to them again. This is a most welcome order.

However, the order does not provide for Govan Shipbuilders a permanently secure future, or anything like it. The number of people employed there is very small. It needs continuity of orders. Most of the people employed there have been laid off. Only in the next two or three months will recruitment begin again. Even so, it will not be possible to run Govan Shipbuilders on an economic basis. Although it is an efficient yard, it cannot be run economically without a sufficient order book to keep the facilities in operation. It desperately needs further orders.

The Brittany Ferries order has been placed with a French yard, following intervention by the French Government. Govan put in the lowest tender—there is no dispute about that. The previous Minister took my view —that Govan Shipbuilders, in free and fair competition, had beaten off the competitors and put in the lowest tender with the best conditions for the obtaining of the order. What is more, there was every sign that Brittany Ferries wanted to place the order with Govan. It made considerable efforts, even when under pressure from the French Government, to put the order with Govan. However, the order went instead to a French yard following intervention by the French Government.

The British Government have taken this matter to the European Commission, rightly alleging that the French Government have breached the sixth directive. This is the first real test of the sixth directive, which was signed only in December last year and came into operation only at the beginning of this year. I had a parliamentary question on that yesterday, but unfortunately it was not reached orally. Instead, I received a written reply today, which says:

> "As a result of our representations, the Commission has informed the French authorities that any aid for the Brittany Ferries order must comply with the new shipbuilding directive and that no aid may be given without the Commission's approval."

That is all right as far as it goes, but if the order has been obtained improperly, or even illegally, I should like something to be done to have the order cancelled, the

[Mr. Bruce Millan]

matter reinstated as it was and the order placed on the basis of genuine free competition. If the directive does not mean that, I am not clear what the point of it is. The great argument for the directive, which the Ministers used at the time when we were not satisfied with the level of aid that could be obtained as the maximum under the directive, was that it had advantages in terms of transparency. We agreed that that was an improvement. This is a real test as to whether the directive can be made to stick.

What is happening? When will we get the report of the Commission? What are the Commission's powers? If the French Government do not co-operate, what will happen? Will they be taken to the European Court?

This order was extremely important for Govan. It had it snatched from under its nose mot unfairly and improperly. I demand that the Government pursue this with the utmost rigour. I hope that we will get an assurance from the Minister when he replies to the debate. I hope that the order can still be retrieved for Govan. No other British shipbuilder was involved in this, so Govan is not squeezing out a British yard.

The St. Helena order will not necessarily come to Govan Shipbuilders. Other shipbuilders are interested, including some in the private sector. However, I believe that Govan Shipbuilders has an excellent chance of getting the order. There has been a great delay in placing the order. It was first announced in May 1986 and I had correspondence with the Minister for Overseas Development on the matter in October 1986. I was told then:

"The timing of the replacement of the vessel is well advanced and we hope to be in a position to make a decision shortly."

I raised the matter in a similar debate in December 1986. The Minister said:

"The Government have decided what type of ship to recommend to the Government of St. Helena. As soon as that Government's agreement has been received, the ODA will set in motion the competitive tendering arrangements for design and construction of the new vessel in a United Kingdom yard."—[*Official Report*, 8 December 1986; Vol. 107, c. 142.]

A few days later the Minister gave details of the type of ship that the Government had in mind and said that they were setting in motion the competitive tendering arrangements. We are now seven months further on and we still have not had a firm date for when the tender procedure is to be completed and an order placed. It is not good enough for the Chancellor of the Duchy of Lancaster to say that the Government hope to place the order some time this year. The order should have been placed a long time ago, and certainly it should be placed within the next few weeks.

If the Government want to persuade the industry and the House, and particularly Opposition Members, that they care about the shipbuilding industry, here is an order directly in the Government's gift. It is desperately needed by a British shipbuilding yard. I am confident that Govan will put in a competitive tender, so I hope that the order will come to it. It will in any case come to the United Kingdom. It has nothing to do with the world situation, South Korea, Japan or anybody else. It is a public sector order and I hope that we will hear a commitment to place it soon.

Dr. Godman: The closing date for tenders for the St. Helena ferry is 25 August. Should not the period of assessment be reduced from three to two weeks so that the order can be placed as quickly as possible?

Mr. Millan: Once the tenders are made, I hope that there will be no further delay. My hon. Friend knows the story of all the delays so far. I cannot understand the dilatory way in which this matter has been dealt with, particularly as it has been raised so frequently in the House by myself and other right hon. and hon. Members. I hope that we shall get something more specific and definite when the Minister answers the debate.

6.40 pm

Mr. Bob Clay (Sunderland, North): The key to this debate is the point that has been made in every debate that I can remember—since 1983—which is that, although there may be a recession in world shipbuilding generally, this country has taken by far the greatest share of that recession in Europe, if not in the world. I can remember times when Ministers claimed in debates such as this that the Koreans were intending to cut back. Tonight, even some Conservative Members have recognised that Korea is still expanding capacity. On the last Lloyds register more than 30 per cent. of the tonnage waiting to be commenced around the world—30·2 per cent., in fact—is now held by Korea.

It is worth making the point that those of us who have persistently pointed to Korea and described its ability to undercut countries such as ours in shipbuilding have maintained that that has had to do with the nature of its slave labour economy. Those of us who were denounced for saying that sort of thing about Korea can point to the events of recent weeks there. I received a letter complaining about something that I said on television about Korea. It was from a business man who spends a lot of time in Korea. He said that it was outrageous to describe Korea as a slave labour economy:

"It is cheap and snide . . . The Koreans are a very hard-working and loyal race."

We have seen how loyal they are to the oppressive and reactionary regime under which they have suffered for so long. I hope that recent events in Korea will lead to a position in which, if we had a sensible Government in this country, we could talk to Korea about more sensible arrangements for the long-term future of world shipbuilding. That would benefit the Korean working-class as well as our own.

The Government must answer a simple question about the future of British shipbuilding. If it is true that there are now 538,000 gross registered tonnes that are more than 20 years old in what is left of the British fleet; if there are another 1,216,000 gross registered tonnes that are 15 to 20 years old; and if there are probably 6 million gross registered tonnes that will need repairing and replacing in the next 10 years, only three things can happen. That tonnage will eventually disappear, or it will be rebuilt abroad, or it will be built in this country. Even if only half of the tonnage of the British merchant fleet that needs replacing in the next few years was built in this country as a result of sensible scrap-and-build policies or other inducements—quite apart from orders such as that for St. Helena, which are in the Government's gift, or orders from developing countries—that would fill what is left of our yards to more than their present capacity. That demonstrates the disgraceful state of affairs that we are in.

Opposition Members warned for long enough that our merchant capacity was sinking to the point at which it would eventually be unable to survive. In some ways we have already reached that stage. There are already hints of the impossibility of certain orders because, if they were secured, we could not build them in British yards. That is how low our capacity has sunk.

It is a pity that the Chancellor of the Duchy of Lancaster has left the Chamber, because he specifically referred to Sunderland in his opening remarks, and to the £50 million losses on contracts over and above subsidy and intervention. He pointed his finger at Sunderland as the main culprit in that respect. Clearly, there have been problems in Sunderland. They have been symptomatic of the attitude of British shipbuilders and of the Government's lack of interest in what is going on. It is quite extraordinary that, on the one hand, the management of British Shipbuilders in Sunderland — North-East Shipbuilders Ltd. — is saying that it is still necessary to make 205 redundancies, resulting in our facing, week by week, the nervous and worrying situation that compulsory redundancies will be declared, with their inevitable consequences; and, on the other hand, the management is saying that it will need an extra 240 workers for the next six to eight weeks, including the holiday period, to come either from the existing employees in Sunderland, who will work during their holidays, or by bringing workers from other British Shipbuilders' subsidiaries, or by subcontracting. So, on the one hand, capacity is being run down with enforced redundancies and, on the other, they are talking about bringing people in from outside as subcontractors. That is a measure of the state of what is left of the industry. How on earth can the Government or the senior management of British Shipbuilders expect to have sensible industrial relations and stability in an industry that is desperately fighting for survival while that kind of insanity is going on?

I ask the Government to make inquiries at British Shipbuilders about a specific matter. Welcome as the ferry orders were in Sunderland — they were a lifeline that saved the yards there — some serious questions must be asked about what happened. The order for 25 ferries was a marvellous contract worth more than £100 million. However, at the time the order was signed we were told that the work was unsophisticated. Now we find that the standards required — 57/50 — are the highest in world shipbuilding. The management is continually saying that the programme is getting behind, and that the work content is becoming more and more complicated and that is why the unions have been forced to agree to double shift working and many other productivity measures. There is widespread feeling in Sunderland that the contract was negotiated in a way that would lead inevitably to the circumstances that I have described.

Mr. George Parker, the chairman of North-East Shipbuilders Ltd. at the time the contract was negotiated, then left British Shipbuilders in peculiar circumstances which have never been publicly explained by British Shipbuilders. He took a job with P.Z. Trading Company Ltd., which placed the order for 25 ferries with British Shipbuilders. That may be a pure coincidence, but many people in Sunderland are saying that some questions about what is happening must be answered. These events are typical of the type of arrogance, secrecy and hostility that have been displayed to the work force — a feeling that there is a game of chess to be played, rather than getting on with the job.

There has been a feeling of resentment among the work force over the continual tiers of management that they have experienced during the past few years. The turnover of managers in Sunderland in British Shipbuilders exceeds even the number of Government Ministers who have dealt with these debates, or the number of chairmen of British Shipbuilders at national level. How can one expect workers in a shipyard to feel any confidence in the future when they see managers come and go in — sometimes — extremely mysterious circumstances, and when, suddenly, contracts that were welcome turn into nightmares of double shift work and people being told to work in their holidays? Subcontracting often causes the hold-ups of which the Minister complains; work is sent out abroad, is then said to be substandard and has to be sent back abroad, and is then sent to another subcontractor. We have had a long history of that.

There must be an inquiry into the way in which British Shipbuilders has been managed. We can survive if the Government seriously examine the policies for which we have continually argued, and which have been succinctly expressed from the Opposition Front Bench this evening. We need to take advantage of the sensible policies that could be available — scrap-and-build, greater efforts towards obtaining orders from developing countries and coming to more sensible international solutions. We need a more sensible way of running what is left of the British shipbuilding industry.

6.49 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East): I can remember the considerable pride that was felt on Tyneside when Benton house was opened in my constituency as the national headquarters of the British shipbuilding industry. The north-east of England does not have many headquarters of national industries and it seems as if, since 1979, the Government have been set on closing the one national headquarters that we still have.

In a superb maiden speech, my hon. Friend the Member for Redcar (Miss Mowlam) spoke about the pain and hurt that has been occasioned in her community by the closure of Smith's Dock. Similar stories could be told by hon. Members representing constituencies in Tyneside and Wearside as well as Teesside. A lot of pain and hardship has been caused in our communities because of what has happened to the shipbuilding industry, and especially because of the Government's privatisation of the warship building yards and their cynical rundown of the merchant shipbuilding industry. That did not happen all at once in one great confrontation, but the Government chipped away a little piece each time. Then they come to the House and in debates just like this say that the industry will now be stabilised, that there is a world crisis but that at least there are some prospects for the future.

In each debate, year after year, Ministers speak less about the prospects and more about the difficulties of the current situation. I intervened during the Chancellor of the Duchy of Lancaster's opening speech to ask about intervention funding. In response he tried to imply that I was seeking intervention funding for warship yards that was justly the due of merchant yards. Nothing could be further from the truth. As my hon. Friend the Member for

[Mr. Nicholas Brown]

Redcar said, one working-class community will not try to offset its hurt at the expense of another working-class community in the same position.

If through intervention by the Minister's Department or as a result of the constraints that are put upon it because the merchant sector is now so small British Shipbuilders is refused work in a certain part of the shipbuilding industry, is it the Government's intention to allow the private yards to compete for that work with the same sort of intervention funding support that our European but not our far eastern competitors are allowed?

Mr. Atkins: Give an example.

Mr. Brown: The Minister asks me to give an example. The example that I have in mind is probably commercially confidential and I do not want to give it. The Minister grins, but it is a bit mischievous for his boss to say that he did not know what I was talking about.

I can give an earlier example, of the Santa Rosa. It is an American-owned vessel and it was offered to British Shipbuilders, not for construction or reconstruction but for outfitting. British Shipbuilders declined to undertake that work. It was then offered to Swan Hunter in my constituency but the work could be undertaken only if Swan Hunter had intervention funding. I went to see the Minister's predecessor, solely on the principle of intervention funding. I will not discuss whether the contract was commercially viable. We discussed only the issue of intervention funding after British Shipbuilders had turned down the order. I was given a rebuff and I take what the Chancellor of the Duchy said today as a further rebuff. On behalf of the shipbuilding community in Tyneside, I urge him to reconsider.

Two years ago the Government said that the future of the British shipbuilding industry lay in specialist work. They are now putting a whole range of specialist vessels outside the ability of our industry. That is a cruel, savage and terminal thing to do to the merchant shipbuilding industry, every bit as much as it is cruel, savage and terminal to do it to the warship building industry. The ability to make vessels is a strategic requirement for an island nation. For the Minister to allow a whole sector of that to vanish is grotesquely irresponsible and future generations will not forgive him for it.

My hon. Friends have spoken about the reductions that our European competitors have made, or are supposed to have made. As my hon. Friend the Member for Sunderland, North (Mr. Clay) and our right hon. Friends on the Front Bench have said, the statistics show that Great Britain has made its reductions and that our European competitors have not come with us. We have been playing cricket while others have been fighting with flick knives, and that story can be told about other industrial sectors. It is the duty of the Government to defend our interests, even if the overwhelming majority of electors in the shipbuilding communities show no intention of supporting the Government.

While we are on the European situation, I should like to ask a few questions about the European social fund. That European money is to assist communities in preparing for the hurt and damage that my hon. Friend the Member for Redcar spoke about. Such hurt and damage occurs in shipbuilding communities after the industry has gone. Requests for money from the social fund cannot be made directly by communities, but have to come from the member state through its Government. The feeling in every shipbuilding community in Britain is that the Government are not doing their bit for those communities.

Government spokesmen say that old industries must go and that new ones will come, but where are the new industries on Tyneside? They are not there and they are not on Wearside or Teesside either. The whole of the north of England has been hurt by the loss of jobs in shipbuilding and heavy engineering and has not been assisted directly by the Government through the creation of new jobs. The Government will not even go to Europe to try to obtain funds for the creation of new jobs. Financial assistance from the Minister's Department to the northern region shows a dramatic decline — it has been cut by almost half — since 1979. That is not the sort of thing that should be expected from the Government and they ought to help a region that is in difficulty because of structural changes in its industrial base.

The Government do not have just one state-owned merchant shipbuilding yard; they have two. They have the one that hon. Members have spoken about, and the one that is in Belfast at Harland and Wolff. Many of my hon. Friends who represent merchant shipbuilding constituencies fear that, in a world where yards are fighting hard for orders, Harland and Wolff is on the inside track and is not subject to the same constraints, restrictions or cuts that are visited on our communities in the north-east of England and in the other shipbuilding communities on the mainland. It may be said that Swan Hunter has a particular grudge because of the auxiliary oiler replenishment vessel, and that is correct. The Northern Ireland Office fights hard in Cabinet for Harland and Wolff and the Department of Trade and Industry has a duty to fight hard for mainland merchant shipbuilding communities. So far I see no evidence at all that it intends to do anything of the sort.

6.58 pm

Dr. Norman A. [illegible]dman (Greenock and Port Glasgow): I have two British Shipbuilders establishments in my constituency, and for that reason I welcome this Bill.

Before the Minister leaves the Chamber I should like to ask him a question about the Brittany Ferries order. Has the European Commission the power to rescind the decision of the French Government to place this order with a French yard? That is a critical question. If the French can get away with this flagrant breach of EC regulations, what kind of trust can we place in the Community in terms of a fair and reasonable shipping and shipbuilding policy? How can we expect to have a fair and reasonable system of cabotage if the French get away with this kind of behaviour?

I listened closely to the two maiden speeches that have been made. They were good speeches, delivered with remarkable self-assurance and confidence. It is evident that I have many political interests in common with my hon. Friend the Member for Redcar (Miss Mowlam). However, I have a constituency interest in common with the hon. Member for Torridge and Devon, West (Miss Nicholson) because Appledore Ferguson is situated in both of our constituencies. One is not supposed to criticise maiden speeches, but I was becoming a little concerned about the use of the name Appledore. However, as the hon. Lady said, the company is called Appledore

Ferguson. We shall have to work together to defend the interests of the highly skilled people who work for that company.

In my constituency I have two establishments, Appledore Ferguson at the Newark yard, and the marine engine makers formerly known as John G. Kincaid, now known as Clark Kincaid. Between them those firms employ fewer than 900 men and women. Kincaid employs about 500 people and Appledore Ferguson employs 320 people. Both companies are vital to the British shipbuilding industry and to the local community in particular because in the Greenock travel-to-work area, which extends slightly beyond my constituency, more than 10,000 men and women are unemployed. Male unemployment in Greenock and Port Glasgow is in excess of 26 per cent. The overall unemployment rate is about 21 per cent. Those are the Government's figures, not unofficial ones. That is a scandalously high level of unemployment.

The importance of those two establishments is accentuated by the threat of closure that is hanging over Scott Lithgow. To a large extent, that threat has been brought about by the Ministry of Defence's refusal to place an order with the yard that was promised 17 months ago in the wake of the placement of a huge order for conventional submarines with Vickers of Barrow-in-Furness. It is the view of many of my constituents and myself that the Government have acted in bad faith towards Scott Lithgow and my constituents.

On Tuesday I appealed to the Secretary of State for Defence to honour his moral obligation, which he acknowledged, to place those orders with Scott Lithgow. They would provide an essential breathing space and allow Scott Lithgow to look for other orders. I do not expect humility or political principle from this English Government, but that order must be given to Scott Lithgow; otherwise another 1,000 employees will be placed on the dole queue. Another 1,000 families will be pushed down to the poverty line because there will not be a great amount of money for redundancy payments.

Those bleak developments are made darker by the decision of the Clyde port authority to close the Greenock container terminal. That is another example of bad faith being shown to my constituents. The CPA could not run a menage, let alone an ice-cream parlour. Its marketing skills are non-existent. What was needed to protect and promote the interests of the employees of the Greenock container terminal was a superbly orchestrated, worldwide marketing exercise to bring trade to Greenock. The CPA simply was not up to the job. It did not even have the nous to go to London, where there are maritime marketing specialists of a high calibre, to maintain work at the terminal.

Have any discussions taken place between the Minister's Department, Vickers and British Shipbuilders regarding subcontract tenders for the construction of conventional submarines in Barrow? If Vickers wins the orders that it is pursuing overseas, with Government assistance, that yard, together with Cammell Laird in Birkenhead, may not have the resources and the high level of welding skills that are required, and it may have to invite tenders for subcontract work.

I assure the Minister that in my constituency there are the yards and work force to do that work. Facilities in Greenock and Port Glasgow are disgracefully underutilised and there are thousands — this is not hyperbole — of highly skilled shipyard workers who have been unemployed for some time who can do that work. If the negotiations on the subcontract work and the negotiations with foreign Governments such as Saudi Arabia were to be successful — I say this to the Minister, Vickers and British Shipbuilders — submarines could be built on the Clyde at Yarrow and Scott Lithgow. I should like to know whether those discussions have taken place.

With regard to Appledore Ferguson, we have recently had good news from the Secretary of State for Scotland — the strong likelihood of the placement of an order for a Cal-Mac ferry. One is already under construction at Appledore Ferguson. I should like to hear from the Minister that the Government are giving every support to the specialist small vessel yards, such as Appledore Ferguson, and to the one remaining marine engine builder in British Shipbuilders' stable, Clark Kincaid. Both establishments desperately need orders. I appeal to the Government to ensure that any help that they can give goes to British Shipbuilders and those two companies so that they might survive or, better still, prosper in the future.

7.8 pm

Mr. Chris Mullin (Sunderland, South): I have the privilege of representing part of Sunderland, which 30 years ago was the largest shipbuilding town in the world. At that time the Wear was lined with shipyards which had full order books. Today there is a little over 2,000 people employed there with more redundancies in prospect. Even eight years ago, when the Government were first elected, there were 7,000 men employed in the shipyards on the Wear. For every job that is lost in the yard we lose another two in subsidiary engineering industries, and that is in a town that has 27 per cent. male unemployment, and where a generation of skills are in danger of being thrown on the scrap heap.

It is being suggested tonight — no sensible person would dispute this — that the world recession is the backdrop against which we discuss this subject. That is true, but there are other reasons for the dramatic — some would say catastrophic — decline in British shipbuilding in the last decade or more. First, history records that British shipowners are less willing than our main rivals to buy ships at home. In West Germany, for example, according to the last figures I saw, about 80 per cent. of ships were built in West German yards. In France, the figure was about 90 per cent. and in Italy virtually 100 per cent. But in the United Kingdom it was less than 50 per cent. In Japan, not a single ship ordered by a Japanese company has been built outside Japan since 1947, even though it would have been cheaper for those companies to go across the water to South Korea.

History also records that even public companies have been less than willing to build in British yards. In 1983, the CEGB ordered a cable-laying ship from Korea, and three years ago Trinity House ordered a pilot tender from Korea — ships that could easily have been built in British yards.

Sunderland has an additional problem to which my hon. Friend the Member for Sunderland, North (Mr. Clay) has already referred. There is a bone-headed management in the yards in Sunderland. I do not suggest that that necessarily applies to the management of other shipyards, but in Sunderland the management is more interested in pursuing class war than in shipbuilding. It has

[Mr. Chris Mullin]

exploited the crisis in shipbuilding to inflict further humiliation on a work force that has already made great sacrifices. I give just one example. The management there is simultaneously subcontracting out work, not only to small engineering firms outside the yards but abroad, while calling for redundancies. At present it is in the process of demanding another 200 or 300 redundancies.

Very often the work that has been subcontracted out has been substandard, and many weeks of delay have been endured while those mistakes have been put right. Those mistakes would not have occurred had that work been carried out in Sunderland in the first place.

It has been said that British yards should concentrate on high technology and specialist ships. What then do we make of the decision by Graham Day some time ago to close the engineering and technical services only a year after new facilities for designing a marine engine had been installed? That was a crazy decision. The former chairman of British Shipbuilders, Sir Robert Atkinson, said:

"It makes my heart bleed. When they start to kill a project like that, they will kill British shipbuilding".

How right he appears to have been.

The collapse of British Shipbuilders, if that is what it has been, has been paralleled by another development in shipbuilding — the flagging-out of a large part of the British fleet to Panama, Liberia, Outer Mongolia and goodness knows where else. Half the number of ships requisitioned for the Falklands war now sail under foreign flags. Our imports and exports are now carried on ships registered under flags of convenience, manned by crews recruited in the poorest countries of the world, and entitled to none of the rights that some of us quaintly associate with civilisation. Those ships were built in foreign yards. As other hon. Members have said, as an island nation 95 per cent. of our trade is carried by sea, but very soon we shall have no ships of our own or the means to build them. That cannot make sense.

This is possibly the last chance for the British shipbuilding industry, or what remains of it. Let me commend to the Government several practical steps that they might consider. First, they should produce the combination of incentives, credits and, if necessary, compulsion to persuade British shipowners to buy British. Secondly, they should introduce the programme of scrap and build which the Tory Government of the mid-1930s produced in the British Shipping Assistance Act, which at 1935 prices gave loans of up to £10 million at interest rates of up to 3 per cent. repayable over 12 years on condition that two tons be scrapped for every one built. In Sunderland the result was a fourfold increase in tonnage launched on Wearside in the space of only two years.

We should also take a leaf from the book of the United States—that home of market forces so much admired by many Conservative Members — and look at the provisions of the Jones Act, under which all domestic coastal traffic in the United States is restricted to United States vessels, under which 50 per cent. of all Government cargoes must be carried in United States vessels, under which all military cargoes must travel in United States vessels, under which 50 per cent. of United States grain exports must be carried in United States vessels, and under which 75 per cent. of grain food aid must be carried in United States vessels. What is to stop us taking similar steps?

Ministers should use whatever influence they have with the management of the two yards that remain in Sunderland to ensure that the workers are treated decently, to stop contracting out and to ensure that the work available is given to those who have given their lives to the industry. If we do not take some of these steps, we shall not have a debate such as this in a few years' time, because no shipyards will be left.

In a debate on exactly the same subject not so long ago, the former right hon. Member for Taunton, Sir Edward du Cann, said:

"During my time in the House I have watched the decline of many manufacturing industries and the extinction of others —motorcycles, television, radio, optical instruments, motor cars and so on. Too many have declined and too many have gone. We choose many fancy words to describe the process —and rationalisation is one. To me, it has been a history of industrial disaster . . . Future generations will never forgive us if we do not say that this process of attrition in British manufacturing industry has gone far enough. It is time to cry halt."—[*Official Report*, 21 May 1986; Vol. 898, c. 422.]

I and I am sure many other hon. Members echo those sentiments in relation to the shipbuilding industry.

7.17 pm

Mr. Tony Worthington (Clydebank and Milgavie): This has been a debate of much misery, and no hon. Member has brought much cheer to it. I cannot pretend that what I shall say will be any different, because what has happened in my constituency is a reflection of what has happened in the country generally.

Twenty years ago, the QE2 was launched on the Clyde at Clydebank, and we knew at the time that it was the end of the era of sophisticated passenger liners. But we did not realise that it looked like being the end of an era for British shipbuilding. Unless the Government act with a coherent policy, it is difficult to foresee any shipbuilding persisting on the Clyde in 20 years time. Unless some action is taken, Clydebank's last tenuous connection with shipbuilding is likely to disappear shortly with the mothballing of the UIE shipbuilding yard—where the QE2 was built—as there is no work on the horizon.

That is tragic on two counts. First, there can be no area more famous for shipbuilding than the Clyde, and within that area no yard more renowned than that of John Brown, where all the Queen liners were built. As a result, a town that came into existence as a result of shipbuilding looks like losing its raison d'etre.

The second and much greater tragedy is that nowadays we talk not about a dinosaur industry but about a rig-building industry — which, as the hon. Member for Torridge and Devon, West (Miss Nicholson) said earlier, is a sunrise industry. The yard has so adapted its methods and technology as to be universally admired. It is a yard in which last year the Queen launched a rig that is at the forefront of this frontier technology. Unfortunately, on the Monday after the launch, UIE and Bouygyes, the French owners, began laying off the work force, which has resulted in the fact that after the annual holiday in Clydebank only 41 workers will be retained.

Clearly, we are only at the early stages of man exploiting the natural resources under the sea and the ice caps. It will be the developed world, not the emerging countries, that provide the technology and skilled manpower to make that possible. Do we want to be part

of that world or not? With the present policy — or lack of policy — Scotland and the United Kingdom as a whole will not be part of that world.

The Government are open to the justified criticism that they have squandered the resources of the North sea on bearing the cost of unemployment. They will now be open to the charge of squandering the technology and skills developed in the exploitation of the North sea by allowing the firms that responded to the challenge to disappear. If we allow UIE and other yards to disappear, we shall be throwing away an infrastructure of interlocking firms and suppliers which it will not be easy to reassemble. In UIE we have a nucleus work force with those essential skills, but it is rapidly being broken up. We also need to maintain research and development connections with places such as Glasgow and Strathclyde universities.

What can and should be done? It is not enough to say that it is all woe. First, the skills of the work force could be nourished if the Ministry of Defence work was used much more constructively — not necessarily in the UIE yard but at neighbouring yards such as Yarrow. If we are supposed to be keeping a 50-warship Navy, why is the Ministry of Defence so remiss in keeping up the schedule so that there is planned work ahead?

Labour Members may bitterly regret the work on Trident. We wish that we had won the election and persuaded the country to renounce those missiles. But if that work is to go ahead, submarine pens will need to be built at Faslane, and Scott Lithgow could be competing. However, the Government do not seem to realise the importance of keeping those skills together.

What is the attitude of the Department of Trade and Industry, the Department of Energy and the Scottish Office, whose representative I am glad to see today, to shipbuilding and rig building. Surely those activities cannot be left to short-term market factors. Strategic decisions need to be taken. My hon. Friends the Members for Dunfermline, East (Mr. Brown), for Sunderland, South (Mr. Mullin) and for Redcar (Miss Mowlam) referred to that. As a maritime nation, we cannot simply allow our merchant fleet to decline into nothing. We must take policy decisions about scrap and build. We cannot allow flags of convenience to rule the waves. We must step in and say, "This is simply not adequate."

What is the stance of the various Government Departments about UIE and oil exploration? How do they envisage the industry developing? Do they want it to have a future? We know that we cannot leave these matters to short-term market forces if we are to be part of the future that the exploitation of the earth's resources will create, but it seems that the Government are doing exactly that.

In all that I have said I have only echoed the report of the Select Committee on Energy, which said that the depressed rate of activity in the North sea would weaken the British offshore supplies industry so much that it would be unable to take advantage of a resurgence in activity if oil prices recover in the next few years.

The problem is not peculiar to the traditional shipbuilding industry. The Government are also remiss about parts of the industry where they have encouraged development. I challenge the Government on their policies on the exploitation of the world's maritime resources. Are they going to formulate a coherent policy so that we can share in the future, or are they going to sit on their backsides?

7.24 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Robert Atkins): It is with some trepidation that I rise at the Dispatch Box to wind up this debate as, in the past, my interventions from a sedentary position have amused the House on occasions. I know that I am now a target and that hon. Members may do the same to me.

I congratulate the hon. Member for Dunfermline, East (Mr. Brown) on his success in the shadow Cabinet elections and I congratulate Madam Deputy Speaker who graced us with her presence earlier.

As one whose family have worked as shipwrights in the Royal Naval dockyards in Kent and Devon continuously for more than 100 years, I have more than a passing ministerial interest in the shipbuilding industry. I hope that the remarks made about the number of changes of Ministers will not apply to me — at least in the foreseeable future. It is particularly worth while to hear so many Members speak with real knowledge and experience of the industry.

I hope that the House will join me in paying compliments to the two maiden speakers, who, in this case, were literally maiden speakers, if I can put it that way. The speech of the hon. Member for Redcar (Miss Mowlam) was eloquent and forceful, and we welcome her to the House. I agree with those hon. Members who admired her courage in speaking without notes, because I cannot.

I am particularly grateful to my hon. Friend the Member for Torridge and Devon, West (Miss Nicholson) for participating in the debate. We are delighted that she has done so. She spoke glowingly of her constituency, which is obviously extremely beautiful, and of her predecessor, Sir Peter Mills, who is well known to the House. We wish him a happy retirement. My hon. Friend referred to Appledore Ferguson in her constituency, which plays a vital part in local industry. We welcome and thank her for her contribution.

This debate has highlighted the concern felt by us all about the shipbuilding industry. We have had wide-ranging discussions and heard a number of views, although perhaps our conclusions will be different. I could spend a lot of time answering the points that have been raised, but, with permission, I should like to deal with only one or two and write to hon. Members on the detailed points.

The hon. Member for Dunfermline, East raised some points that can be answered reasonably quickly. He asked about the St. Helena order. I understand that the tender has been issued and bids need to be in to the consultants by 25 August. Therefore, the matter is now advanced although it has been delayed for some time — *[Interruption.]* We shall encourage it as far as we can.

As hon. Members may be aware, the Cuban order has been put on ice. British Shipbuilders is now negotiating on a new specification, and it seems that the new order is some way off.

A number of hon. Members, led by the right hon. Member for Glasgow, Govan (Mr. Millan), referred to the Brittany Ferries order. That is a complex matter, and many hon. Members may not be aware of the detail of it. It is worth pointing out that Brittany Ferries is a company of complex structure, but that essentially it originates from and is owned by French farmers in Brittany. The yard to which the French hope that the order will go is, practically

[Mr. Robert Atkins]

speaking, owned by the French Government. If one adds to that the fact that the French Industry Minister represents a nearby constituency, it becomes clear that the pressures on Brittany Ferries have been substantial.

I agree that it appears that Govan expected to get the order, but I am led to believe that the Dutch were not out of consideration and that it is likely that the aid that they offered is considerably less than that offered by us. Clearly, therefore, the pressures on us are substantial.

I understand that the European Commission is examining the aid packages offered by all members states which have tendered for the order. We expect the Commission to decide shortly—possibly next week—to open formal procedures under article 93 of the treaty of Rome. Until that process is complete, no aid may be given. We have pressed and continue to press the Commission to act decisively. The Commission has power to prevent aid being paid or to require its repayment, if illegal, but it does not have power to frustrate a contract. We shall pursue the matter as forcefully as we can. The Commissioner concerned is sympathetic to our pressure and I hope that in due course I shall be able to write to hon. Members concerned in considerably more detail. The House should, however, be aware of our great concern about this matter.

The hon. Member for Dunfermline, East referred to foreign orders. He and all those closely involved will know that at present foreign orders are few and far between. If every shipbuilding country sought to keep its own orders in its own yards, as it is understandably suggested that we should, there would be even fewer orders and the whole situation would become worse. On the hon. Gentleman's other questions, perhaps he will allow me to write to him so that we can get the facts clear and right as they develop.

My hon. Friend the Member for Darlington (Mr. Fallon) called for an international investigation into transparent subsidies. The idea makes considerable sense. I will ensure that it is considered and will write to him in due course.

The hon. Member for Greenock and Port Glasgow (Dr. Godman) will appreciate that the matters that he raised are largely for the Ministry of Defence. I have heard him raise those matters before and I have no doubt that the Ministry of Defence will be hearing of them again. The hon. Gentleman will know that Clark Kincaid is building engines for the China ships, and if we get the third order it will provide work until 1989.

With regard to management and organisation, the hon. Members for Sunderland, North (Mr. Clay) and for Sunderland, South (Mr. Mullin) will understand that I have not yet had the opportunity to investigate the details. We expect to receive the corporate plan from Mr. Lister in the autumn. We shall then review the position in detail.

The hon. Member for Clydebank and Milngavie (Mr. Worthington) raised matters which are largely the concern of the Department of Energy and of the Treasury. I am sure that he will continue to make those points where they need to be heard.

As I understand it, the essence of the criticisms directed at the Government are, first, that we lack a co-ordinated policy and, secondly, that we have not done enough. Some Opposition suggestions, such as the idea of a task force, need to be considered. The Opposition have called for a coherent policy toward shipbuilding. We believe that we have such a policy, first, in the co-ordination of a maritime and shipbuilding policy and, secondly, in the timing and volume of public sector orders. The Opposition will be aware that public sector orders are few and it makes little sense to order in advance of need, because, by the nature of budgets, other activities are bound to be displaced. Nevertheless, there are some orders and they undoubtedly help.

Building is now going on of a research ship for the Ministry of Agriculture, Fisheries and Food, a fisheries protection vessel for the Scottish Department of Agriculture and Fisheries and a larger ferry for Caledonian MacBrayne. Orders will be placed this year for another Caledonian MacBrayne ferry, a small ferry for the Shetlands and the St. Helena ship. Two small ferries for the Orkneys will come next year. A task force could do little or nothing to alter the number and timing of those orders.

With regard to aid and financial packages to support our export orders, we have already done quite a lot, particularly in relation to China, to which the right hon. Member for Govan kindly referred as something that we have achieved with some pressure.

I congratulate the hon. Member for Aberdeen, North (Mr. Hughes) on his elevation to an important position on the Opposition Front Bench. With regard to Korea, I had intended to refer to a rather delightful quotation, but the hon. Member for Truro (Mr. Taylor) pinched it. I shall not repeat it, but it sums up the view of many Members.

Another point worth remembering about the idea of a task force is that it is irrelevant to the ordering needs of United Kingdom owners. They have to face difficult world conditions, and if they are not free to choose where to build the ships that suit them best they will be at a considerable disadvantage against competitors, thus putting other British jobs at risk. As it happens, their recent ordering record is quite good. Some 70 per cent. of compensated gross tonnage ordered for registration under the United Kingdom flag in 1986 was placed in United Kingdom yards. If we forced United Kingdom owners to buy here, what do the Opposition imagine would happen if other countries did the same?

Our policies coincide with those of the European Commission, which provides the framework for merchant shipbuilding support. The new sixth directive, to which Members on both sides have referred, is much better than its predecessors. We recognise the problems with the French—from my former incarnation in relation to the aircraft industry, I know only too well how difficult the French can be—but we shall make certain that the Commission ensures that aid is fair. Hon. Members on both sides who have shipbuilding interests and know the issues well must not press me on the ingenuity with which we sometimes interpret the rules, as that would not be in anyone's interests.

British Shipbuilders has experienced great difficulties in recent years and it continues to do so. There are three main reasons for this. First, there have been delays and alterations in specifications for orders received. Secondly, as we have heard in the debate, there have been customer failures. Thirdly, there has been poor performance in a variety of areas. As I have said, there is a new chairman—Mr. John Lister—and we await his presentation of the corporate plan in October or November this year. We shall consider that plan carefully and in due course report to the House.

This has been an interesting debate. I have learnt a great deal today and I shall continue to learn more. In the meantime, the Bill provides financial scope to fund British Shipbuilders for a further period, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House. —*[Mr. Kenneth Carlisle.]*

Committee tomorrow.

British Shipbuilders (Borrowing Powers) Bill

[Money]

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the British Shipbuilders (Borrowing Powers) Bill ("the Act"), it is expedient to authorise—

(a) any increase in the sums payable out of the National Loans Fund, the Consolidated Fund or money provided by Parliament under the Aircraft and Shipbuilding Industries Act 1977 which is attributable to provisions of the Act raising to £1,550 million the limit imposed by section 11(7) of the said Act of 1977 and authorising the Secretary of State to provide by order for that limit to be increased or further increased up to a maximum of £1,800 million; and

(b) the payment of any sums into the National Loans Fund or the Consolidated Fund. —*[Mr. Kenneth Carlisle.]*

Dartford-Thurrock Crossing Bill

Order for Second Reading read.

7.37 pm

The Minister for Roads and Traffic (Mr. Peter Bottomley): I beg to move, That the Bill be now read a Second time.

The Bill is before the House to authorise the construction of a new bridge across the Thames between Thurrock and Dartford, to take the existing two tunnels into the national road network, and to provide for the arrangements for financing the work.

The history of legislation on this subject began in 1930 when the construction of the first tunnel was opposed on the ground that a steel bridge would be a better solution, especially as it would help employment in the north-east. There are now two tunnels, providing two lanes of traffic in each direction. They form the link between the M25 to the north and south of the river. The tunnels are owned and operated by Essex and Kent county councils. With the coming of the M25, the councils and others became concerned about the adequacy of the crossing and the Government commissioned a study of the problem.

In 1985, the consultants' report predicted that in the early 1990s there would be serious congestion at the tunnels. The tunnels themselves would be the real problem, not the need to stop and pay a toll. The 24 toll booths now operating can cope efficiently with the highest possible flow of traffic across the Thames at this point. In 1985-86 the average daily traffic at the tunnels was 60,210 vehicles. With the completion of the south-east part of the M25, it was predicted that the average would rise to 67,500 in 1986-87 and 77,500 in 1990-91. In practice, the daily average last year was 69,000, despite the abnormal weather in January. The latest figures indicate a further increase. The daily average for April to June this year was more than 75,500 — a 9 per cent. increase over the corresponding months in 1986.

These figures reflect the success of the M25, which is keeping traffic out of London and off unsuitable local roads, and the economic growth we are experiencing due in part to this Government's prudent management of the economy. Extra capacity across the Thames is needed urgently. The Government have recognised the need and taken the action which results in the Bill before the House today.

When my right hon. Friend the present Secretary of State for the Environment appeared in July 1985 before the Select Committee on Transport, he suggested that urgently required infrastructure of this kind — "infrastructure" is what my right hon. Friend the Prime Minister and I call roads and bridges — might be provided by the private sector.

Mr. Roger Moate (Faversham): And tunnels.

Mr. Bottomley: Tunnels as well, but we are going for a bridge this time. Although the Committee disagreed with us on the merit of tolls, it noted with approval my right hon. Friend's suggestion and urged him to investigate it.

Guidelines to intending promoters were published on 3 March last year. We left it to bidders to propose the appropriate engineering solution and asked for bids based on both public and private finance. Proposals for nine engineering projects from seven promoters were received by the closing date, 31 May. After careful examination of

[Mr. Bottomley]

the bids, on 29 September my right hon. Friend the then Secretary of State for Transport announced that the proposals of Trafalgar House to build a bridge with private finance, recovered from tolls paid by users, had been selected. To carry out its proposals, Trafalgar House and its financial backers formed a company, Dartford River Crossing Ltd., with which the Secretary of State concluded a concession agreement on 9 April.

The bridge will carry four lanes of traffic southbound. The tunnels will then take all the northbound traffic. The bridge will be built just downstream of the present tunnels. Its main dimensions have been agreed with the Port of London Authority, which is responsible for navigation in the river. At approximately 450m, the main span will be one of the longest in the world for a cable-stayed bridge. We calculate that 5,000 man years of work will be provided, much of it in steel production and fabrication in Scotland and the north-east of England. DRC and the construction companies, Cementation Ltd and Cleveland Bridge and Engineering Ltd, have agreed a price of about £86 million, at October 1986 prices, for the design and construction of the bridge.

We selected this project for a number of reasons. It offered an earlier solution to the problem than any other project. Its construction and predicted maintenance and operating costs, taken together, were lower than the other proposals submitted. The major financial risks would be borne by the private sector, which would relieve the road programme of the burden of paying for it. In this instance, we can use the money for other urgently needed road improvements. This reduces the risk of delay to the many schemes due to start in 1988-89 including, for example, the A1 Dishforth interchange and the A42 north of Castle Donnington, and the important bypasses of Robertsbridge on the A21 and Eye on the A47. These advantages could be obtained without extending the period during which tolls needed to be charged significantly beyond what would have been needed to recoup the cost if the project had been built and tolled in the conventional way by the Department. It does not make sense to have a bridge in one direction operated by one management and tunnels the other way run by a different body. We propose to take the tunnels into the national road network and lease them to DRC to operate them jointly with the bridge.

I pay tribute to Essex and Kent councils, which have done excellent work for 50 years or more in getting these tunnels constructed and managing them with prudence and considerable success. We have assisted with grants for the 12 new toll booths and for widening the approach roads, but it is the councils and their staff that deserve most of the credit. The tunnels, which provide an essential link in the M25, should now be made a national responsibility. The counties accept this. They have been pressing us for some time to take this step, provided they are not left with residual liabilities. The Bill achieves that.

The arrangements for financing the new crossing, the remaining costs of the tunnels and costs of maintenance during the toll period are innovative. DRC will finance expenditure which is not met from revenue by borrowing privately. The Bill proposes that it should be authorised to take tolls for a maximum of 20 years. Tolls should start at their present levels and be linked to the retail price index. If the revenue from tolls pays off DRC's costs within the 20-year period, the Bill requires the Secretary of State to bring the toll period to an early end. We expect that to happen. On present assumptions, tolls should cease 14 to 15 years after the crossing is transferred to the Secretary of State.

DRC will not pay dividends on its small equity capital of £1,000. The Trafalgar House construction companies will look to make a profit from the agreed price DRC is to pay them for building the bridge. They have taken on the major risks — costing of the design, delay in completion and unforeseen ground conditions — associated with this kind of project. If they have misjudged these elements, they will see their expected profits reduced. If costs go up for those reasons, the motorist will not have to pay for the increase through tolls. The lenders will receive the return specified in their loan agreements with DRC, but only if DRC's revenues are sufficient to meet them.

The roads on either side of the tunnels are not part of the M25. During the preparation of the guidelines to promoters, it became clear that works to widen these approach roads to four lanes each way would be essential if we were not merely to shift the congestion problem at the crossing further down the road. We have kept the works in the Bill to the minimum necessary. The cost of the work to the approach roads will be met from the road programme, not from tolls.

I think that the House will agree with me that the Government have acted quickly in planning for increased capacity at this important crossing of the Thames. This will be good news for the many people who use the crossing. They would like the crossing to be toll-free. I remind the House of the debate initiated by my hon. Friend the Member for Faversham (Mr. Moate) three years ago when some of these issues were considered at length by hon. Members, including me.

Mr. Robert Hughes (Aberdeen, North): What did the hon. Gentleman say?

Mr. Bottomley: I went both ways, a bit like the Leader of the Opposition at Prime Minister's Question Time today, sitting like a poached egg on a barbed wire fence and dribbling down both sides rather inelegantly.

The Government reviewed policy towards tolls last year in the context of a well-researched report from the Select Committee on Transport which advocated the abolition of tolls on crossings forming part of the motorway and trunk road system. In our response we rejected this. While acknowledging the special problems of the Humber bridge board, the Government believe that, in general, they should not write off or discharge the debts of the tolled crossings because tolls are not unfair and because there are more pressing demands on public funds. We think that, where a crossing offers a substantial time and cost saving to users, and the existence of tolls would not cause congestion elsewhere or diversion to unsuitable roads, it is reasonable for users to contribute directly to the cost through tolls. What is more, the provision of a crossing free from tolls would interfere substantially with the rest of the roads programme.

We are faced with this choice and so is the House in considering the Bill. Would it be better for the motorist who uses the crossing to avoid increasing delays and inconvenience by paying a modest toll for rather longer than previously expected and for others to get their bypasses, or would it be better to do the popular thing and

abolish tolls, but have fewer resources for the road programme? I am satisfied that levying tolls here is the more responsible and reasonable course.

The fact that the Dartford crossing is to be privately financed demonstrates that infrastructure provision need not be a matter for Government alone. We are keen to encourage initiatives by the private sector for adding to the level of transport infrastructure whenever this is the most cost-effective way of providing it. The private sector has the opportunity to come forward with proposals for other projects. On a smaller scale, we are also interested in co-operating with the private sector to improve road access to new developments where this can be done safely.

I turn to the Bill's provisions. A Bill is essential to carry out our intentions. No one can levy tolls on a highway without the approval of Parliament. We need a new tolls regime covering the tunnels and the bridge as a combined crossing. We must also repeal the powers and obligations conferred on the councils by the Dartford Tunnel Act 1984. We have to make clear to whom the tunnel undertaking is to be transferred and who will employ the tunnel staff. We cannot leave the counties' ratepayers to pick up the liabilities which are still outstanding from the building of the tunnels. It is necessary to confer on the Secretary of State the special traffic management powers which are necessary for public safety, particularly in respect of the tunnels, and which the Secretary of State does not possess for normal highways. He must also have power to delegate operation and maintenance of the crossing.

We are therefore asking Parliament to approve the bridge and the essential approach road works in the Bill. Some of this work could have been authorised by different procedures under existing legislation. It would be inefficient and time-consuming to ask the House to approve a Bill containing some of the necessary powers and to deal with the remainder by external procedures. We are bringing the complete package to Parliament.

In such a scheme full consultation with all those concerned is of utmost importance. At the outset, we consulted the county councils. When the guidelines to promoters were published, the local councils, Dartford and Thurrock, were kept informed. We have had regular meetings since with the counties at ministerial and official level and I have visited Thurrock and Dartford councils, in addition to contact at official level. The staff at the tunnels were told by our officials about the proposals on the day they were announced and their employers consulted the relevant unions very soon thereafter. In order to inform the public, we organised exhibitions in Dartford and Thurrock in January this year. They were well attended. My hon. Friend the Member for Dartford (Mr. Dunn) has arranged a further meeting between local residents and departmental officials. We have had extensive discussions with statutory bodies including the Port of London Authority and with private landowners fronting on to the river. We have already included in the Bill some protective provisions in schedule 7. We shall be continuing our discussions in preparation for the Select Committee. I am optimistic that we can settle all reasonable fears about the Bill. We have devoted some considerable time to consultation. It is time well spent.

I am most grateful to my hon. Friend the Member for Dartford for his continuing help. It is important to keep local authorities and local people alongside our intentions. Many unreasonable fears can be dealt with and many reasonable problems can be met with such links. Therefore, I am grateful to my hon. Friend for what he has done.

Those with an interest to be protected whom we have been unable to satisfy will, of course, have the opportunity to petition a Select Committee here or in another place. The committal motion is in the usual form for hybrid Bills. We are asking the House to set 20 July as the final date for petitions to be presented. Although that is only 10 days away, potential petitioners have had since the beginning of April to prepare a case. The time limit is therefore by no means unreasonable. We are advertising the final date for petitions locally with the provisio, of course, that the House gives the Bill a Second Reading and passes the committal motion. We have provided that the Select Committee can sit in the recess so that if its members decide that they want to sit then, they will be able to do so.

I now wish to describe the main provisions of the Bill. Much of the detail is technical and I do not want to detain the House with it unduly. If I miss points which hon. Members think I should have covered, I will try to cover them in winding up or in subsequent correspondence.

Clauses 1 to 3 authorise the construction of the bridge and the approach road works and the acquisition of land for those purposes. Fortunately, very little extra land has to be taken permanently. On that land, we need to acquire only three occupied houses, and their owners will be compensated. We have been in touch with them for some time.

The second part of the Bill, clauses 4 to 10, deals with the tunnels and the approach roads which are still run by the counties. This part of the Bill trunks the highways in the existing crossing and transfers the land in the undertaking to the Secretary of State, and the rest of the property to the person he appoints — DRC. It also relieves the councils of all the debts and outstanding liabilities related to the tunnels that they would otherwise have met from tolls. Those debts and liabilities will be met by DRC as a consequence of the relevant part of the agreement with them.

We have made provision for the 220 or so staff working at the crossing. They will transfer to DRC. The House will know that staff matters in legislation have in the past raised difficult issues. The Bill provides that staff will transfer to DRC on terms and conditions, including pensions, which will be equivalent to those they enjoy at present.

Part III of the Bill deals with the regime for tolls and the operation of the combined crossing. The tolling powers are at clause 11, revision of tolls is dealt with in clause 17 and clause 16 and schedule 6 deal with the way in which tolls come to an end.

Our intention is that DRC should take over the tunnels on a day to be appointed by the Secretary of State. That will be as soon, after Royal Assent, as everyone is ready to transfer the tunnels and to start building the bridge. The Bill provides that tolls will be levied at present rates and for present classes of vehicle. They will be adjusted to keep pace with inflation, using the tolls at 1 January 1986 as a base. Since tolls at Dartford last increased on 1 January 1984, there is a slight bonus to the motorist because two years' inflation will be ignored. DRC will stop taking tolls for itself after 20 years or when its costs are paid off, if that is sooner. That is the basic system. On present assumptions, we expect tolls to end in 14 to 15 years.

[Mr. Bottomley]

The Bill would give the Secretary of State a power to ask DRC to extend tolling for up to a year to provide a fund for the future maintenance of the crossing. He will be able to do that only if the period of extension can be fitted into the 20-year maximum period for tolling.

The Bill must also provide for what happens when tolls come to an end. At that point DRC's appointment will be terminated. All the property at the crossing will be transferred to the Secretary of State. The staff will be transferred to him on their then existing terms and conditions. All this must happen instantly, since there must be no gap in the safe operation of the crossing.

We do not expect these arrangements to fail, but the unexpected can happen. If DRC fails, the crossing transfers immediately to the Secretary of State. If, at that point—for example, because the bridge is incomplete—the Secretary of State faces costs, the Bill allows him to take tolls until he has recouped these costs. He is subject to the same maximum period for tolls, but he is allowed to come to the House just once for an affirmative resolution extending the tolling period by five years if more time is needed to recover public money which has had to be invested in the bridge. The Secretary of State is not allowed to take tolls if DRC's appointment comes to an end because he is in breach of contract.

Clause 12 enables the Secretary of State to delegate the maintenance and operation of the crossing to DRC or, when tolling comes to an end, to any person, including a local authority. It is essential, if the scheme is to work, that whoever runs the crossing has all the powers and duties to maintain it.

The remainder of the Bill is largely technical in content but I should draw the attention of the House to clauses 33 and 34, which provide for DRC's or the Secretary of State's accounts to be laid before the House, so that the House may have the opportunity to examine them.

I should say a few words about the agreement with DRC, copies of which are in the Library. It is the first of its kind. Since it is providing the finance and taking many of the risks, DRC must be allowed as much freedom as possible in constructing the bridge, running the crossing and managing the affairs of the company. Nevertheless, the crossing will be a vital part of the public road network for which the Secretary of State is statutorily responsible. The agreement gives him powers to ensure that DRC builds the bridge that it has promised to build and that any changes of plan are shown to be necessary. He can make sure that DRC maintains the crossing properly and he has powers of intervention if it does not. In return, it can expect him not to interfere with what it is doing. The agreement rightly places on DRC all the risks that it has said that it will accept. If it fails in any respect its lenders could lose a lot of money. Equally, there are risks which I cannot expect it to accept and which will be borne by the public purse. An example would be a structural defect in one of the tunnels, which it did not build. I hasten to reassure the House that we have no reason at all to suspect that any such defect will become apparent. This is not the time to give a detailed description of the agreement. I expect that there may be discussion of it in Committee.

We bring before the House a solution to a problem which must be solved urgently. The scheme is novel and we have acted quickly and decisively to present it to the House. I am convinced that, taken as a whole, it offers the taxpayer and the motorist a good deal. I commend the Bill to the House and I trust that it will receive as swift a passage as possible.

7.58 pm

Mr. Robert Hughes (Aberdeen, North): Perhaps I should set hon. Members' minds at rest by making it clear that the massed ranks of Opposition Members will not oppose the Bill this evening. However, as the Minister said in his opening remarks, there are a number of issues of principle which apply not only to the financing of this project, but which extend over a wider range.

I cannot remember a time—indeed, this is probably the first time—that the Government have proceeded with an entirely private-sector financing of what is essentially a public works project. We need to know how far that precedent will be followed in the future. There were vague hints in the Minister's speech that some other innovative or novel procedures might be followed in the future. He said that it was up to the private sector to come forward with different solutions, and perhaps that includes approach roads in various places. However, it is clear that the intention of the precedent set in the Bill is that more and more public sector works will be wholly financed by private sources. Will that policy apply only to bridges and tunnels, or will it be extended to road building? Will some of the bypasses not mentioned by the Minister today, or not yet on the programme, be built by the private sector? We must know what the strategy is and not operate on a purely ad hoc basis.

Will the second Severn crossing be financed by the private sector? There are suggestions that Trafalgar House has already prepared plans for a second Severn crossing and would be prepared to build it on a basis similar to the Dartford-Thurrock river crossing. What is the Government's thinking on the east London river crossing? I will not enter the debate about that crossing, which is much more controversial than the Dartford-Thurrock crossing, because we are awaiting the report of the public inquiry, but we want to know whether it will be dealt with in the same way.

Inevitably we must consider how the money should be recouped, and that introduces the dreaded word "tolls". Let me say at once that I have no quarrel with the Government's formula. The company has 20 years to recoup its money and if it does not recoup its money by that time it must bear the loss. If, as the Minister suspects, the money will be recouped in 14 to 15 years, the river crossing complex—the bridge and the two tunnels—will revert to the ownership of the Department of Transport. That is a good way to proceed. But if there is one issue in transport that unites every road user and every road organisation, it is the imposition of tolls and the paying of them. The Minister must ask the question: would the road user prefer to pay tolls and get the bridge more quickly or would he prefer not to pay tolls and wait longer? That question has been asked right from the beginning, when it was decided to build estuarial crossings and charge tolls on them. The clear difference here is that public money was involved in all the other crossings.

I dare say that if a public opinion poll—I am not sure whether we are supposed to mention them nowadays—asked people, "Would you rather pay tolls and get your road tomorrow or not pay tolls and have to wait for 10 years?", the answer would be, "We are prepared to pay tolls." But if the road works were completed within a week

and exactly the same people were polled, they would give entirely different answers. There is a big difference between the theory of paying tolls and the practice.

As the Minister rightly said, the Select Committee on Transport in the previous Parliament published a report on toll crossings in February 1986, and its recommendations appear at paragraph 103 on page XXXII. There were three recommendations. The first was that no tolls should be imposed on new estuarial crossings and that the Department of Transport, the Scottish Office and the Welsh Office should work towards the early removal of existing tolls. Secondly, it said that the debts owed to central Government should be written off immediately. The argument was that this was mainly a book-keeping entry. The money was being spent anyway, so they could simply juggle the books. In some circumstances, that is called creative accounting. The third recommendation was that local authorities' debt should be discharged by the Government.

The Government know that, whatever the principles of tolls, before too long the Humber bridge will run into serious difficulty. It will cause immense problems to the local authorities in the area, and the Government will have to grasp the nettle. It would be appalling if, for reasons of crisis management, tolls were removed from the Humber bridge but left everywhere else. The Scots, Welsh and English would rise in revolt if that happened. The Government must have a more coherent policy, and perhaps they will reconsider their general policy as the Humber bridge crisis approaches.

Today, and in their second special report of July 1986, the Government rejected the recommendations of the Select Committee. They will apply tolls to new estuarial crossings and they will not remove the tolls on existing bridges. They will not write off their capital debt and they will not discharge the debts of local authorities. But the question remains whether tolls on estuarial crossings, tunnels or roads will be dealt with in the ad hoc way which the Minister suggests. If a private company says, "We will build your bridge or dig your tunnel or provide your bypass," will the Government be persuaded that it is to their political advantage to make the public pay tolls to get those items earlier? The question must be posed not only to the road user but to the Government.

We must also examine the implications for public expenditure forecasts and estimates. I have always thought that the debates on public expenditure and the terms under which such discussions take place have not properly addressed the issue. Often we have sterile debates along the lines that public investment is bad per se and private investment is good per se. That avoids the issue and is shown to be wholly fallacious in this case. This investment is necessary and desirable. Everyone wants it. The only issue is who should pay for it.

In case anyone reads this speech—there is no one at my back listening to it—perhaps I could say this. Labour Members are sometimes told that we oppose private capital investment in essentially public services as a matter of principle, but at the end of the day it does not matter where the money comes from. If the Government borrow the money, which is their normal way of financing the provision of roads or infrastructure, it comes from the private sector anyway. It does not matter whether it comes directly from the private sector, as in this case, or through the tortuous route of the public sector borrowing requirement. It is probably 99 per cent. private money anyway.

The major question that must be asked is whether we are getting value for money. I shall not argue whether or not the Government have obtained the best value for money, or whether this is the cheapest way of building the crossing, but I would like the Minister to say whether, having examined all the financial implications, this was the best package.

I am interested in the ingenious solution that has been found. It is ingenious because the Government have taken the cost of the bridge totally outside the public expenditure estimates, although it is a public provision. I congratulate the former Secretary of State for Transport, the right hon. Member for Croydon, Central (Mr. Moore), on winning what I suspect was a prolonged battle with his Treasury colleagues. He has established an important principle by lifting the cash limites on his departmental budget. All of us who have been interested in infrastructure expenditure have been trying to do that for many years, and I am delighted that the right hon. Gentleman achieved it.

I hope that the present Secretary of State for Transport, the right hon. Member for Southend, West (Mr. Channon), will examine this proposition in relation to other industries that are covered by his portfolio. I refer specifically to the example of British Rail. As an aside—an important aside—perhaps the Minister will tell us during his reply whether he and his hon. Friends have any intention of privatising British Rail. That may be too much to ask of him, but perhaps he will give us some indication of how he is thinking. British Rail's finances are governed by its external financial limits. The EFL, as it is known, is a cash limit. Under those rules, it does not matter from where British Rail gets its finances, it is only allowed to spend the figure specified in the external financial limit.

Some years ago, the GLC, which is certainly remembered fondly by me, was willing —

Mr. Peter Bottomley: The GLC looked better from Aberdeen.

Mr. Hughes: I do not think we should denigrate the GLC for the splendid work it did on transport. Its work in that area should be warmly received by hon. Members on both sides of the House.

The GLC wanted to make money available to British Rail for the north London line, partly revenue for refurbishment and partly capital investment. I cannot remember what the EFL was for British Rail at that time, but for the ease of my mathematics I will suggest that it was of the order of about £400 million. Therefore, one would have thought that the offer of £20 million from the GLC—because £20 million was offered—would mean that British Rail had £420 million to spend. However, it did not. It had only £400 million, and by accepting £20 million, the British Rail was reduced to only £380 million of free capital. That clearly is financial nonsense. Yet all the efforts that we made to try to get that rule changed have been unsuccessful. Therefore, using the example of driving a coach and horses through the Treasury rules, there is a lot of sense in changing those rules in respect of British Rail.

If local authorities want to make money available for capital expenditure in British Rail, they ought to be free

[Mr. Hughes]

to do so. That ought not affect public expenditure forecasts and that ought not be counted against the EFL. This is not a fanciful issue. It is not a matter of pure theory or a debating point. It is a very real point because British Rail will have to do a lot of infrastructure development in marshalling yards or wherever to attract business to the Channel tunnel.

The Minister has not anticipated the passage of this Bill. Therefore, I must not anticipate the passage of the Channel Tunnel Bill. Let us assume that the Channel Tunnel Bill is enacted, that finance is provided and that it proceeds. British Rail might want to—I hope that it will—spend a lot of money on its infrastructure. I would not oppose that if the money was there, but supposing that British Rail wanted to go into a joint venture with private sector capital. That is a parallel to what the Government are doing here. It is almost a joint venture, although not quite, because the Government are putting some money into the roads expansion, but it is a partnership. Supposing there is a joint partnership of venture in which private capital is willing to add to British Rail's capital to get facilities to attract business and, of more importance, to ensure that there is service to the customer. Will the Government then say that private sector capital will be added to the external financial limit or cash limit of British Rail? That is a very important principle that ought to be considered.

There is only one issue that is controversial about the bridge and that is its name. I do not wish to mock the people who have raised this with me, but I have had many serious representations about what it should be called. As a non-Londoner, it is perhaps dangerous for me to become involved in that. On the other hand, if it is a matter of great moment, and being a Member of Parliament for a Scottish constituency, I am sufficiently far away to arbitrate on the matter. I offer to do so now for double the usual fee.

I join with the hon. Gentleman in wishing the Bill a speedy passage, the early completion of the bridge and the complex for the benefit of the road users in the area.

8.14 pm

Mr. Tim Janman (Thurrock): Thank you, Mr. Deputy Speaker, for calling me to speak in the debate because it is of much relevance and specific interest to my constituency. My hon. Friend the Member for Fylde (Mr. Jack), in his maiden speech, gave a brief definition of the geographic whereabouts of his constituency. As the debate takes its course, I hope that all hon. Members will now know precisely where Thurrock is in the United Kingdom. It is opposite Dartford on the Thames, although outside the House one or two friends of mine have actually asked me if I represent a constituency in Scotland—Thurrock sounding rather Scottish.

Thurrock is in the county of Essex. I am pleased to say that in the general election last month it elected its first Conservative Member of Parliament since the constituency was first formed in 1945. I gained the seat from Dr. Oonagh McDonald who worked very hard for the constituency over a period of 11 years. She was a respected parliamentarian on both sides of the House and was an Opposition Treasury spokesman of high intellect. Without meaning offence, she was a woman of some political cunning—an attribute that I certainly came to respect.

The constituency has a population of 67,000 people and stretches from the Hornchurch-Rainham area in the west through to Castle Point on the outskirts of Southend in the east, a distance of about 15 miles. It accounts for about two thirds of the population of the borough of Thurrock. The major towns are Grays and Tilbury. There is no such place as Thurrock. There is not even a hamlet called Thurrock. Hon. Members, if they wished, could go to West Thurrock or Little Thurrock, but they would find it difficult to go to a hamlet even called Thurrock.

Thurrock is comprised of fairly old traditional industrial areas, in particular the docks in Tilbury and the industrial estates in Purfleet, where there are major employers such as the Ford Motor Company, Van Den Berghs and Jurgens, Thames Case and Proctor and Gamble. There are also picturesque villages in my constituency, such as Stifford and West Tilbury.

The main issues in my constituency were mentioned by my hon. Friends the Members for Wokingham (Mr. Redwood)—although they probably did not realise it—and for Ipswich (Mr. Irvine), who both made eloquent maiden speeches, those issues being very high house prices and hardly any private rented accommodation respectively. In my own constituency those problems are compounded by above average unemployment, if the statistics are to be believed for the south-east, and a communications bottleneck in the form of the Dartford tunnel, which I shall refer to in more detail in a moment. Home ownership in the borough as a whole, which includes part of the constituency of my hon. Friend the Member for Billericay (Mrs. Gorman), is depressingly low at only 42 per cent.—a figure that I hope will increase.

My hon. Friend the Member for Wokingham also mentioned the cost of living in the south-east. He pointed out that companies, and particularly the public sector, should acknowledge that not only is there a huge difference in the cost of living between London and the rest of the south-east, but that there is an increasing gap in the cost of living between the south-east, in a radius of up to about 40 miles outside London, and the rest of the United Kingdom. Perhaps employers should look at some form of south-eastern allowance as well as a London allowance to try to attract people down to the south-east, particularly to constituencies such as mine where there is an awful gap between the availability of public sector rented accommodation and the people owning their own homes, with a vacuum of private rented housing in between. I can give an example that has been drawn to my attention in the short time that I have been representing the constituency. Two young teachers, both having completed in one year their postgraduate course in education, were living in temporary accommodation provided by the local education authority. They now cannot find accommodation from the local borough council and are being asked to leave the accommodation in which they are living. On the salaries they are earning they cannot afford to buy much more than a garden shed in my constituency and, of course, there is no suitable private rented accommodation. This situation is causing great concern to the local education authority. Young professional people starting out on their careers are finding it almost impossible to come and make a contribution to the community in my constituency because of that factor.

In terms of the geography of Thurrock and Dartford and the traffic flow on the bridge, it is clear that we should be talking in terms of the Thurrock-Dartford crossing

rather than the Dartford-Thurrock crossing. It is normal in the industry to refer to such things as bridges and tunnels according to the direction of traffic flow. As the traffic will be flowing only one way on the bridge, from north to south, it is clear that the name of Thurrock should always come first.

The need for the bridge, as my hon. Friend the Minister has said, is very urgent. Queues are developing that are anything up to 10 miles long. I am sure that some hon. Members have had the misfortune to be caught in such a queue. If one compares the traffic volume through the Dartford tunnel for the first quarter of the financial year 1987 with that of the first quarter of the financial year 1986, one can see that there has been a 9 per cent. increase in traffic volume. That compares with an annual average increase for the whole of the United Kingdom of only 3 per cent. Those statistics show how terrifyingly quickly the traffic volumes are building up through that bottleneck.

I should like to add my congratulations to the former Secretary of State for Transport, my right hon. Friend the Member for Croydon, Central (Mr. Moore), on his imaginative initiative on the use of private enterprise to fund the bridge. It is clear that considerable benefits will emanate from it. First, the bridge will be built quickly. I believe that recently the Freight Transport Association, although not particularly keen on tolls in principle, has accepted that the highest priority is to complete the bridge and not worry about some small breach in the public sector borrowing requirement. Its slight change of attitude is a clear indication of the fact that the Government have got their priority right by using the private sector and tolls to get the bridge built. It will mean that it will not affect the rest of the road-building programme. The maintenance of tolls for up to a period of 20 years will mean, I am delighted to say, that the crossing will be able to continue to employ 220 people rather than only 130 people. That is good news for the people in my constituency and across the river whose livelihood depends upon the facility.

The increase in the number of tolls from 12 to 24 will, I am assured by the Department of Transport, cope with the foreseeable increase in traffic volumes. The pay-back period of up to 20 years will include the existing debt on the current tunnels which, I believe, stands at about £50 million. The construction of the bridge has been guaranteed by the Trafalgar House group, the parent company of the Dartford River Crossing Ltd.

I have only two mild concerns. My first concern is about the bridge that will be built further up the Thames, the Greenwich-Woolwich crossing. I believe that if that continues to be funded by the public sector without tolls it will provide unfair competition. I would like to see that bridge being funded by the private sector and having tolls as well.

My second concern is that I am not yet convinced that we will have adequate electronic warning on the M25. It will be important that motorists can be warned as far in advance as possible of the need to take alternative routes if there has been an accident or there is some blockage on the crossing, either in the tunnel or on the bridge. Therefore, it would be a good idea if we could get effective advance warning systems on all the intersections of the M25 with major routes coming into it so that people can have advance warning of problems.

I would like to see this imaginative initiative – the use of private capital on a major transport project in my constituency – followed up with the same sort of imagination to get the private sector involved in the Fenchurch Street-Southend line. I seem to recall that some time ago a consortium was set up which was interested in buying the Fenchurch Street-Southend line. It was led, among other people, by my hon. Friends the Members for Welwyn Hatfield (Mr. Evans) and for Southend, East (Mr. Taylor). I understand that it did not get the co-operation from British Rail that it should have had in order to obtain the information necessary to make a proper analysis as to whether there was a good business case for going ahead if the Government would allow the line to be sold off. That would be an excellent way of introducing some experimentation with privatisation on the rail network, perhaps along similar lines to what has been happening in Japan. Of course, I would also like to see private enterprise and private capital brought into Tilbury docks, which are in my constituency.

I shall mention the point of controversy to which the hon. Member for Aberdeen, North (Mr. Hughes) referred at the end of his speech – the name of the bridge. Thurrock is an area of great opportunity for development at the moment, both industrial and housing development. There is the land, there is a forward-looking and co-operative borough council, and it is clear that the area needs to be put on the map. It needs a flagship. With respect to the Government, it needs more than a service station on the M25 to take its name from the borough. It needs the bridge to be called the Thurrock bridge. The argument that people will not know where it is because it is called the Thurrock bridge is facile. Clearly, people will be looking at a map knowing that they need to get from Darlington to Dover, for example, and that they need to cross a bridge that will be marked on the map. They will be able to find their way. It will become a major flagship for an area of the country which in the past few years has suffered some degree of depression and is now fighting hard to come out of the depression and has great opportunity. If the crossing were called the Thurrock bridge, it would be a great aid to that. I must stress that there is very strong local feeling in my community that it should be called the Thurrock bridge.

I should like to reiterate something said by the Minister in his speech. There should be a quick and smooth passage for the Bill through both Houses. There is a particular reason for that. There is a need to start work on the bridge by early May 1988, due to divergence work on overhead power lines that needs to be done. That cannot be done in the peak periods for the Central Electricity Generating Board so it has to be done in the summer months. If the Bill is delayed, it could put off the commencement of construction by as much as a whole year. That would be frustrating to my constituents and to the millions of road users who want to obtain the benefit of an added facility on our road network. I am sure that hon. Members do not want to delay the date in any way because their own constituents get stuck going to the ports or may get stuck on their way to the Channel tunnel, if it is ever built. They do not want to delay the date to end the appalling queues in which their constituents are frying every summer. My constituents want the bridge, they want it quickly and they want it named after the borough of Thurrock.

8.29 pm

Mr. John Cartwright (Woolwich): It is a great pleasure to congratulate the hon. Member for Thurrock (Mr. Janman) on an extremely competent and impressive

[Mr. John Cartwright]

maiden speech. I think that we should also congratulate him on finding such a marvellous opportunity for a constituency maiden speech. Not many of us are given the opportunity of having an issue literally on the doorstep of our constituencies on which to address the House on the first occasion. I believe that all of us, however long we have been here, can recall the ordeal of our first speech in this place. I must say to the hon. Gentleman that he survived that ordeal without any show of nervousness and was not one wit moved by the acres of empty Benches in front of him.

I am sure that the House will have noted the hon. Gentleman's deft touch with his slightly barbed tribute to his predecessor. Perhaps we should be warned that, when he addresses the House on a more controversial occasion, he will exhibit that same sort of deft touch, but perhaps in a more controversial fashion. I look forward to hearing the hon. Gentleman again when there are more hon. Members on both sides of the House to share that pleasure.

The Minister introduced the Bill with his usual lucid presentation. He referred, on a number of occasions, to the impressive speed with which the Bill had been brought forward. I would not dispute that for one minute. However, I am bound to say, as generously as I can, that speed in relation to the matter of the third crossing at Dartford is not something that can be associated with his Department.

There were many warnings by right hon. and hon. Members from all parties, warnings from motoring organisations and from all manner of people that every new complete section of the M25 would lead to a traffic build-up. They warned that the need for a third crossing at Dartford was evident and would grow. However, all those warnings were met with the same bland, dead-pan response from the Department of Transport. As recently as 12 November 1984 the right hon. Member for Wallasey (Mrs. Chalker), then Minister of State, Department of Transport, blandly said:

"The Dartford tunnel is the responsibility of Essex and Kent county councils but traffic flows are being monitored and the need for extra capacity will be reviewed as necessary." —[*Official Report*, 12 November 1984; Vol. 67, c. *108*.]

No sense of urgency there! No sense of acceptance of what was inevitably coming down the track.

In June 1985 the engineering study was announced, but, of course, before that got going the Secretary of State, in July 1985, devised the wonderful idea of involving the private sector. However, it was not until March 1986 that a formal invitation was issued to the private sector to take part. Even then there was no great burning sense of urgency on the part of the Ministers. For example, on 24 February 1986, the Minister of State said:

"As to the bottleneck, I understand that congestion at Dartford is not likely to become serious before 1991-92."—[*Official Report*, 24 February 1986; Vol. 92, c. 658.]

I do not know what the Minister considers serious congestion but I would have thought that a 10-mile tail-back is fairly serious congestion whatever criteria one uses.

The hon. Member for Thurrock has already referred to the report of the Dartford tunnel general manager. That report showed a massive increase in traffic in the past year —there was a 14·7 per cent. increase in traffic in the tunnel over that period. The M25 has produced a 100 per cent. increase in traffic through the tunnel in a four-year period. The figures are staggering — the average daily throughput is 70,000 vehicles. It hits a summer peak of 90,000 per day. With the M25 complete, it is clear that that growth will not continue at the predicted rate. It has been forecast to grow at 3 per cent. a year, but, as the hon. Member for Thurrock has already reminded us, in the first quarter of this year the traffic increased by 9 per cent. That demonstrates the demand that exists.

The report of the general manager of Dartford tunnel contained a clear warning:

"With a continuing increase in traffic volumes the delays will continue and indeed worsen until a third crossing opens."

It is against that background of urgent need that we must judge this Bill. I am sure that many motorists and motoring organisations feel that they are being blackmailed into accepting the continuation of the toll regime simply because we must have that extra crossing quickly.

It is not just the question of people occasionally using the tunnel as a convenience. A number of my constituents have to use the tunnel twice a day to get to and from work. They resent paying £1·20 a day—£6 a week—for the privilege of getting to and from work. It may be all right for others to be persuaded that the savings that the toll will provide will enable bypasses to be built elsewhere, but it is not an extraordinarily popular view when presented to my constituents who pay that money each week.

I always thought that it was absolutely illogical to have the whole, wonderful concept of the M25 as a major part of the trunk network, yet the only part that was not part of that network was under the river — the Dartford tunnel. I have always believed that that was a wildly illogical view. I am glad that, under this Bill, the tunnel and the bridge will become part of the trunk road network, subject of course to a system of private tolls.

On the question of private tolls, it must be remembered that substantial interest charges on borrowed money must be recovered through the toll regime. I understand that the construction costs of the bridge have been put at £86 million and the leasing cost of the tunnels at £45 million. I do not know what the interest charges will be on those sums, but I suspect that they will be fairly substantial and they must be regained through the imposition of tolls.

The hon. Member for Thurrock talked about unfair competition with the new bridge and that those who run the bridge would be extremely unhappy if people took their custom elsewhere. The concept of unfair competition concerning a river crossing is one that strikes me as rather different from unfair competition between supermarkets in a high street. However, there is the important point concerning diversion of traffic. There has been a good deal of evidence to suggest that tolling at Dartford has, in the past, encouraged some road users to transfer to the Woolwich ferry, which is absolutely free. The Minister has dealt with that because, since 1 April 1986, when he and Greenwich council took over responsibility of running that ferry, they have made such a God-awful mess of it that that ferry is no longer providing a reasonable, competent and dependable service. I am not sure that traffic will divert to the Woolwich ferry in such great numbers in future.

There is also the problem of the east London river crossing. That project has hung over my constituency like the sword of Damocles for the past 20 years. That crossing would cause massive destruction in my constituency. I

believe that if we have a third crossing at Dartford—an untolled crossing—the case for building the east London river crossing would be substantially undermined.

Other hon. Members have mentioned the name of this great new crossing of the Thames. I understand the parochial pride with which the hon. Member for Thurrock approached this matter, but, as somebody whose background is based on the south side of the river, I cannot for one minute understand the logic of having two Dartford tunnels and one Thurrock bridge. That seems to be the height of confusion. That new crossing will be part of the M25 motorway, and I believe that the less we confuse people the better. As the traffic crossing Thurrock bridge will be crossing from Thurrock to Dartford, I would have thought that the logical thing would be to call it the Dartford crossing and have done with it. The whole thing—bridge and tunnels—is known as the Dartford crossing and, for the removal of confusion, that should continue to be the case.

In conclusion, I can muster only two cheers for the Minister and for this Bill. Cheers, because at last we are going to get on and build this crossing which all of us have known we have needed for a long time. However, I have some regret that to get this crossing we must put up with the inefficient and archaic business of a toll crossing.

8.39 pm

Mr. David Evennett (Erith and Crayford): I am pleased to be able to contribute to the debate on the proposed Dartford crossing and to support the Bill. I join the hon. Member for Woolwich (Mr. Cartwright) in congratulating my hon. Friend the Member for Thurrock (Mr. Janman) on his excellent maiden speech. It was particularly gratifying to listen to a non-controversial but nevertheless effective maiden speech in the best traditions of the House. I am sure that all hon. Members look forward to hearing from him in future, even though I think that he, unfortunately, represents the wrong side of the Thames.

The present totally inadequate tunnel crossing of the river Thames at Dartford, which is located in the constituency of my neighbour and good friend the hon. Member for Dartford (Mr. Dunn), is only two miles to the east of my constituency boundary. Therefore, the proposals in the Bill will have positive and potentially far-reaching consequences for my constituents.

My constituency forms the north part of the London borough of Bexley and is located along the Thames. Traditionally, the area has been one of the industrial areas of the borough and has been able to attract investment, jobs and factories. Recognising the potential of the area, the borough established an economic development unit to encourage and to help business to relocate in Bexley. The economic unit has had considerable success to date. With many green field sites and established industrial units available, many business men have been looking favourably at the possibility of relocation. With the local skilled work force and with low rates—all important considerations for industry and business—business men look favourably on the area.

However, despite Erith and Crayford being only 12 miles from London and only five miles from the southern motorway network of the M2, the M20 and M25, it is totally inadequately served by river crossings. Good connections with Channel ports are all very well and essential and, thanks to the improving road network, communications with towns in the south are attractive and useful to business and commerce. But, as we have heard from the hon. Member for Woolwich, the failure to be able to travel easily across the Thames to the north, to Essex and beyond, quickly, easily and uninterruptedly is a disincentive to people in business and industry coming into our area. That disadvantage has been growing for many years. One can look at the map and see the routes across the Thames. There are, we admit, several crossing points, apart from the Dartford one. Undoubtedly, there is the Woolwich ferry to which the hon. Member for Woolwich has already alluded. It is one of the more attractive ways of crossing the river, but it is also one of the least efficient and effective for a business man for whom time is at a premium.

We are promised the east London river crossing. I take a different view from that of the hon. Member for Woolwich. We need it, and we need it soon. At the moment, its development seems to be stalled and delayed, and meanwhile traffic problems continue to grow.

The Blackwall tunnel is further along the Thames. It is heavily over-used, and in peak periods has regularly been congested and sometimes subject to closure. It is worth remembering that the original Blackwall tunnel was a Victorian development, and the bends in it prove that point.

Of course, we could go to the City and travel along the bridges, but no one, for environmental or many other reasons, would wish to take that route. For my constituents, local business, motorists and general transporation, we have to look for improvements in the crossing of the river at Dartford as the only way in the near future to improve our communications system in that part of London. The building of the new crossing at Dartford —I must take the view that it is known as Dartford, and it should continue to be known as the crossing at Dartford, so I disagree with the hon. Gentleman on this point—is to be welcomed. It will not only end the congestion that has caused many problems and improve traffic flow on the effective and worthwhile M25 and connecting motorways, but help to keep heavy traffic away from built-up areas in my constituency and those of other hon. Members. Therefore, for my constituents, the construction of the new bridge will have the wider impact of encouraging new firms to relocate in the area.

Nationally, considerable job opportunities will stem from such a major construction. They must be welcomed by all concerned. The fact that we are to have a new bridge rather than another tunnel is also good news. The project will not only help to maintain the United Kingdom's large span bridge capability, but will take only two and a half years to build. That means that there will be a relatively short time before the bridge is in operation. That will benefit us all and is welcomed.

The present operation of the Dartford tunnel is not satisfactory, as we have heard from other hon. Members. I have never been in favour of tolls on estuarial crossings that are maintained by public authorities. I have raised with the Government the matter of tolls on the Dartford tunnel and elsewhere on previous occasions. Yet this matter is quite different. We need a new river crossing, the cost of which, as we have already heard, is quite astronomic. It needs to be built now. Therefore, the Government are to be congratulated on their approach to the venture. On behalf of our constituents — the taxpayers — we must applaud and be grateful for the decision to allow private financing to construct the bridge.

[Mr. David Evennett]

The leasing of the two tunnels and the new bridge for a maximum of 20 years, with Dartford River Crossing Ltd. financing the cost of operating the tunnels and repaying the outstanding debt on them, is an imaginative solution to a difficult problem. As my hon. Friend the Minister has said, the situation will continue until the DRC has recovered its costs. I accept that the costs will have to be recovered through tolls.

I am pleased that we shall not see an escalation of tolls during the period when the DRC runs the complex and that the only increase will be in line with inflation. I still consider that tolls will slow down traffic flow, as the hon. Member for Woolwich said, despite attempts to encourage motorists to have the right change ready. Being against tolls in general, although they are justified in this case, I welcome the fact that in 14 or 15 years the Department of Transport will take over the management of the tunnels and bridge, and the crossing of the river Thames at Dartford will become toll-free. Of course, with the building of the bridge, there will need to be an improvement of approach roads. I welcome my hon. Friend's commitment to do this in the near future. I hope that there will not be too much disruption. As my hon. Friend knows, south London has suffered only too much disruption because of recent roadworks and improvements. They cause motorists a great deal of frustration and delay and do not allow them to drive to the maximum of their capabilities.

My only concern is a minor one, but none the less one that I must voice. I hope that my hon. Friend will reassure me on the matter. We have heard of other bridges in other parts of the country; for example, the Severn bridge. Weather conditions affect the availability of the bridge for use by motorists and businessmen. Standing on the Erith waterfront in summer, watching the river boats and so forth, is a most pleasant experience. Yet in winter it is not such a pleasant experience, with north-east winds blowing hard and the frequency of snow and ice. I ask my hon. Friend the Minister—I am sure that he and his officials have done so—to consider the design of the bridge and consider how bad weather and high winds will affect traffic on it. We must make sure that the bridge is usable throughout the worst of the winter weather. I hope that my hon. Friend will allay the anxieties of some of my constituents who have raised that important point.

I welcome the Bill and the future opportunities that it offers to my constituents and travellers on the M25. My constituents will be delighted to have a new crossing at Dartford. The bridge is long overdue. The sooner it is built, the better.

8.49 pm

Mr. Jacques Arnold (Gravesham): I rise with some trepidation partly because this is the first time that I have addressed the House, but also because transport is not a subject on which I am a specialist. I do so because this is a most important subject for the people of Gravesham whom I represent.

I come here following Mr. Tim Brinton, who ably and meticulously represented the constituency of Gravesham for eight years. As I have borne witness over many years, he was meticulous in the way that he handled his constituents' problems, without publicity and with due attention to giving the assistance that they expect from Members of Parliament. He was also meticulous in his devotion to the great passion of his life — the broadcasting industry and the media. It was no accident that, during his time in the House, he became chairman of the Conservative Back-Bench media committee, and all hon. Members who were here in previous Parliaments will remember the devotion to the cause that he showed.

I shall make an unusual departure by paying tribute to Mr. Speaker, for it was as a student resident in his constituency that I first became aware of politics. It was Mr. Speaker who, as my Member of Parliament, fostered my ambitions to serve in this place. Mr. Speaker has set, for us all to see, a high standard of service to his constituents in Croydon, North-East, and it was that high standard that, for me, set an example for the way in which I hope to serve my constituency.

The borough of Gravesham has longstanding river traditions. In its population centre of Gravesend, it is the point at which the River Thames meets the sea, and the people Gravesend have had a long tradition of supplying watermen to the River Thames, and sea and river pilots to the great port of London. At the moment the sea and river pilots feel aggrieved at measures passed in the House concerning their activities.

Since the 14th century, Gravesend has been the landing place for people on voyages from all parts of the world into the River Thames. For example, King Edward VII knew Gravesend well. As Prince of Wales, he spent many days waiting there for the wind to be in the right direction to bring his fair Princess of Denmark to him, and their many years of happy marriage.

For many years, the borough had the inspiration and service of "Chinese" Gordon, who was instrumental in reconstructing the fort at Gravesend. We also have a poignant piece of history because it was in the borough of Gravesend that the great Indian princess, Pocahontas, died of a broken heart, awaiting her captain.

Gravesham borough consists not only of Gravesend. It stretches far to the east of Gravesend, to the historic parish of Higham, the home of Charles Dickens, and to the rural parishes of Shorn, Cobham and Luddesdon, which are some of the most beautiful parishes in the lovely county of Kent. We have a famous parish in Meopham, and many hon. Members have told me of their expeditions to Gravesham to play cricket on the famous green there. It has the unusual honour of having the longest village street in England, at seven miles long. It has an interesting distinction inasmuch as its parish council is the only one to meet in a working windmill. Whether that has an influence on its decisions, I shall shortly be finding out.

The Cinderella of the borough is Northfleet, which was its powerhouse for many years, with heavy industry all along the water front. Northfleet, with its old urban district council, is reminiscent of many northern cities, and during the great recession at the beginning of this decade, like many other cities, it was badly damaged by the effects of the recession on heavy industry. We saw 6,000 people unemployed.

It was a recognition of that hardship that brought the Conservative Government to grant to the borough of Gravesham two enterprise zones. The first, which is now fully in operation at Springhead, has brought success and hundreds of jobs. This success is due to a winning formula invented by this Conservative Government in the enterprise zone concept, used by the Conservative borough council, which carried out a co-ordinating role of

considerable achievement, and helped by the flexibility of the people of Northfleet and local areas in the way that they approached their work.

Perhaps the most important factor to remember is the excellent communications provided to those enterprise zones by the A2 and the M25. They are the reason why we in Gravesham consider the Dartford-Thurrock crossing to be so important. My constituents know the misery of the traffic jams to which other hon. Members have referred, and which are particularly acute at peak hours. Those who drive up to London to the sound of Radio Kent remember only too bitterly how often it speaks of miles of queues. Those queues will get worse before this measure relieves them.

Last year alone, the traffic crossing the Thames at this point increased by 14 per cent. Projections show a 3 per cent. per annum increase in the coming years, but, as my hon. Friend the Member for Thurrock (Mr. Janman) so ably pointed out, already in the first three months of the financial year, the volume is running 9 per cent. above the traffic rate seen last year. This process of congestion will, we fear, stunt the recovery of Gravesham, which is now dependent on light industry and commerce.

In the old days, we would have depended on the national and county programmes for highway construction and we all know what happened to £86 million projects in such situations—they are squeezed into the future. That is why I commend this proposal to the House. It is the product of considerable imagination by the Government. The taxpayers and the ratepayers will have to shoulder neither the cost of either project nor the risk of escalating costs. The Government have not left the road user unprotected either. I note that they have written into the Bill the safeguard of linking toll increases with the increase in inflation.

What I like about the Bill is that it releases the Government and the county road funds for other highway construction projects like the Thameside industrial route, which is so vital for job generation in north-west Kent.

Two aspects of the Bill need attention. Like my hon. Friend the Member for Erith and Crayford (Mr. Evennett), I believe that the construction of the bridge should take account of the need for adequate wind shielding. The four lanes of highway will be in the prevailing wind. That would cause closures to traffic that would cause immense congestion on the M25, so I ask the Minister to give some attention to that matter. I also ask for close attention to be given to the uprating of ventilation in the older, western tunnel under the Thames at Dartford. That tunnel will be used for northbound heavy vehicles, which will create problems of visibility and noxious fumes.

I do not want to become involved in the local controversy over the name of this crossing. We in Gravesham know exactly what it is: the Gravesham upriver bridge. In our part of Kent it will be known with great fondness, as we drive across it, as the gulf. I support the Bill.

8.59 pm

Mr. James Couchman (Gillingham): It gives me enormous pleasure to applaud my Kentish colleague's maiden speech. We are not neighbours, but we miss by only a few miles. I congratulate my hon. Friend the Member for Gravesham (Mr. Arnold) on his speech. He is welcome in the House and we look forward to hearing more from him in support of these Kentish projects.

I also want to congratulate my hon. Friend the Member for Thurrock (Mr. Janman) who joins us in a seat that we have not held, as he said, since 1945. Although he verged on the contentious in his maiden speech, with all that business about the Thurrock crossing — we in Kent know exactly what it should be called—we shall forgive him that. I look forward to having him as a nearby hon. Friend on the other side of the river.

I shall also take the name of my hon. Friend the Member for Dartford (Mr. Dunn) in vain this evening. He cannot answer back and that is a good thing. I know that he would wish to be associated with many of the comments that have been made here tonight. His constituency is as intimately concerned with this project as that of my hon. Friend the Member Thurrock. They have a joint interest in the project, but it is an interest that spreads much wider.

As my hon. Friend the Minister for Roads and Traffic said in his opening remarks, there is a long history to the Dartford tunnel, and I remember it from the time when the first tube—the west tunnel—opened in 1963. After a year's interim teaching, my first job was to work as a representative for Regent Oil company, and my first training in my first few weeks in December 1964 was helping tanker drivers deliver petrol from Canvey island into Kent. I well remember the enormous relief it was to them to have the use of this new tunnel, which saved them many miles going upstream and back downstream with their loads. It came as an enormous relief to many people. One must remember that the nearest crossings of the Thames were the Woolwich ferry, which has been mentioned, and the Blackwall and Rotherhithe tunnels. The first bridge crossing was Tower bridge; so it was a huge journey to go from Essex to Kent in those days.

It was no surprise that the tunnel was quickly congested. So many drivers used it, and there was the constriction from having to take hazardous loads through under escort in convoy, as still happens. The second tunnel, opened in 1980, brought considerable relief, but by the time that the sections of the M25 north and south of the Thames had opened it had already become obvious to most of us that the two narrow dual carriageway tunnels would be inadequte as the link between the M25 on the Essex side and the M25 on the Kent side. It was obvious to all except the Department of Transport, for, as recently as 1983, when the tunnels were heavily congested, it was still claimed by Ministers, speaking from the Dispatch Box, that the arrangements at Dartford would be adequate as part of the M25 link. I note that the hon. Member for Woolwich (Mr. Cartwright) remembers those assertions. It was really a sort of conversion of Saul on the road to Damascus that finally brought the realisation that there would have to be more lanes across the river at Dartford.

The present bores give rise to considerable concern. They are enormously heavily used, and I know that the joint committee is worried about ventilation on the west tunnel. A good deal of upgrading has been done during the past two years because the bores have become extremely shabby, and one was beginning to worry about their state. However, whatever one does to upgrade the present bores, the link will still be inadequate, consisting as it does of two narrow two-lane carriageways that are constricted both by the toll points and the need for the escorted crossings of lorries. I am told that there is also concern about the

[Mr. James Couchman]

adequacy of access for firemen from one tube to the other in the event of a major fire. I hope that all of those aspects will be examined during the general consideration of the building of the new link by my hon. Friend and his Department. This is one of the busiest short stretches of road anywhere in Britain.

The new toll booths and the improved southern approach opened last year have helped in the taking of money, but the bottom line is still a small link between two high-speed three-lane carriageways on either side of the Thames. It is typical of our road planning, and especially of the planning of the enormously busy trunk routes in Kent, that we have this inadequate link.

The Dartford tunnel is part of the main route from the Kent ports to the north and should have the eight lanes that are suggested in this proposal. It is on that that my interest in this proposal hangs, because running through my constituency is a small part of the inadequate M2 motorway. It leads to the Dartford tunnels. I look forward to the upgrading of the M2 that will come with the prospect of the Channel fixed link. I also look forward to the upgrading of the A20-M20 and the M25 that will also happen with the prospect of the Channel link. All those roads are at present heavily used and congested.

In the autumn of 1985 I was invited to talk to representatives of the firm of John Mowlem. They put forward a most imaginative scheme for providing a third tube, which is what we were talking about at that time, and for taking over the extant debt from the joint committee in return for a time-limited toll regime. That seemed to be a most imaginative scheme. My hon. Friend the Minister for Roads and Traffic said that it was a most innovative scheme. It was a most novel scheme for the provision of an important new link. I watched that scheme grow. When it was put out to tender by the then Secretary of State for Transport I was delighted to see that it attracted so much interest from the construction industry. It showed how much interest the industry had in this sort of scheme. It was the sort of infrastructure development that many hon. Members in all parts of the House had been calling for during my short time in the House.

I congratulate Dartford River Crossing Ltd. on its success in being awarded the contract for the bridge scheme. I hope that when the bridge is constructed careful consideration will be given to the matter of high winds. My hon. Friend the Member for Erith and Crayford (Mr. Evennett) spoke about that. It would be catastrophic if this bridge were not constructed in a way that virtually guaranteed its use for traffic on every day of the year. We cannot have that bridge closed, as the Severn bridge is closed, when there are high winds. I know that is one of the things that exercises the mind of Kent county council.

As a Kent Member, I welcome the proposal to build this new crossing over the Thames. Perhaps it will be the beginning of a new era which will see the upgrading of the A2-M2, the A20-M20 and the building of the missing link. I find it quite extraordinary that my hon. Friend's Department should have chosen to upgrade those two roads at more or less the same point in Kent at the same time. There must be more cones spread down the A20-M20 and the A2-M2 than on any other road in England. Moving from west to east and from east to west in Kent is a very grim prospect.

In part, our underbuilding of the motorway network has been due to our reluctance to accept a toll road system. If we had followed the example of our friends in France and constructed an autoroute system or a motorway system with a toll regime, we would have many more roads than we have now. We should not shrink from using toll income to fund the new Dartford-Thurrock link. I hope that this represents a new era and that we shall see other schemes to build these immensely important links, bypasses and crossings. I welcome the fact that private capital will allow my hon. Friend to continue with many urgent and much needed schemes.

I would be selling my constituency short if I did not put in a short plug for the northern relief road for the Medway towns and the third Medway crossing. That scheme is almost as big, in money terms, as the scheme that we are discussing. With the prospect of the Channel fixed link and the fact that the M2 is bound to be busy, the Medway towns will need that crossing. My hon. Friend must pay attention to other roads that are heavily congested in Kent; he must not focus purely on the Dartford link.

I shall support the Bill during its passage through the House with unequivocal relish, and I welcome it being given a Second Reading tonight.

9.10 pm

Mr. Roger Moate (Faversham): I join my hon. Friend the Member for Gillingham (Mr. Couchman) in congratulating our new Kent colleague, my hon. Friend the Member for Gravesham (Mr. Arnold), on an eloquent and forceful maiden speech. While Mr. Deputy Speaker was in the Chair, Mr. Speaker, my hon. Friend the Member for Gravesham made use of an ingenious device by paying the warmest possible tribute to you for the guidance and inspiration that you had given him in your constituency. If ever there was an ingenious ploy for ensuring that one caught Mr. Speaker's eye in future, that was it. Without that ingenuity, I am sure that we will listen to many eloquent and able speeches from him. We wish him every success and happiness in the House and we are sure that he will continue the traditions that were set by his predecessor, Mr. Tim Brinton, to whom he paid a warm tribute.

I welcome the comments by my hon. Friend the Member for Thurrock (Mr. Janman) about the possibility of the principle contained in the Bill being applied to great effect to many other matters, particularly British Rail, the docks at Tilbury and so on. It is that point which makes the Bill so exciting.

It is remarkable that a Bill which contains such an important principle has been received and accepted unanimously by everybody who has spoken. I welcome the generous comments by the hon. Member for Aberdeen, North (Mr. Hughes) who paid tribute to the ingenuity of the scheme and to those who have engineered the project so far, particularly the previous Secretary of State for Transport, my right hon. Friend the Member for Croydon, Central (Mr. Moore). It bodes well if the House can approach projects that harness private capital to major public sector projects in such a manner. As my hon. Friend the Member for Gillingham said, if we can do that by using public sector finance and tolls, we will progress and build many of the great projects that we so desperately need.

The hon. Member for Aberdeen, North rightly asked what that would do to each Department's borrowing requirement and to the external limits that are imposed.

I share with him a desire to see commercial activities in the public sector being allowed to utilise private sector finance. We had such an example many years ago when British Rail was allowed to lease much of its equipment and thereby extend its activities in a way that it could not otherwise do.

However, particularly with regard to this bridge, we must apply the proper disciplines of the private sector to these developments, which is precisely what this project does.

This is one of the most exciting projects and Bills that the House has had to consider for a long time. Thinking back, probably inaccurately, it was Sir Thomas Brassey, that great engineer and builder, who conceived the idea of an orbital road around London. It never happened, but it has happened now. In many ways that is an exciting development. We now have a £1 billion orbital road—the M25 — completed around London. That is a remarkable project. We are now combining with it this new bridge, which I believe will be one of the engineering projects of which this country can be proud in years to come.

It really is exciting that in a relatively short time—a shortness of time made possible by the ingenious nature of this project and by private finance—we shall see one of the greatest bridges in England straddling the Thames. If I may be excused a pun, and as it is a road bridge that will straddle this waterway, perhaps we can call it our "Colossus of Roads".

The Bill conceives a magnificent engineering bridge, and it will be built in the most ingenious way. I do not know who originally thought up the scheme, or who packaged it in such a way that it would work, but whoever it was deserves a great tribute, because it achieves so many things. First, we shall have a bridge in record time. Secondly, it will remove from the county councils the debt burden and administration of this tunnel, something that they have never relished, but have carried out with immense efficiency. Thirdly, for the first time it brings in private capital, without which the bridge would not have been built.

As for tolls, I share the views of my hon. Friend the Member for Gillingham (Mr. Couchman). We should not be frightened of the principle of tolls. Many hon. Members and other people travel on the continent and readily pay —perhaps not with pleasure—substantial tolls for the privilege of travelling very much faster on the autoroutes and autobahns of Europe in order to get to their destinations much more quickly. Given the way in which our roads have developed, I am not saying that the introduction of tolls would be easy, but if they can be used to finance projects and to get them built more quickly, we should not hesitate to use them.

The motoring organisations, understandably, do not like the idea of tolls, but this particular project demonstrates the sheer value of them. Were it not for the fact that it is to be financed by tolls, and given the competition for funds from all Departments, there is no way in which this bridge could be built in the way that is now planned.

Mr. Janman: Does not my hon. Friend also accept that the benefit of having more tolls in the United Kingdom is that we would gain income from visitors to this country who use our roads, whereas currently they make no contribution at all?

Mr. Moate: That is a strong point. It would be even more welcome if applied to the foreign lorries that cause such anxiety. If it were thought that they too were contributing, that would make it even more popular.

Some people may subscribe to the theory of the bottomless pit, whereby any desirable project can be funded quickly. That is a popular notion but it is nonsense, for we know that 101 desirable projects are all competing for funds. No matter how necessary the third crossing is, there would have been little prospect of it getting as far ahead in the queue under those circumstances. In other words, tolls in this case have made it possible to have a bridge in our lifetime, and that demonstrates their value. We should therefore follow the logic of that, and wherever it can be done sensibly without causing much controversy, the Government should look at the possibility of using the toll principle and private sector finance in this way.

I wholeheartedly welcome this proposed legislation and look forward with immense pleasure to the construction of this exciting venture. Above all, our constituents look forward to the ending of the queues that have now built up largely because of the sheer success of the M25, which have escalated even faster than the hon. Member for Woolwich (Mr. Cartwright) suggested.

I congratulate those Ministers, Trafalgar House, the county council and all the others who have contributed to this great project. I end by suggesting an alternative name, because I shall not become involved in the Dartford-Thurrock controversy. It is a great bridge, so why not call it by a name that means a great deal to the British people? As it will be the first great bridge that people will see when they come up the Thames, why not call it the Trafalgar bridge, to solve the dispute between Dartford and Thurrock?

9.20 pm

Mr. Peter Bottomley: I think that you, Mr. Speaker, will treasure the remarks of my hon. Friend the Member for Gravesham (Mr. Arnold) who said that he first took an interest in politics because of the way in which you served your constituency. He was one of your constituents and he said that he would wish to follow your example in his work. In years to come, perhaps he will go on to follow you in the Chair and when he stands for election he may find that he does even better without the party label than he did before.

My hon. Friend follows Tim Brinton and if his voice becomes as famous as that of Tim Brinton, he will be heard in the House with pleasure and by the country with interest. His speech showed that his constituents can bank on his international experience. If he continues to provide thoughts such as the idea of politicians sitting inside windmills, no doubt with the hot air driving the sails round, he may find that my right hon. Friend the Secretary of State for Energy can make use of him. We look forward to his progress in this House.

My hon. Friend the Member for Thurrock (Mr. Janman) made a remarkably competent speech. I think that it would be welcomed in his constituency because of the fair way in which he described the work of Thurrock council. As he said, it is not a Conservative council yet, but it is forward-looking in many ways. He went on to talk in detail about the ways in which further improvements and investment in transport facilities would be of great advantage. In a few words I cannot do justice to the whole of his speech, but he made the significant point that private

[Mr. Peter Bottomley]

capital has a part to play—not necessarily an exclusive role, but a sensible role. He also talked of the need for a quick passage for the Bill to provide the extra crossing facilities as soon as possible.

With the exception of the hon. Member for Aberdeen, North (Mr. Hughes), every hon. Member who has taken part in the debate holds a seat that 20 years ago was held by the Labour party.

Mr. Robert Hughes: Never mind the width, feel the quality.

Mr. Bottomley: The hon. Gentleman says, "Never mind the width, feel the quality." In the debate initiated by my hon. Friend the Member for Faversham (Mr. Moate) in 1984, "Newport Hughes" spoke. We have now heard "Aberdeen Hughes" and I believe that "Harrow Hughes" is here as well. Perhaps the tradition will continue if there are further schemes requiring legislation such as this.

Arthur Bottomley, now Lord Bottomley, was invited by an engaging voice on the other end of the telephone to open the Conservative party garden fete in Thurrock. He explained that he was very fond of Thurrock but that he did not think that he was quite the right person to open a Conservative party garden fete. He was then told that the Prime Minister—then the Leader of the Opposition—took a keen interest in those who opened Conservative garden fetes. Arthur Bottomley explained that he was a Labour Privy Councillor and that perhaps I might be able to do it instead. By doing that, he turned down the chance of running the last five miles of a marathon that was being held to raise funds for the Conservative party. I am delighted that all the investment that I put in on that occasion, as I watched the marathon runners coming by me, has been rewarded by the election of a Conservative Member. I hope that my hon. Friend will continue to represent his constituency for many years to come.

The suggestion of my hon. Friend the Member for Faversham that the crossing should be called the Trafalgar bridge is likely to have crossed the minds of the Trafalgar group. The suggestion that it should be called the Thurrock bridge represents a marvellous campaign, which I expect Thurrock to continue at least up to the naming of the bridge and possibly beyond it if, as is likely, it is not called the Thurrock bridge. However, the campaign represents a chance to put Thurrock on the map as a place which people want to develop and where they want to build. The area south of the Thames will want to promote itself in the same way. I have no objection to the continuing campaign, although I would object if people thought it was the most important aspect of the bridge or that Thurrock had squatters' rights to the name of the bridge because it had been first to think of running a campaign. If Thurrock was too persistent, I had thought of calling it the Bottomley bridge, but a voice behind me suggested that it should be named after the Under-Secretary of State for Education and Science, my hon. Friend the Member for Dartford (Mr. Dunn)—the tunnel could then be called Under Dunn and the bridge Dunn Over. I do not claim authorship of that, merely the courage to repeat it.

The hon. Member for Aberdeen, North sensibly did not give way to all the ideology of Conservative Members in relation to private funding, but he gave a generous welcome to the way in which the project has been put forward. The arguments against tolling were put forward in detail in the debate in February 1984 and I am glad that they have not been rehearsed at length today. I appreciate the points that were made in that context by interested parties both within and outside the House.

It could also be argued that charging is no bad thing. With the exception of the Woolwich free ferry, people using ferry services—for instance, to the Isle of Wight or to France—are used to paying charges for the journey. There is no special difference between a ferry service and a bridge or a tunnel, although there may be arguments about the most efficient way to raise revenue. The hon. Member for Aberdeen, North invited us to consider the possibility of toll roads and we shall be happy to do so.

Mr. Robert Hughes: I did not invite the Minister to consider it. I asked him to state the Government's policy on it.

Mr. Bottomley: Our policy is non-dogmatic. I think that that is the best way to put it. Even if the hon. Gentleman did not mean to propose it, it is a sensible suggestion and I shall do my best to consider it.

As I made clear in my opening remarks, the general point about additionality is welcomed. One cannot expect any Treasury automatically to assume additionality, whatever ingenious scheme may be cooked up by the private sector or a Department of state. I should point out, however, that the GLC offering extra money to British Rail, as one public authority offering to add to the funds of another, could not be regarded as additionality in any way. Partnership may be useful, but if money is taken out of one taxpayer's pocket and passed across to another, there is no reason to regard it in a different way.

My hon. Friend the Member for Faversham is right to say that we should do what is feasible and sensible rather than insisting that it can be done only by the private sector or only by the public sector. If we are looking for ways to expand commercial activities in the public sector by using private finance, in general the best way to do that is to privatise and to put the activity into the private sector. There are sometimes difficulties, however, because the one thing that the private sector dislikes is risk. In negotiations with the private sector it is worth recalling that the private sector always wants the public sector to take the risk and it is up to Ministers and their advisers to find the best way to ensure that the private sector accepts risk.

Where the private sector usually gains is that it tends to react to possible cost overruns faster than the public sector and its mistakes tend to be more rapidly self-correcting. We certainly hope that the private sector and DRC will get the bridge built faster than we could have done. I hope that we are years away from the cost overruns of the Isle of Grain power station and other major construction projects, but if the private sector wishes to participate it must be persuaded to accept as much risk as possible so that we can achieve a regime of self-interest without selfishness on the part of contractors and operators in relation to projects of this kind.

With regard to other ideas from the private sector, we are open to ideas from wherever they come and we reserve the right to respond to some private sector initiatives. For example, reference was made to the second Severn crossing. When the private sector offers us a location for the second Severn crossing in a place that does not meet

our proposals, it must expect us to say so in a straightforward way. Obviously, we were open to persuasion, but we wanted English Stones for the second Severn crossing. When we reach the stage of deciding whether to use private funding, we intend to have competition as well. Putting projects in the private sector and having competition between different contractors tend to have significant advantages.

My neighbour and colleague, the hon. Member for Woolwich, and others referred to the east London river crossing. As hon. Members know, I have a constituency interest in that, so I am not able to go even as far as I did in the February 1984 debate. A public inquiry into a toll-free crossing was conducted, and I cannot go any further than that.

The hon. Member for Aberdeen, North made me remember that road users pay for car parks and parking meters. There is no significant difference between paying for moving along a road and paying for the privilege of stopping on a road. I recognise, however, that those in the involuntary queues at Dartford and Thurrock prefer not to be charged; indeed they prefer not to be involved in the queues at all.

Tributes have been paid to the ingenuity and innovation of the approach. Credit should be shared by my right hon. Friend the Member for Cirencester and Tewkesbury (Mr. Ridley) and my right hon. Friend the Member for Croydon, Central (Mr. Moore) for the responsibility they took. I pay tribute, too, to the officials of the Department of Transport. Perhaps it is best to do that now, before we are 15 years down the line and see whether tolls are lifted, as we expect. In their work until now, those officials have come forward with a major achievement in co-operation with the private sector—the bankers, lawyers, and so on. This shows the type of innovation which can be found and which the public service has been as good at providing as the private sector. Long may we continue looking for the same benefits to the public of high-quality service by the Civil Service as well as by those who are generally regarded, in theory, as being more enterprising. I say that as the son and brother of civil servants.

Mr. Robert Hughes: I referred to British Rail using private capital which might be added to the external financing limit. I want to make it clear that I do not mind if it is an addition, but the project should be carried out in partnership and certainly should not be used as an exercise in the creeping privatisation of British Rail. There would be nothing worse for the morale and service provided by British Rail than if little bits of BR's services were hived off to private enterprise on the ground that it was an innovative use of private sector capital.

Mr. Bottomley: I thought that we had been getting on so well! The hon. Gentleman has put that point on the record, and perhaps we can leave it there.

I was about to refer to the early warnings about the need for extra crossing capacity. I have quickly looked through the February 1984 debate and I am not sure from the remarks of the hon. Member for Woolwich that there was a reference to the need for extra capacity.

Mr. John Cartwright: The demand was made well before then.

Mr. Bottomley: In that case, I take it back. One of the major problems faced by the Department of Transport has been the shortage of money. The greatest shortage occurred between 1975 and 1979 when, I vaguely recall, the hon. Member for Woolwich was in some way involved in Government.

Mr. Cartwright: I was not involved in Government.

Mr. Bottomley: The hon. Gentleman was PPS to the then Secretary of State for Education and Science, on the unpaid side of the payroll. One of the biggest difficulties was the halving in real terms of new money for new national roads. It has taken the Government six or seven years to catch up with the backlog. For those involved in the construction industry, it is better to go for the slow and gradual improvement in actual sums of money rather than for great leaps and bounds in provisions, which might suddenly be cut because the IMF has come in, or because other things have gone wrong. No one can guarantee that we shall always be able to preserve that slow growth, but it is better to try to have realistic assumptions about the sums of money available and, when one can go sensibly for additionality, to do so.

Mr. Cartwright: The Minister has made a fair point about the absence and shortage of money. However, with great respect, that was not the case that the Department of Transport made about the additional crossing at Dartford. It did not say, "Yes, we accept the case for a third crossing, but we are terribly sorry we do not have the money." Instead, it said that it did not think that there was a case for a third crossing, and that is where I find it culpable.

Mr. Bottomley: That may be right. However, I suspect that the reasons are probably mixed.

The hon. Gentleman has referred also to the Woolwich free ferry. It is not my job to get involved with the agents who manage the ferry for us at the moment. However, it crossed my mind that if the hon. Gentleman was so good at doing that perhaps we should not have seen the result that we did in the Woolwich election and perhaps we should have had the most recent ex-leader of the Greenwich council here and the ex-ex-leader back there running the ferry better. However, I must confess to partisanship. Although I am glad that the hon. Gentleman is here and that his Labour opponent is not, obviously, it would have been nice if the hon. Member for Woolwich had been a Conservative. However, given the choice and the way in which Greenwich council has been run recently, the ex-leader of that council should be left with his arduous repsonsibilities as mayor and perhaps he will help to tidy up some of the decisions that have been taken by the London borough of Greenwich in the past few years.

My hon. Friend the Member for Erith and Crayford (Mr. Evennett) rightly referred to the need to improve the road network, as well as making a common point of agreement about extra capacity across the Thames. This bridge between Thurrock and Dartford is the only non-controversial crossing of the Thames that has been put forward in history. Waterloo, Chelsea, and Battersea bridges and the other crossings were fought against for years by people with proper, but some with improper, interests to defend, or who had unnecessary fears. I am glad to have reached the stage of achieving common recognition that extra capacity is needed and I am sure that the Bill's future passage through the House will be

[Mr. Bottomley]

aided by the all-party approach that recognises the need for that extra capacity, although there are one or two points on which people will want reassurances.

My hon. Friend the Member for Erith and Crayford also made the point, in words better than mine, about the need to keep heavy traffic on appropriate roads rather than allow it to drift off on to unsuitable roads. Through roads for through traffic must be the key to the road transport side of transportation. Indeed, I hope that that will spread further and wider.

My hon. Friend the Member for Gillingham (Mr. Couchman), together with my hon. Friend the Member for Erith and Crayford, referred to wind protection, to the safety of the bridge in all weather conditions and to ventilation in the tunnels. Obviously, the road surface of this bridge will be treated in the same way as the surfaces of the motorway network.

On the point about windshielding, there is a misconception about the Severn bridge. That bridge is rarely closed, although there are times when high-sided vehicles must be kept off and, of course, it was closed for a time earlier this year. However, that was when both men of Kent and Kentish men had some of their road systems taken out of action for a week or more. One should not have expectations above those for roads on land, for a road that is in the sky and part of a bridge.

There is little experience of putting windshielding on high bridges. It is clear that the conditions between Dartford and Thurrock are substantially easier than those at the Severn. However, there is insufficient experience to be able to state precisely the type of windshielding that would work. From a proper investigation it is clear that some speed and lane restrictions may be necessary for about 24 hours per year. If that is the expectation, it is about the same as that for a cross-country motorway. To argue strongly for windshielding when the tests that would be needed to reduce the possibility, or even the probability, of the need to have restrictions on lanes or on high-sided vehicles for about only 24 hours per year takes our knowledge further than it is at present. It would also increase the investment that would be needed. Indeed, it would be rather like paying the police for more than the burglar is likely to steal. I think that is the simplest way of putting it. We believe that it might be necessary to close the bridge to high-sided vehicles for about six hours a year, and contingency arrangements will be made to deal with that. That reasoning led us to believe that the provision of windshielding on the bridge and approach viaducts would not be justified, but the matter can be discussed during the later stages of the Bill.

It is accepted that there may be a problem with ventilation. A study is taking place. It will be possible to improve the ventilation if that proves to be necessary. We are aware of the problem, and we shall obtain information which should lead us further forward.

I think that I have dealt with most of the issues that have been raised. I am grateful to those hon. Members who contributed to the debate. The House will be doing its duty if it gives the Bill further consideration at its later stages and gets it through as early as possible so that construction can begin, we can relieve the capacity problems of the crossing between Dartford and Thurrock and the bridge, whatever it is called, can come into use as soon as possible.

Question put and agreed to.

Bill accordingly read a Second time.

Ordered,

That the Bill be committed to a Select Committee of seven Members, four to be nominated by the House and three by the Committee of Selection.

That there shall stand referred to the Select Committee—

(a) any Petition against the Bill presented by being deposited in the Private Bill Office at any time not later than 20th July, and

(b) any petition which has being presented by being deposited in the Private Bill Office and in which the Petitioners complain of any amendment as proposed in the filled-up Bill or of any matter which has arisen during the progress of the Bill before the said Committee,

being a Petition in which the Petitioners pray to be heard by themselves, their Counsel or Agents.

That is no such Petition as is mentioned in sub-paragraph *(a)* above is presented, or if all such Petitions are withdrawn before the meeting of the Committee, the order for the committal of the Bill to a Select Committee shall be discharged and the Bill shall be committed to a Standing Committee.

That any Petitioner whose Petition stands referred to the Select Committee shall, subject to the Rules and Orders of the House and to the Prayer of his Petition, be entitled to be heard by himself, his Counsel or Agents upon his Petition provided that it is prepared and signed in conformity with the Rules and Orders of the House, and the Member in charge of the Bill shall be entitled to be heard by his Counsel or Agents in favour of the Bill against that Petition.

That the Committee have power to sit notwithstanding any adjournment of the House and to report from day to day the Minutes of Evidence taken before it.

That three be the Quorum of the Committee.—*[Mr. Durant.]*

DARTFORD-THURROCK CROSSING BILL *[MONEY]*

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Dartford-Thurrock Crossing Bill, it is expedient to authorise—

(a) the extingishment of liabilities of Kent and Essex County Councils in respect of the principal of, and interest on, sums borrowed from the Secretary of State in respect of tunnel expenditure: and

(b) the payment out of money provided by Parliament of any expenses of the Secretary of State under that Act and of any increase attributable to that Act in the sums payable under any other enactment out of money so provided.—*[Mr. Durant.]*

DARTFORD-THURROCK CROSSING BILL [WAYS AND MEANS]

Resolved,

That, for the purposes of any Act resulting from the Dartford-Thurrock Crossing Bill, it is expedient to authorise—

(a) the levying of tolls by the Secretary of State in respect of vehicles using either of the tunnels or the bridge;

(b) the imposition of charges in respect of the use of the crossing by vehicles exceeding such dimensions or weight as may be prescribed and in respect of the removal or the repair, adjustment or refuelling of vehicles at rest in any prescribed part of the crossing or of the approach roads; and

(c) the payment into the Consolidated Fund of sums received or treated as received by or on behalf of the Secretary of State under that Act.—*[Mr. Durant.]*

EUROPEAN LEGISLATION

Ordered,

That Mr. Roland Boyes, Mr. Richard Caborn, Mr. William Cash, Mrs. Ann Clwyd, Mr. Hugh Dykes, Mr. Alan Haselhurst, Mr. Robert Hicks, Mr. David Knox, Mr. David Madel, Mr. Tony Marlow, Mr. Allan Rogers, Mr. Nigel Spearing, Mr. Robin Squire and Mr. Bowen Wells be members of the Select Committee on European Legislation. —*[Mr. David Hunt.]*

PUBLIC ACCOUNTS

Ordered,

That Mr. D. N. Campbell-Savours, Mr. John Garrett, Mr. Ian Gow, Sir Peter Hordern, Mr. Norman Lamont, Mr. Michael Latham, Mr. Robert Maclennan, Mr. Michael Morris, Mr. William O'Brien, Mr. Richard Page, Mr. Allan Rogers, Sir Michael Shaw, Mr. Robert Sheldon and Mr. Michael Shersby be members of the Committee of Public Accounts.—*[Mr. David Hunt.]*

STATUTORY INSTRUMENTS (JOINT COMMITTEE)

Ordered,

That the Lords message of 7th July be now considered. —*[Mr. David Hunt.]*

Ordered,

That Mr. Richard Alexander, Mrs. Rosie Barnes, Mr. Andrew F. Bennett, Mr. Willaim Cash, Mr. Bob Cryer, Mr. Timothy Kirkhope and Mr. David Martin be members of the Joint Committee on Statutory Instruments. — *[Mr. David Hunt.]*

Ordered,

That the Committee appointed by this House do meet the Lords Committee as proposed by their Lordships.

Message to the Lords to acquaint them therewith—*[Mr. David Hunt.]*

Waldens Farm, St. Mary Cray

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

9.42 pm

Mr. Ivor Stanbrook (Orpington): In 1974, I drew the attention of the House to the problems caused for my constituents by a firm, Vemera Ltd., of Loughton, Essex, which bought a local farm on the fringe of the green belt, divided its 75 acres into 800 plots measuring 100ft by 30ft and then sold them individually as leisure blocks at a big profit. No planning permission for development being possible and boundary fences being prohibited, most of the new owners were unable to benefit from their land as they wished to. Some erected buildings of sorts, some cultivated their plots in a commendable way, but most of the land was abandoned to become like a rural slum. The local authority racked its brains to find a remedy. It enforced the planning law where it could, but on the whole, faced with hundreds of absentee landlords and purported tenants, few of whom put in an appearance on the site, enforcement was impossible, and 75 acres of prime agricultural land became a wilderness.

When I raised the problem in the House — it was coupled with problems caused by similar actions by the same company, including one in the constituency of my hon. Friend the Member for Maidstone (Miss Widdecombe) — I was told that central Government could do very little. I hope that I will not get a similar response this evening.

About 25 acres of the land are covered by an orchard, which has been divided among 120 owners. During the night of 1 and 2 November last year, a convoy of over 50 vehicles with over 100 people — men, women and children of all ages and conditions — arrived and occupied the orchard. A family in a battered old bus had driven into the orchard a few days before, but otherwise the residents and the local authority were taken by surprise. The occupation was concerted among the so-called hippies and travellers who had previously been in the west country because many of the newcomers were armed with maps with Waldens Farm, St. Mary Cray, marked on them.

Since November 1986, more vehicles and people have arrived to join the others. There have been many comings and goings, but in round figures about 80 vehicles and about 200 people have been the peak occupation of the orchard. There has recently been some exodus, presumably because of the attraction of the summer solstice at Stonehenge.

The people concerned shun contact with local residents and are actively hostile to strangers they find on the site. The conditions in which they live are disgusting. They have access to the public water supply, as the main stopcock is on the farm. They have dug holes in the ground to meet their sanitary needs, they have stripped large areas of the orchard and have taken any timber they could find round about for firewood. Dogs and other animals roam freely. Most local people are afraid to venture into the area, but health visitors and midwives—heroines as always—do. Three children have been born there recently, the mothers refusing to go into hospital.

It appears that they all live on supplementary benefit, collected from one of the three local DHSS offices. Drug trafficking is almost certainly going on and there have

[Mr. Ivor Stanbrook]

been acts of violence against local residents. Property left out in neighbouring fields has been stolen and there have been a few ugly incidents involving packs of dogs. The people who own the plots covered by the orchard, insofar as they are aware of the situation, are powerless to do anything about it. Many of them appear to be Greek and residents of different parts of north London. They are willing to co-operate in legal action to remove the trespassers, but not if this involves expense.

The law-abiding, peaceful, ratepaying, taxpaying, hard-working citizens of St. Mary Cray are up in arms about this plunder, devastation and menace in their midst. They demand to know why the council, the police and the Government will not protect them from the consequences of this illegal occupation of private land by people who obviously have not the slightest intention of respecting the rights of others.

Bromley council—the local authority—prevaricates. The environmental health officers say that there is no present threat to public health while there is running water, earth closets and fires burning the rubbish. However, they do not live nearby and experience the daily stench. Other officers of the local authority say that it would be impossible to identify anyone on the site long enough to bring summons for breaches of the byelaws. The police say that they have the orchard under constant surveillance, that criminal law is being enforced and that, to their credit, they have tracked down the legal owners of the property concerned with a view to providing laborious evidence for possible civil proceedings for trespass.

However, they seem reluctant, probably because of the hesitation at Scotland Yard or, more probably still, at the Home Office, to take action under the new Public Order Act 1986. I ask my hon. Friend the Minister, will action be taken under that Act to evict those people and, if not, why not? The Act should surely be used against the intruders who have come on to the site since the Act came into effect, if not against all the malefactors. What happens if the trespassers, following civil proceedings taken by the outraged owners of the sites, move on to another local site?

My constituents are very angry about the inactivity of the authorities concerned in dealing with this appalling state of affairs. The local residents cannot be expected to endure the strain of this continual squalid nuisance and to meet the expense of what might be long-drawn-out legal action to evict the trespassers. Bromley council is stymied. Even the remedy of a compulsory purchase order, which one might have thought would be a good solution to the problem, is unlikely to be effective for years. What are the Government going to do about it?

9.51 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): I have great sympathy with the points raised by my hon. Friend the Member for Orpington (Mr. Stanbrook). He is quite right to bring the position of his constituents to the attention of the House at this time. I do not think that anybody could have put the position more clearly than he has.

The problem stems essentially from the fact that on this plot of land there is multiple ownership. Because of that, it is more difficult than would otherwise have been the case to invoke the usual remedies. It might be helpful if I tell the House what the usual remedies are in cases such as this. There are two. The first is to invoke the ordinary civil law under the cause of action of trespass. The second would be to seek to persuade the police to exercise the powers conferred upon them under section 39 of the Public Order Act 1986.

It might be helpful if I were to explain the circumstances in which each of the two remedies can be invoked. My hon. Friend the Member for Orpington is a distinguished lawyer and, therefore, as familiar as I am — perhaps rather more so—with the legal technicalities. However, I am sure that he will forgive me if, for the convenience of of the House, I identify those characteristics.

What is trespass, I ask rhetorically? Essentially, trespass in unlawful occupation of another person's land without the authority or consent of the person entitled to possession. When a person trespasses on land, the person entitled to possession can go to the court for a remedy. The remedy is an injunction, a claim for damages, or both. However—this is the important point—the person who has the cause of action is the person entitled to possession. If many people are entitled to possession and some of those people cannot be identified, there is a problem in bringing the cause of action. The cause of action is complete, but one has the difficulty of identifying the correct plaintiffs. If the owners are not interested in bringing proceedings, clearly they will not be brought. That is one of the usual remedies and I have mentioned the difficulty about invoking it in this instance.

The other remedy, provided by Parliament at the instance of this Government, is under section 39 of the Public Order Act 1986. It might be helpful if I reminded hon. Members of the nature of the remedy provided under section 39, which states:

"If the senior police officer reasonably believes that two or more persons have entered land as trespassers and are present there with the common purpose of residing there for any period, that reasonable steps have been taken by or on behalf of the occupier to ask them to leave and—

(a) that any of those persons has caused damage to property on the land or used threatening, abusive or insulting words or behaviour towards the occupier, a member of his family or an employee or agent of his, or

(b) that those persons have between them brought twelve or more vehicles on to the land,

he may direct those persons, or any of them, to leave the land."

If the persons on the land unlawfully decline to leave, the offence is complete. However, we come back to the problem of multiple ownership. The police officer can ask the persons trespassing to leave only when he is satisfied "that reasonable steps have been taken by or on behalf of the occupier".

Once more we are faced with the problem of multiple ownership where there are many owners of land, some of whom are not identified, and some of whom may not care very much whether or not there is a trespass.

Miss Ann Widdecombe (Maidstone): Has the Minister taken into account the considerable effect of intimidation on landlords and owners of land? Although the Minister has given the House a full picture of the remedies open to those in single ownership — therefore, there are no complications for the owner—has he taken full account of the effect of intimidation of owners of land by persons who may not subsequently be identified? Has he also taken account of the effect on the police force of the said

intimidation? That is especially relevant in my constituency. It is not enough to send one officer to talk to these people. The police may evict such persons, but they will come back. They can then cause wilful and malicious damage not only to property, but also to persons. Has he taken full account of that and are there adequate remedies in law?

Mr. Hogg: I have no doubt that if the actions of the trespassers were intimidatory, it would constitute an offence. It might constitute an offence under the Public Order Act. However, there are a variety of other offences, contained both in common law and in other statutes, which might be committed. That is not the problem; the problem is whether or not the aggrieved persons can get such people off the land.

Such action does not depend upon intimidation; it depends upon establishing a right that can be enforced either by the police or through the courts. I have identified the two remedies—the action in trespass and the powers to remove under section 39 of the Public Order Act—to highlight the problems in this instance. To use those remedies it is necessary to identify the owners of the land and to obtain their concurrence to the necessary action upon which everything else depends.

I believe that the situation may be more promising than my hon. Friends believe. My understanding is that there is one owner of the land who owns a great majority of the land affected at Waldens farm. I understand that that person has instructed a solicitor to take proceedings in the High Court. I am further told that that person has secured the consent of the great majority of the other owners of the land who have now been identified. The majority landowner is thus able to go to the High Court on behalf of himself and of the great majority of the other landowners.

If that is correct, I believe that the cause of action is complete. Clearly it would be wrong for the House or, indeed, a Minister, especially a junior Minister, to prejudge in any way the likely decision of the court. However, on those facts it would seem to me that there is a good prospect of a High Court judge making the injunction that my hon. Friend has in mind. Therefore, ordinary civil remedies may now apply in this case because the majority landowner has the consent of the other occupants.

A different situation will obviously arise if the High Court declines to make an order of the kind that we have been discussing. The question that then arises is whether the police would be entitled to act under section 39 of the Public Order Act.

It being Ten o'clock, the Motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

Mr. Hogg: The decision whether to invoke the powers under section 39 of the 1986 Act is a matter for the police. Again, it would be wrong for a Minister of the Crown to seek in any way to influence the police officers' decision because it is an operational matter. My hon. Friend the Member for Orpington will appreciate as much as I do that Ministers have no jurisdiction in that respect.

Let us assume that the High Court declines to make an order in a civil action. Provided that the owners, by some collective action, can make it plain to trespassers that they, the trespassers, should leave—they can do that either individually or collectively——

Miss Widdecombe *indicated dissent.*

Mr. Hogg: My hon. Friend the Member for Maidstone (Miss Widdecombe) is making a face. It can be done by a solicitor, an association — they can set up an association — or it can be done in a variety of other ways. The owners must make it plain to the trespassers that the trespassers must leave. Provided that the police are satisfied that the other criteria set out in section 39 are fulfilled, they may decide to invoke the powers provided in section 39.

Miss Widdecombe: As my hon. Friend has said, although there is a remedy by giving notice to itinerants and having it effected by the police, the fact remains that serving the original is up to individuals. Whether it is an individual landowner — in my constituency, we are talking about individuals, not multiple ownership — or his or her solicitor, the fact remains that it is an individual against 30 itinerant occupants, who are not necessarily at that point under the observation of law-keeping bodies such as the police. They must face such people and serve the original notice before the forces of law and order are brought in. Has my hon. Friend taken on board the effects of intimidation? What remedy does a single landowner have against itinerants?

Mr. Hogg: I have contemplated the difficulties that can arise. My hon. Friend the Member for Maidstone must look at it from the point of view that it is obviously a necessary condition to the powers under section 39 of the Act that the landowner wishes the trespasser to leave. After all, some landowners might not care much one way or the other.

Miss Widdecombe *rose——*

Mr. Hogg: I shall finish my comments in this respect and then I shall give way.

Some landowners might be content to let trespassers remain on the site. Therefore, it is right in principle and in practice that the powers under section 39, which constitute a criminal offence, should arise only in circumstances in which a landowner wishes a trespasser to leave. That is a necessary precondition.

The next question is this: what obligations are imposed upon a landowner to make apparent to the trespasser the requirement to leave? The answer to that is that it varies in accordance with the facts. There is no need to serve a formal notice. If one does not want to talk to such fellows in the field, one can get a bull horn, put it to one's mouth and say, "Get off my land." That is quite sufficient to require people to leave. For example, there is no need to go up to Mr. Speaker, shake his hand and say, "Mr. Speaker, I want you out of here." It is quite sufficient to stand at the Dispatch Box and say, "Mr. Speaker, I want you to leave." The communication of the notice depends upon the facts. If my hon. Friend's constituents are alarmed about this, I suggest a bull horn, and I am not being frivolous.

Mr. Stanbrook: Let me bring the debate back to the issue in my constituency and point out the difficulties of proceeding by way of civil action. We are talking about one third of Waldens farm—25 acres out of 75—which is occupied in this way. Some 120 landowners are concerned, and by dint of great effort and great expenditure by the local people, including, as my hon. Friend has said, one in particular, there will be a civil

[Mr. Stanbrook]

action in the High Court to get rid of these people. What happens if the people concerned then move on to the other 50 acres where there are another 600 or 700 owners? Who will ask every one of them to finance a court action? The practical difficulties of civil actions are such that they are quite beyond private individuals to take action and we should not expect that of them. It should be a matter for the Home Office and enforcement of the Public Order Act.

Mr. Hogg: It is not a matter for the Home Office in any circumstances. One must go either through the civil courts, which is not a matter for the Home Office, or through the police, which is not a matter for the Home Office. The Home Office is not directly involved.

My hon. Friend is making a serious point. He is asking why we should use the civil remedy of an injunction. There is an advantage in using an injunction, as my hon. Friend will appreciate, which is that the injunction is permanent in character as it applies to the relevant piece of land, whereas the relief under section 39 is not permanent in character. My hon. Friend is asking what happens if either in civil proceedings the injunction is made, or under section 39 an order is made, and the trespassers leave the piece of land affected either by the order or the injunction and go elsewhere.

That is a fair point, and I am afraid that the position will then be as it now is. Once again, the two remedies will have to be invoked. This is inevitable for this reason. It would be wrong in principle to give anyone the power to move people from private land unless it were obvious and clear that the owners of the land on which the people were squatting, if that is the appropriate word, wanted them to leave.

My hon. Friend the Member for Orpington may say, "Of course the landowners want the hippies to leave." However, we cannot be certain of that. The law cannot presume that. The powers under section 39, or the relief available in a civil suit, must always depend upon the determination and desire of the landowners in question to assert their rights. That is an essential difficulty that flows necessarily from our respect for property.

I have tried to consider whether there might be any way around this by taking indirect action. I have considered the Orpington Urban District Council Act and I suggest that my hon. Friend considers that as well. Bromley borough council has some powers under that Act that might be valuable in this instance. However, one again encounters the problem of the would-be trespassers moving from one site to another. I have also considered whether there is a breach of planning regulations and whether enforcement notices could be taken. The best advice that I have had is that that would not be a useful way forward. The same is true of the Caravan Sites Act 1968, which I have also considered.

Two remedies are available—one is the civil suit for an injunction and damages, and that is going forward. If that fails it may be—that is a matter for them—that the police will decide that they are in a position to invoke section 39.

No one could put the case more clearly than my hon. Friend has done, and he has been extremely ably supported by our hon. Friend the Member for Maidstone. I have not had the privilege of hearing her speak in the Chamber before, and I welcome her to it. Perhaps the civil suit will provide a remedy; I very much hope that it will.

Mr. Stanbrook: A very unsatisfactory remedy.

Mr. Hogg: I understand my hon. Friend's point, but he must also bear in mind that we have a system of law that depends on proprietorial rights and not the exercise of coercive powers in respect of private property, unless it is clear that the owners of that private property want those coercive powers to be exercised. Personally, I believe that that is what the law should be.

Question put and agreed to.

Adjourned accordingly at ten minutes past Ten o'clock.

House of Commons

Friday 10 July 1987

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Manufacturing and Competition

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kenneth Carlisle.]*

9.35 am

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): In the summer of 1984, the Department of Trade and Industry sponsored a study mission to Hong Kong, Japan and the west coast of the United States. The members were a broadly based group representing management, banking, purchasing, trade unions, media and Government interests and their aim was to find out why companies in the countries that they were visiting were often out-performing British companies. All of them returned alarmed at the strength of the competition and challenged by what they had seen and heard.

Towards the end of the visit to Japan, they had an opportunity to talk informally to their hosts. They asked why Japanese companies had thrown open their factories, talked frankly to them about their techniques and shown them the secrets of their success. The answer was devastating. They were told by the Japanese, "Because it would take you 10 years to get where we are now and by that time we shall be even further ahead. And besides, we know you won't do it." I emphasise those last words. The Government have recognised that challenge. It is a challenge that many companies are responding to and it is a continuing challenge to us all in the future because, as those mission members were told, the competition is not standing still. However, that challenge also presents the way to tremendous opportunities and it can and is being met, as I will explain to the House in a moment.

Before outlining the ways in which we are rising to the challenges and opportunities, it is important to understand that the efforts of companies have been greatly assisted by the Government's achievements in improving the whole economic climate in which British business operates. While I would not wish to dwell unduly on the general issues that would normally come under the heading of "getting the climate right", I think that it would be appropriate to record here the progress of the British economy during a period in which we have been facing these major challenges from our overseas competitors.

The economy has just entered its seventh successive year of growth at an average annual growth rate so far of 2·5 to 3 per cent. Since 1980, our economy has grown faster than those of all the other major European Community countries. The outlook, which is good, is for continued growth. In recent years, productivity growth in the manufacturing sector has been the highest of the major industrialised countries. Reflecting that improvement, the rate of increase in unit wage and salary costs has eased. Our unit labour costs have, however, tended to rise more rapidly than those in the United States, Germany and Japan, but the gap has recently been narrowing and over most of last year may have risen as slowly as, or even more slowly than, in Japan and Germany. The United Kingdom's international cost competitiveness improved by 4 per cent. in 1986. Inflation has been brought under control and profitability has grown almost continuously from 1980 onwards. All these positive aspects clearly demonstrate how much has been achieved.

Compared with the first year or two of this decade, the problems facing industrialists have significantly reduced, providing a better climate in which they can meet the challenges and opportunities with growing confidence and renewed vigour. It is not an exaggeration to say that the opportunities for British industrialists, British industry and commerce have never been so good for a long time. If we can maintain the current trends well into the 1990s, talk of a British economic miracle during that period will not be an exaggeration.

All sectors are, of course, important to economic growth, but manufacturing in particular will need to play a dominant role over the coming years. Manufacturing is clearly more intensively traded than services — about four times more — and will continue so for the foreseeable future. Because of manufacturing's higher trade intensity, and because of the current dominance of manufacturers both in the United Kingdom's non-oil trade flows and in world trade, we shall need to look to manufacturing to contribute a major part to the United Kingdom's successful adjustment to the falling oil trade surplus. I am glad to say that it is doing so.

I am pleased to report that there is a good story to tell on the improving performance of our manufacturing sector. The figures on the improvement in performance of this sector show that output has grown by 16 per cent. from its trough in early 1981. It is forecast to grow by 4 per cent. this year, faster than the rest of the economy, and faster than in any year since 1973. Manufacturing productivity is 43 per cent. higher than in late 1980 and 34 per cent. higher than in 1979. Moreover, since 1979 our growth in manufacturing productivity has surpassed that of our major competitiors, including Japan. The trend of our falling share of world trade has stopped and the situation is now much more encouraging. For example, in the three months to April, our exports of manufactures, excluding erratic items, were up 10 per cent. in volume on the corresponding period of 1986, and imports were up 6·5 per cent. So we now have a major opportunity to reconquer domestic markets and increase our penetration of world markets.

I am aware that Her Majesty's Opposition like to make the comparison between 1979 levels of output and those of today, but it would be more helpful to establishing a constructive and analytical debate if they were to recognise occasionally the depth of the international recession, which was the worst in 50 years, and the reasons why our economy went into that recession with fundamental weaknesses compared wth some of our competitors.

Our improving performance has been helped too by the improvements in quality design and reliability that have restored the reputation of many famous British names, of which quality is the centre of our attention today.

Before I turn to today's topic in detail, I shall pause only to record that the performance measure which encompasses all these elements — manufacturing

[Mr. John Butcher]

profitability — reached its highest level since 1973 in 1985, and when the figures are available should show a further gain for 1986.

The opportunities and challenges to which I referred earlier are regaining lost markets and obtaining a share of new markets. Those opportunities start with carefully identifying what the market has to offer, lead on to market research studies and then into project planning to meet the needs of potential customers.

No stone must be left unturned in those vital stages, and only when completely satisfied that the market and customer requirement has been identified is it sensible to move to the important design phase, then to production planning, purchasing, production and selling according to the requirements and expectations of likely customers. But the process does not end there — there is after-sales follow-up feedback of customer experience and amendments to the entire manufacturing cycle in relation to that feedback, and then the process starts again In short, these are all the non-price factors that are critical to companies if they are to succeed.

For example, a study in the early 1980s estimated that non-price factors accounted for about 45 per cent. of British export behaviour. They are the vital elements that will contribute to an industrial renaissance. The opportunities are there for all in their respective fields, but only by taking account of these vital non-price factors will companies be successful and be able to build on that success, maintaining existing and creating new jobs and reasserting our reputation, making sure that all those involved in the product or providing the service can genuinely be proud of the label "Made in Britain". The firms and countries that are doing best are those that are offering their customers the best value for money and competitive value for money, and competitive value for money comes from competitive quality at a competitive price.

By quality we are talking about satisfying customers and meeting their needs and expectations so that they come back to buy companies' products again and again. The issue can be encapsulated by describing it as being about selling products that do not come back to customers that do. Customers are becoming increasingly discerning, and as world competition increases the choice open to them is also increasing. They know the real costs of poor materials and unsatisfactory performance, and while increasingly price may be negotiable, quality is not. The leading companies worldwide have recognised this and have benefited accordingly from improved efficiency and reduced waste and not from increased sales.

Mr. Peter Pike (Burnley): Does the Minister accept that in many sectors of manufacturing industry—I worked in manufacturing industry before being elected to this place in 1983 — there was a period when management and supervision were more concerned about the number of products finding their way to the end of the production line than about the quality of the product? That attitude is changing in manufacturing industry, but if management and supervision are not concerned about quality, the work force will take the same view. I accept the Minister's argument that quality is important, but will he accept that improvements are being made and that it is important that attitudes change from the top of management through supervision to the work force?

Mr. Butcher: I am delighted to welcome the hon. Gentleman's presence in the Chamber and his participation in the debate. I agree that in the 1960s and 1970s, an obsession with volume for volume's sake in many badly managed industries became extremely expensive. The rectification of faults halfway down, three quarters down and all the way down the production process cost companies a great deal of money. Post facto quality procedures are no longer the method by which we tackle the problem. I shall deal with the hon. Gentleman's question in greater detail later.

Towards the end of the 1970s, a number of studies highlighted the need for industry to take greater account of non-price factors if it was to succeed. These were factors such as good design, technological innovation, prompt delivery and reliability—in short, quality. An estimate at the time suggested—this goes some way to dealing with the intervention of the hon. Member for Burnley (Mr. Pike) — that mismanagement of quality was costing British companies about £10 billion per annum. These are the costs of failure — costs such as rejects, reworking, scrap, customer complaints and warranty costs leading to loss of customer confidence and orders.

More recent estimates suggest that the costs of quality mismanagement are frequently between 10 per cent. and 15 per cent. of turnover, and can be much higher. Too often these costs remain unidentified or accepted as inevitable, but this need not be so. The British companies that are paying attention to quality are showing by their example that there is a remedy, that something can be done about it, and that paying attention to quality does not cost money. Indeed, it is far more likely to release resources for use elsewhere in business, and increase profitability. Companies such as IBM, which chose to produce the personal computer at Greenock in Scotland because it could get the best job done there, and Philips UK, which won eight of the Philips 1986 quality awards, are but two examples of international companies whose United Kingdom subsidiaries were able to match and beat the performance of other subsidiaries in the same group.

But it is not only multinationals which are doing well from their bases in Britain. British companies such as Marks and Spencer and Rolls-Royce are well known for the quality of their products.

Mr. William Cash (Stafford): The announcement today about the sale of the RB211 engine to Qantas in Australia seems to prove the company's ability to repeat the fulfilment of customer requirements at quality level. That is why the company managed to get the repeat order.

Mr. Butcher: My hon. Friend is absolutely right. I am sure that the whole House will wish to join him in his congratulation of the company on having built on a very successful product. While, as he rightly reminded us, that success is based on the reputation of Rolls-Royce for quality, the entire aerospace industry is now enjoying a rate of market penetration that is historically of the highest order, and I believe that the British aerospace industry in general has an excellent future.

J. C. Bamford has won a British quality award for outstanding achievements in the quality of product design

and for the implementation of new and imaginative quality methods. Last, but certainly not least, Jaguar has made quality the prime selling point in its return to success.

It is not the size of the company that determines whether or not such an approach can succeed, because the same applies to smaller companies. It is a question of attitudes stemming from clear commitments from all employees, starting at the top, to meet customer needs. The Government's role, as with so many other policies in the Department of Trade and Industry, is to recognise best practice and to use, where necessary, third parties to try to disseminate that best practice—as recognised by our customers — across whole tranches of industry and commerce.

The 1982 White Paper "Standards, Quality and International Competitiveness" spelt out Government policy on the role of quality and standards in improving our international competitiveness. It laid the foundation for a range of developments designed to improve the quality of British goods and services, and to help Britain to retain a competitive position in domestic and world markets. A great deal has happened since then. In October last year my Department published "Quality Counts", which sets out what has been done so far to help and raise the quality and reputation of British goods. Copies are available in the Library. "Quality Counts" highlights the central role of quality in improving company competitiveness, and describes the steps the Government have taken to encourage the adoption of a total quality approach throughout industry and commerce. Those steps include the activities of the national quality campaign; to underpin and demonstrate quality achievement, the progress in encouraging the growth of a network of organisations that carry out assessment work, and the formation of the National Accreditation Council; the ways in which the Government have sought to improve their collaboration with industry and standards-making to improve the standards-making process; international developments; the role of Government as a purchaser and regulator of the market; and the contribution that standards and quality can make in promoting new technologies.

I would like now to highlight some of the activities of the quality campaign, in relation particularly to some of the more recent developments. In 1983, the campaign was launched to promote the importance of quality as a means of securing success in the market place, as well as making the running of a company more efficient, and improving profitability by eliminating waste of materials and effort. The campaign seeks to promote the "total" or "companywide" approach to quality management. This involves everyone in an organisation contributing to the improvement process, in ensuring the quality of whatever he or she does. In every job the need is to meet the customer's requirements by getting it "right first time every time".

Under the umbrella of the campaign, the Department of Trade and Industry has produced, often in conjunction with others, a wide range of audio-visual and written material reflecting as far as possible the experience of United Kingdom organisations and individuals, thereby letting others know that quality leads to success. The material is available free of charge to companies and organisations interested in adopting a quality approach.

The quality message has already been spread to a large number of British companies, and has been acted on by many. Following the initial advertising campaign and an extensive series of seminars and conferences throughout the country, the quality campaign is now concentrating on encouraging the quality approach by means of activity programmes with sectors of industry, on a regional basis and with individual companies taking the quality message to their suppliers and subcontractors. Eighteen of these activity programmes have been launched so far, and others are at the planning stage. In all, it is estimated that well over 50,000 companies have been contacted directly by the campaign through this and other work.

However, the significance of the campaign is not just the effort of the Department, but the work of all those organisations and companies that support the campaign's aims and objectives, and the work that it does — the institutes and societies, the CBI and TUC, the trade associations, companies and individuals, all working in the cause of quality.

As an important step towards the "total" approach, the campaign has also been promoting the benefits of effective management systems. The traditional way of manufacturing quality products has been to inspect goods after they are made, and to reject or rectify the defective ones. It is an expensive method, because faulty goods are not detected until time, effort and money have been invested in producing them. As I mentioned earlier, it can frequently cost 10 to 15 per cent. of turnover. A much more effective approach is to introduce a system that effectively plans, implements and monitors the process of manufacturing quality products or providing quality services throughout the product or service cycle, and encourages the entire work force to become totally committed to that process. Such a system must function logically and accurately, and must apply to every activity from marketing, design and the purchase of raw materials and components, through manufacture, to the delivery of the finished product or service.

Effective quality management generates procedures that can be used both to verify quality, and to provide information that will allow supervision, maintenance and improved management of the system. In the end, it reduces the need for inspection. It is essentially a system of prevention rather than cure. It is therefore also cost-effective, and not a financial burden.

The United Kingdom has a national standard for quality systems — BS5750. This standard has gained worldwide acceptance through the International Standards Organisation as the basis of the ISO 9000 series and, in its 1987 form, has identical wording.

As part of the campaign the Government provide assistance to small companies to help them to adopt more effective management systems. Since 1983, our business and technical advisory service on quality has committed over £12 million to enable independent companies, or groups with fewer than 500 employees, to employ consultants to give advice on how to introduce quality management systems. To date, over 3,400 companies have received assistance through the scheme.

As I said, encouraging the use of more effective management systems tuned to meet customer requirements helps companies to operate more efficiently. They can save money at the same time as raising the quality of their products or services.

To assist the marketing of products and services supplied by quality conscious organisations requires an objective means of clearly demonstrating their achievements. Independent impartial assessment can provide such

[Mr. Butcher]

a mechanism. It ensures that the quality management system of a company is in line with modern practice meeting the national quality standard and gives the customer greater confidence in the competence of the company. Assessment of products to a recognised standard in addition to assessment of management systems does, of course, give added assurance of conformity to the required standard. This involves independent testing in accredited laboratories and is frequently used when products have to conform to health and safety requirements.

Many sectors of United Kingdom industry are now developing schemes to enable them to demonstrate their commitment to quality and customer satisfaction. The Government have been helping by providing financial support — matching industries' contribution to the development of the schemes in their initial stages of development. So far we have helped to establish seven new organisations, and my Department is discussing similar initiatives with a number of other bodies intending to add to the network of independent assessment schemes gradually spreading to serve the entire spectrum of industrial activity.

However, the growing demand by industry for independent assessment and testing and the consequent growth in the number of organisations offering these services has required the development of a system to monitor the competence of those organisations so that purchasers can rely on test results and certificates and have confidence that the job has been done properly.

To build up this confidence, the Government launched in 1985 the National Accreditation Council for Certification Bodies, a representative group which advises my noble Friend the Secretary of State for Trade and Industry on the granting of accreditation for schemes assessed by the council. To date, five bodies have been accredited and applications from a number of other organisations are currently being processed. We have also established the national measurement accreditation service, which assesses and monitors the competence of test and calibration laboratories. NAMAS has been operating for rather longer than NACCB and to date has accredited over 500 laboratories.

I shall now briefly speak about the importance of good standards and the role of Government. The 1982 White Paper stressed the need for Government to be more closely involved in standards making and the booklet "Quality Counts" explains how this is being achieved. There has been a growing collaboration with the British Standards Institution in its work and in helping to set strategic aims. The key aim is to make British standards more relevant to the needs of industry and commerce, thereby helping to improve industrial competitiveness.

Particularly important is the use made by Government of such standards in regulatory and purchasing activities, and a priority has been identification of areas where strong standards are needed by key industries for their development. The Government also help standards experts to play a full part in international work so that British interests are fully represented.

Sir Geoffrey Finsberg (Hampstead and Highgate): Is not one of the main problems about the BSI its snail-like pace? Those of us who have served on its sub-committees know only too well that years can go by before quality standards come out. Is my hon. Friend's Department trying to instil any sense of urgency into the BSI?

Mr. Butcher: My hon. Friend will know that the standards-making process can be a particularly excruciating exercise. Of its nature, it requires consensus by quite a large number of participants. Over the years, I have wrestled with the problem that my hon. Friend has described vividly, and where possible we have, for example, recommended that these groups confine themselves purely to core standards. For example, looking outside the issue my hon. Friend raised, in telecommunications we feel that we should consolidate minimum standards to guarantee the integrity of the network rather than try to write in all sorts of individual features — gold-plated standards as they are called.

My hon. Friend has made a serious point. I know that the BSI is aware that sometimes a delayed standard is one that may never fulfil its purpose. I hope to deal with this in my remarks towards the end of the debate. I shall deal with the domestic and international dimensions of the point that my hon. Friend has raised.

The comments made to our mission in Japan back in 1984 provided a further spur to the challenge facing British companies in world markets, as competition has intensified—a challenge to which industry is responding. Much progress has been made in many sectors and the quality of British goods has benefited accordingly. It is a challenge which will not go away and while much has been achieved more needs to be done. More companies need to take the quality approach to their operations to improve their efficiency and effectiveness in order to satisfy their customers. Whatever their improvements and achievements in quality, they cannot relax. Continuous quality improvement has to be their way of life. Help and advice are available from many sources but in the final analysis it is a matter which companies have to tackle themselves since it is all about the way they organise, operate, and manage their businesses and about the role of every employee.

The customer has to be satisfied. If companies consistently strive to improve their quality and take a "companywide" or "total" approach, they are far more likely to adopt the attitudes and reflexes necessary for customer satisfaction to make a real and sustained success of their operations.

I repeat the title of the brochure—quality does count, and it means the generation of British jobs.

10.7 am

Mr. Alan Williams (Swansea, West): I came to this Bench 32 minutes ago intent on making an objective, non-controversial and, I hoped, constructive contribution to debate that I regard as of considerable importance to British industry. I even tried, with dedication, to listen to the last 30 minutes as the Minister droned on. However, the first two minutes cannot be allowed to pass without an answer. The Minister spoke of an economic miracle, a ministerial mirage that he has discovered to start this debate. I assume that he is talking about the current short-term trend, the mini pre-election boomlet that we have been through before and which is based on the abandonment of public expenditure controls in the two immediate pre-election Budgets—controls which will no

doubt be rediscovered subsequently. The boomlet is based on the devaluation of sterling by 30 per cent. against the deutschmark, the very devaluation policy that the Government denounced as irresponsible in the 1983 election when the Opposition and the TUC pointed out that that was what was necessary to stimulate exports and domestic sales.

Most importantly, the pre-election boomlet is based on a quite cynical consumer boom, a debt-inspired boom from a Prime Minister who spent the previous eight years condemning anyone who ever talked about credit and borrowing as being irresponsible and not running their affairs as a proper housewife or shopkeeper would do. The Minister will not remember—I do not mean that in any disparaging sense, as it is a sign of my on-coming geriatric status — that we have been through it all before. He might be interested to see how well-founded his economic miracle is.

Mr. Butcher *rose*——

Mr. Williams: No. The hon. Gentleman had 32 minutes to make his point, so he must let me make mine.

The Minister might at least bear in mind the fact that in October 1958 the Macmillan Government removed all controls on hire purchase and we then had the first credit boom of the post-war period. Coincidentally, that happened only 12 months before a general election. Of course, that was a coincidence and it was equally a coincidence that during those 12 months the sale of cars increased by 30 per cent. and the sale of domestic electrical appliances increased by 20 per cent. We went into the "Never had it so good" election of 1959 that resulted in a majority of 100 for Macmillan. All that was based on the credit boom that had been generated a year earlier by the removal of hire purchase controls.

The sad corollary of that is that by some other strange and, I am sure, utterly non-political coincidence, when the balance of payments crisis hit just after the election, six months later in March 1960, Lord Macmillan had to reinstitute all the credit controls. The boomlet and the economic miracle were over.

Mr. Butcher *rose*——

Mr. Tom Sackville (Bolton, West) *rose*——

Mr. Williams: Perhaps the hon. Gentlemen should form a queue if you, Mr. Deputy Speaker, think that that would be appropriate. I think that the Minister should be number one and the hon. Member for Bolton, West (Mr. Sackville) should be number two. Perhaps I should issue little pieces of paper.

Mr. Butcher: I am grateful for the right hon. Gentleman's courtesy in giving way so early in his speech. I am sure that he will agree that we should get our database right before we proceed into the meat of the debate. Would he not agree that if he examined the record of an economist called Euchen in conjunction with that of a Chancellor called Erhardt, he might find that the preconditions that were set up by those two gentlemen for a German economic miracle in the period 1949-54 were similar to what happened in this country between 1982 and 1986? Unlike previous occasions in the British economy, that was not an unsoundly founded recovery; it was real growth. Provided that international conditions do not work against us and we can continue the current trend —I agree that I use the words "current trend"—into the 1990s, does the right hon. Gentleman agree that it would not be an exaggeration to say that that is an industrial renaissance?

Mr. Williams: For the first time today, the Minister sounds as though he believes what he is saying, which is rather sad because it means the disillusionment will be greater when it comes. As for his point about a renaissance, I intend to comment on that as my next point arising out of his earlier comments. *[Interruption.]* I believe that the queue may be showing signs of temper and perhaps I should allow the hon. Member for Bolton, West to make his point.

Mr. Sackville: We have now spent another seven minutes on some sort of rhetoric about differing views on the economy. We shall be interested to hear the right hon. Gentleman's views on this debate, which is about quality in industry.

Mr. Williams: I am sure the hon. Gentleman will be interested in my views because they will be well worth listening to and I intend to make them. However, I must advise the hon. Gentleman that it was his Minister who chose to open up side turnings that had nothing to do with this debate. Perhaps the Minister will confirm that earlier this week I advised him that I intended to come to this debate to make what I hope will be a constructive contribution on the main subject. It is not my fault if the Minister has forgotten that he still has his election notes in his pocket instead of his departmental brief. In fact, it was the Minister who challenged me.

You can see, Mr. Deputy Speaker, that it is hard for someone like me who likes to please people and to make them happy, because on the one hand the Minister says that he wants me to deal with the question of renaissance, but on the other hand his hon. Friend the Member for Bolton, West, says that he does not want me to deal with that and, even more, he wishes that I had not dealt with the points that I have already made. Is it not difficult, Sir, to please everyone in such circumstances? With respect to the hon. Member for Bolton, West, this is a circumstance in which seniority must be given its opportunity. I shall therefore pay some attention to the Minister's request.

In his intervention the Minister said that we must get our database correct. However, when one considers the beginning of the Minister's speech it is interesting to note that he chose his database carefully as 1980-81. In Stalin's era in the Soviet Union when someone was disgraced, say Beria, all traces of that person would be eliminated. He would be removed from all reference books. Obviously the visit to Mr. Gorbachev did the Prime Minister some good and she appears to have returned thinking "If the Russians do it, why can't we? However, instead of getting rid of people, we shall get rid of a year." The year 1979-80 does not exist in Conservative history because all Conservative history starts with 1981. Unfortunately—it is a sad fact for the country — the history of this Conservative Administration started in 1979. However, one would not think that when one hears the statistics that are quoted. Despite the Minister's talk about growth, it is a fact that manufacturing growth in this economic miracle is still below its level in 1979 and is still down on the level of the three-day week under the previous Conservative Administration in 1974.

The Minister said that the recession was the worst for 50 years. Indeed, it is, but it is a British recession that has

[Mr. Williams]

been superimposed on the world recession because the recession was engendered by the opportunity Budget that the present Foreign Secretary announced immediately after the election. We do not need to go into details, because the facts are on record. It was the drive and the spiral down into high interest rates and high sterling generated by that irresponsible Budget that led to the 50 years of unprecedented recession to which the Minister referred.

On the balance of trade, the Minister continually forgets the fact that in his economic miracle we have not only gone into deficit in manufacturing trade for the first time ever but, his successful Government, in achieving that miracle, have turned a £5 billion surplus on manufactured trade into a £6 billion deficit. That does not look much like an economic miracle to me.

Manufacturing investment fell by 41 per cent. during the Conservatives' first year of Government. Therefore, when the Government talk about seven years of continuous growth in manufacturing investment—it is true that there have been seven years of continuous growth in investment—they are now only halfway back up the cliff over which they plunged in 1979. After seven years of Conservative growth, they are still 20 per cent. below the level of manufacturing investment that they inherited in 1979. Therefore, as I have said, the economic miracle is more a ministerial mirage than anything else.

What is surprising is that the Minister can see things that are not there, but apparently he and his Departmant have great difficulty in seeing the things that are there. After the Minister's marginally controversial opening statement that led to my corrective and calm response, he went on to describe a devastating discovery at the Department of Trade and Industry. The Department sent someone to Tokyo in 1984 and that person came back devastated, having found that the Japanese were so far ahead. Why was the Department devastated? The facts were all on record. I have an internal document from the Department of Trade and Industry which goes back to the late 1970s and early 1980s and contains a report that was delivered at an international seminar in Tokyo in 1978, which was sponsored by the Union of Japanese Scientists and Engineers. That report contains a paper that was presented by a Dr. Juran, which deals with the very points with which the Minister has been trying to deal today as if he has made a miraculous new discovery.

As far back as 1980, a Minister of Trade wrote to a Minister of Industry saying that the DTI had carried out a study of eight major companies in this country and had discovered that, although they all recognised that quality was extremely important, there was unanimity among the executives—the term used is "without exception"—that the responsibility lay with management. It stated that company boards were reported to be reluctant to accept the evidence of their large and influential customers about the importance of quality.

The Department was not unaware of that. The only thing that is astonishing is that the Minister was astonished. He was a little late in his astonishment. If only he had read the papers that were lying around gathering dust in his Department instead of being acted on, he would have known way before that wasted visit to Japan. As the Government are cost-conscious, the Minister can probably tell me how much it cost to find out what he already knew if only he had opened the right file in the Department. Reports based on the 1978 seminar in Tokyo were circulating and in 1980 the pressure in the Department was for a strategy for quality, so it is amazing that it took until 1982 to produce one White Paper and until 1986 to produce "Quality Counts". All that one can assume is that the officials have been diligently trying to explain all those things to Ministers, but it takes a little while for the Ministers to comprehend what they are being told.

I now come to the essence of the debate. If it had not been for the Minister's opening comments, there need have been no controversy. I should have thought that it was an area where there could be a consensus approach. It is not a matter of which party is in office—both parties favour higher quality. The Minister rightly quoted the figure of £10 billion. Obviously, he read the same article in *Management Today* that I read. The article said that, on the experience of companies that have tried it, £5 billion of that could be readily saved by industry. Industry should learn that lesson, but sadly, as internal letters between Ministers reveal, the management is not always responsive, even where there is a vague comprehension of the problem on the part of the Department and the Ministers.

Quality has two or three distinct elements. There is quality in terms of the avoidance of faults. Most of the £10 billion that the Minister and I are talking about arises from appraisal, inspection and the consequential cost of faults. In addition, there is a different aspect of quality, because it is not a static concept. It has to be a dynamic concept if industry is to remain competitive. It is no good making a snapshot attack on the problem of quality. It is no good getting up to date with one's competitors; one must stay up to date with them. Therefore, there is quality in the further sense of the upgrading of products, the continually increasing sophistication of products. One must ensure that one's products are more up-market.

There is a complication. The problem is not entirely within the control of management. By the nature of modern economic society, every manufacturer tends to be another manufacturer's supplier in one form or another. Therefore, the final product that is marketed can never be of a higher quality than its components and sub-assemblies allow it to be. The Japanese learnt that lesson and taught it to us.

We became slipshod in the quality that we demanded and expected. I remember when we talked to Hitachi about it coming into Britain, and with Matsushita and Panasonic about their use of British components. We also talked to the British component suppliers. I am sure that many of the Minister's officials will have taken part in similar discussions. British manufacturers said that the trouble with the Japanese was that they used unrealistic specifications. They set failure rates on components that were so low that they could not be achieved.

When the Department investigated, we found that, in fairness, the Japanese were imposing the same requirements in their own country on their own component suppliers. In some cases, the British moaners were meeting similar specifications in lucrative defence contracts while saying that they could not meet them in normal commercial contracts. Then we wonder why we lost the television market.

Mr. Pike: I am sure that my right hon. Friend will recall that when Hitachi was talking of coming to Britain I was part of a delegation comprising union members, management, local council members, and my predecessor the then Member of Parliament for Burnley, Mr. Dan Jones, which met him in his office on Millbank. We said why Hitachi should not be allowed to come into the United Kingdom. Does my right hon. Friend accept that, whatever the problems were in the industry at the time, Mullard Colour Tubes has survived in this country and is now making a product that is as good as the Japanese product? It employs fewer people, but it has survived and is doing extremely well in my constituency and in Durham.

Mr. Williams: I well remember that occasion and the late Dan Jones making representations as the then Member of Parliament, with his colleagues from his constituency. I remember trying to assure the tube manufacturers that there was life for them after the Japanese.

There is a true story that at the same time as one multinational that produced tubes in this country was putting pressure via its constituents here to stop the Japanese coming in, it was doing a secret deal in a hotel in Tokyo, which it had not told its British trade union or management about. That was to ensure that it would supply the tubes when the Japanese came in. However, that is a diversion from the main issue.

It is important that we do not treat quality as a once-and-for-all operation. It is important that we recognise that it is a continual process of upgrading products and moving up market where one has the higher added value and higher productivity.

The Japanese have an objective of higher quality at lower cost. If one gets higher quality at constant cost, that gives one a marketing chance, but the Japanese have been far more ruthless in the targets that they set themselves. They have said that they want not only quality in product areas where they are attacking world markets, but cost reduction. It does not need a policy decision. It tends to happen. It is a natural consequence, and I am sure that the Minister will agree. He said virtually the same things in a different way in his speech.

A spiral develops once one accepts the need for quality. Once one accepts that quality matters and sells, because there is higher quality, one's productivity goes up because less of the product is being wasted and more gets out into the shops. One's costs are reduced because there is less scrap and so on—the £5 billion saving that has been pinpointed—so one has lower unit costs. Thus one becomes more competitive. That has been the lesson of audio and television market development of the past 10 or 15 years, and advanced products have become available at reducing prices. It is a lesson that British industry must learn, and unfortunately has been slow to learn.

Japan has no innate characteristic that led it to that policy decision. It was a decision of necessity, a conscious decision. As many of us will remember, in the post-war period the reputation of the Japanese was for the production of shoddy copy products—cheap versions of European goods. Japan has no raw materials. To sustain growth in the post-war period the Japanese had to be able to get raw materials, and to do so they had to get foreign currency. Therefore, the Japanese Government made a conscious decision, backed up by industry, that they had to move up market. To get the currency, they had to go where the price was, where the opportunities were, so they made a deliberate strategic decision. There was governmental and industrial consensus, which is typical of the Japanese. Quality is not a job for a quality department. It must be a corporate endeavour. Every individual in a firm must be quality-conscious, and the Japanese hammered that home, just as the Americans had done before them. The Americans, however, perhaps lost sight of that idea when the bottom line took precedence over everything else.

The Japanese had to accept the idea that, to achieve the quality needed to beat the Germans, the British and the Americans in the markets they dominated, they had to involve their work force. We talk of "quality circles" as though they are a great discovery. After the war, Britain sent productivity missions to the United States where the same ideas, although called something else, were being discussed and implemented in companies, but that information was never followed through. The Japanese discovered that, inevitably, as the work force was involved in the pursuit of quality and the elimination of inadequacy in products, it had to be drawn into wider discussions. Often policy matters were involved in eliminating faults. The Japanese developed that consensus approach. It has had industrial relations benefits. It has produced a greater sense of unity within Japanese industry.

It is important to get across to industry the fact that the pursuit of quality is not just a matter of trying to avoid that £10 billion of waste. But, for pity's sake, industry should be motivated enough, if only to get its act together, by the thought of an extra £10 billion profit. There are far more important gains to be made from the pursuit of quality in terms of industrial relations and attitudes if we recognise what follows from the decision to ensure that quality is part of the whole corporate philosophy instead of just the delegated responsibility of a quality control officer and a couple of inspectors.

Britain has fallen behind in quality competition, although some companies have not and have done well. I am sure that all hon. Members were delighted at the order announced today by Rolls-Royce. It is an example of a firm which, by excellence, has managed to break back into the market after going through a difficult phase. There is not just a philosophical problem in industry. For too long there has been too little investment. To achieve quality there must be not only policy decisions but investment to back them up. British industry has concentrated far too often on telling the customer, "You can have the best that we are able to produce with the machinery we have."

Industry cannot understand why it has lost markets to competitors which start, with market research, to find out what customers want and then set about ensuring that they have the equipment and system to supply it at competitive cost. Industry has been reluctant to accept that. That fact emerged from the study of eight companies undertaken by the Department of Trade and Industry in 1979-80 and was echoed by several of the National Economic Development Organisation sector working parties and reports such as Warner, Corfield, ACARD and Finniston in the previous decade or the early part of this decade. Those reports spelt out that message, but, sadly, we still have to talk about it as though we are missionaries, trying to take the message to an industry that should already know it.

Industry representatives said that they were astonished when they returned from Tokyo in 1984. GEC and Thorn Electrics were equally astonished in 1978-79 when they

[Mr. Williams]

looked for possible joint ventures in Japan at the time Hitachi was setting up in this country. I said then to management and say now to the Minister that, in a way, it is an indictment of British industry that it is astonished to find out what its competitors are doing. If there is one thing about which we can be sure, it is that the Japanese know very well what their competitors are doing. It is astonishing that as long as six years after Thorn and GEC said, "Careful, there are dreadful things happening in Japanese industry with which we are not keeping pace", the Minister and the industries represented on the 1984 mission — I do not know what they were — were still astonished at what they found instead of having learnt the lesson of what happened.

We have lost out on the market because we have not learnt the lessons that have been there for anyone to see. In fairness, the British Institute of Management had been preaching the lessons long before the Minister did. At the end of the 1970s and in the early 1980s, the BIM said that, instead of British over-reliance on specialists inspecting bad quality out, industry needed to design and build good quality in. We are talking about getting the product right with pre-production investment and with correct process planning before it is put on the market.

I endorse what I regard as the serious part of the Minister's speech. I say to new Members, I am sorry but it is in the nature of the House that, if one flies one political kite, three political kites will probably be immediately flown by the other side. The Minister knows what I am like. We have often had exchanges. He should have resisted temptation today. We could have had an amicable discussion on a matter that the whole House thinks is important. There are lessons to be learnt. The tragedy is that one lesson is that no one has been willing to learn the lessons that have been there for a long time.

10.36 am

Mrs. Elizabeth Peacock (Batley and Spen): I closely followed what the right hon. Member for Swansea, West (Mr. Williams) said. He talked about British moaners. Perhaps he ought to talk to some of his colleagues, especially the hon. Member for Kingston upon Hull, East (Mr. Prescott) who, before the general election, toured the north of England and later, in a debate in the House, refused to admit that he had seen new factories being built and massive investment in manufacturing, creating jobs. He pretended that they were not there and that they were a fairy tale. But they were there. The bricks and mortar are there and jobs are being created.

Today we are discussing the importance of quality in manufacturing for international competitiveness. Quite simply, quality is competitiveness. I speak as one who was born in and now represents an area renowned for its fine industrial history and the enthusiasm of its people for value for money as well as quality. I believe that the quality of goods that we produce can and will be the lifeline for British industry. The CBI has told us:

"Quality means selling goods that don't come back, to customers who do."

That is very important.

I should like briefly to consider some aspects of this matter. Why should we expect such quality from goods that we want people to purchase? I suggest that there are probably at least five reasons for that. The first is the rising expectation of consumers. Consumers now travel widely and experience new standards. They are better educated, they know exactly what they are looking for and they are not prepared to put up with anything less. They are better informed by the media. They see products and standards of living on television which perhaps they have not seen before. Even some soap operas, I am told, set standards. We may not always like those standards, but they are there for everyone to see.

Secondly, we hear quite a lot about circles of quality. The Japanese have practised this for many years. Those quality circles differ between companies and countries, but they provide one of the the major benchmarks of competition. In time, products of high quality become associated with particular firms and names. We have seen this over many years. To most people, Swiss chocolate means Nestlé, Mercedes Benz means West Germany, and vice versa. Over a longer period, brand names for high quality reliable products even become subsumed into the language as quasi-nouns. Food mixers are widely known as "kenwoods" and vacuum cleaners as "hoovers". They get those names because of the quality of the original article.

Thirdly, there is growing evidence that growth in the market share comes from sustained quality, and many of our companies have known that for some time now. In a price versus quality argument, quality wins in time. Over a long period, there is no conflict between price and quality, and quality is always the real winner because people buy goods only when they feel that they are getting quality and value for money. We must not try to achieve one without the other.

Fourthly, as the right hon. Member for Swansea, West said, initial quality can mean a saving of costs and of waste. Parts of United Kingdom industry are only now waking up to the fact that it can cost much more to destroy or repair shoddy goods than to make good ones.

My fifth point relates to the high cost of failure, to which the right hon. Gentleman also referred. Failure to produce good quality products or services can lead to financial disaster and, as the tragedy at Bhopal in India showed, lack of quality control can lead to real disaster.

Let us examine the "how" of quality control. How can we go about getting quality into every street? Not surprisingly, the answer is that the Government cannot bring that about. I congratulate my hon. Friend the Minister and his Department on the excellent literature about quality which has been available for some time. I know that many companies, especially in the north of England, have taken the advice to heart and those which have not used such practices before are doing so now.

Governments can legislate only in a negative fashion. Only firms and businesses can raise the positive standard. I know that this is a large and complex subject, but let me offer a few ideas. I am sure that they are not original, but they are worth a mention. Total quality throughout the manufacturing process, from the selection of raw materials to delivery at the point of sale, is essential. The companies and retail stores that have done extremely well have recognised that for many years and have become well known for their quality. Such a high standard can be achieved only by an attitude of self-inspection on the part of all those involved in manufacturing. Each employee should take an interest in the component that he produces

and in the quality of the finished article. If employees do that, they are looking not only to their own futures but to the future of the company and our manufacturing base.

I refer to experiments in the vehicle industry, particularly in Japan. Having visited Japan with a Select Committee last year, I am not sure that everything in the Japanese garden is as rosy as it was. The Japanese face problems because they have put all their effort into their manufacturing base and very little in their infrastructure. Anyone who has tried to get out of Tokyo, at any time of day, knows that only too well. However, the Japanese have shown that an attitude of self-inspection is both cheaper and more reliable; it gives a responsibility to each employee for the finished article. Any Government initiative to raise quality consciousness must have international standards as its basis. It is no good making quality products that fall well below the standards of our industrial competitors. If we do not keep up with international standards, we shall not sell our goods on the market. We cannot look to the home market alone; we must export. We have always been a trading nation and that will be even more true in the future.

The national quality campaign launched by the Government in 1983 is to be welcomed. It has put the word "quality" back at the top of the agenda in large letters. It has now reached over 50,000 firms, many of which are proud of their quality record. Firms can take advantage of lower interest rates and inflation but only if that attitude pervades every corner of every workshop in every town and city of the United Kingdom.

We have many very small companies, particularly in the north of England, which export a variety of goods to all parts of the world. The articles that they export are not always small or easy to pack and send by freight or air freight. From my constituency we export fire engines, which are huge objects, to countries all over the world. They go to airports in Hong Kong and parts of Africa and to oil refineries in Saudi Arabia. They are not the easiest things to send, but the quality that the company has managed to achieve is second to none.

We have many other small companies. Some export nougat to France. We used to import it from the French and we are now sending it back to them. We even send spaghetti to Italy; that really is coals to Newcastle.

I have referred to some notable foreign successes and to some successes at home. We have many more, much too numerous to mention today. As reported in the newspapers today, the largest one-piece carpet ever made is to be despatched from west Yorkshire today. It measures 41 ft by 54 ft and has no seams, and it will cost the Saudi Arabian prince who ordered it £8,500.

Mr. Cash: Cheap at the price.

Mrs. Peacock: It is cheap at the price, as my hon. Friend says. The very small company that made the carpet, which took five people three days to make, has 10 similar orders. The company has been operating for only five or six years. We should congratulate it on its success and hope that many more carpets will go to Saudi Arabia in the future.

We have massive increased investment in manufacturing in the north of England and it is there for everyone to see. Factories are being built and new jobs created and many millions of pounds are being invested. That money would not be invested without the prospect of a quality end product that companies know they will be able to sell not only in the home market but internationally. We must encourage more investment, particularly in the north of England.

A great British success is Jaguar Cars. In 1979, sales of Jaguar cars fell by 50 per cent. They had been falling in previous years and that result was almost the final nail in the company's coffin. In 1980 it took 10,500 people to make 14,105 cars. For every customer that Jaguar lost when its quality was not assured, 21 jobs were put at risk. Then there was a radical rethink of the company's attitudes under its present chairman, John Egan. All employees were told of the crisis of quality and competitiveness. Quality circles—which we have heard of somewhere before — were introduced, and all employees given responsibility for their own part of the process. The philosophy changed from one of inspecting out faults to one of building in quality—the right hon. Member for Swansea, West referred to that—and the results have been little short of fantastic. In 1982, 8,000 employees made 28,041 cars; what a change from 1979. Jaguar now has so many orders that it cannot make cars quickly enough and the prospects for increased employment are thus looking better than ever before.

We should not let such success stories hide the problems that we still face. We have much work still to do on quality and competitiveness. I return to my theme, that British industry can compete only when all our companies are based on quality street.

10.49 am

Mr. Peter Pike (Burnley): First, I apologise for the fact that I shall have to leave the Chamber at some stage for an outside commitment, but I shall return later. I had not intended to speak in the debate, as I expected that a large number of Members would wish to speak on the important subject of quality and competitiveness in British industry. Having worked in manufacturing industry for some 10 years before being elected to the House, I have always been concerned that there are not enough Members on either side of the House who have been involved in management or in the work force of manufacturing industry. Manufacturing industry is vital to the economy of the nation and it should be as well represented on both sides of the House as the legal profession, which internationally produces perhaps less benefit for the nation. That is a personal view. It does not mean that there should be no barristers in the House, which, in my view, should represent a wide cross-section of the nation as a whole.

My right hon. Friend the Member for Swansea, West (Mr. Williams), who was previously a Minister and ought to be a Minister now, referred to a meeting some years ago when Hitachi was talking of coming into the United Kingdom. I was present when the joint delegation of management and all the other people to whom I referred in my intervention came to my right hon. Friend's office. He began by asking whether they were aware of an agreement signed in a Tokyo hotel the previous day. The top management man from Mullard immediately left to telephone Philips in Eindhoven to find out what had been agreed. I actually found out what the agreement involved today because no more was said on that occasion and the meeting was adjourned.

Quality is of great importance and we must ensure that it is given great prominence in British industry. When I was involved in one industry and visited others in the

[Mr. Peter Pike]

1960s and 1970s, people working on the production side were encouraged to believe that the most important factor was the number of articles coming off the production line and going out through the factory gates in lorries or containers. Quality was not the most important factor. That attitude was common to many industries, but it has changed and the change is an important one. Until the miners' strike in 1974 we were able to sell all the goods that our factories could produce, but the situation then began to change and we found ourselves competing in world markets where quality was important. Industry has become increasingly aware of the importance of quality, but the message must come down from top management through middle management and supervision to the work force itself if quality is to be given the attention that is required.

I have always believed that we must ensure that it is not a question of management versus workers but that all should work together, because if all those involved do not work together there will be no one left working in industry. In this context, communication, whether on quality or any other aspect, is of critical importance. We must ensure continued improvement in communications within manufacturing industry. Much criticism can be aimed at management in this regard, but having been a shop steward I know that there are also failures on the trade union side, whether between shop stewards and members or shop stewards and management. Management has an important role to play in ensuring that the work force knows exactly what quality requirements are essential and there must be constant encouragement to ensure that products meet that standard.

As the Minister has said, it is important not to have rejects which have to be repaired or scrapped, because the further along the production line that occurs, the greater the cost to manufacturing industry. The importance of that aspect must be made clear to the work force. In my industry, an added value bonus scheme was introduced whereby management and workers received a percentage of the value added, which could be affected if products had to go back a stage or be scrapped. I was on the supervision committee of that scheme and it proved a positive benefit to all concerned.

I am glad to see you in the Chair, Madam Deputy Speaker, if that is the correct way to address you.

Mr. Deputy Speaker (Miss Betty Boothroyd): Yes — please call me Madam.

Mr. Pike: Thank you very much, Madam Deputy Speaker. It is the first time that I have seen you in the Chair and I am glad to welcome you.

Manufacturing industry is important to the economy of the whole nation. Yet the Government seem unconcerned at the fact that we import £8 billion-worth more manufactured goods than we export. Last Friday I took part in the debate on tourism. That is an area of great growth and I do not deride the benefit that it brings in terms of jobs and the economy. I appreciate the benefits to the nation from the service sector. Nevertheless, this nation was founded on manufacturing industry and our future prosperity must depend on that industry. We must therefore return to a position of trading surplus. In that regard, both quality and competitiveness are extremely important.

The rate of growth in manufacturing industry may be higher than it was, as the Minister has said, but, as my right hon. Friend the Member for Seansea, West has said, it depends on the starting point that one takes. I accept that productivity is greater, but output and investment are both lower than in 1979 and those adverse factors must be taken seriously into account.

I have never denied that new technology must be introduced, because if our industry is to compete on world markets, it must compete on equal terms and have the newest possible technologies so that our output can meet world competition. Many industries, however, are concerned about unfair competition, and I shall be writing to the Department about this. I shall not go into detail at this stage as I must respect the confidentiality of the companies concerned. One example, however, concerns a Hungarian competitor selling goods into the United Kingdom, and another concerns Japan. We have to accept competition, but it has to be fair competition. For reasons of confidentiality, I will write to the Minister and detail those two examples rather than discuss them in the House as that may cause embarrassment in that industry.

The Government also fail to take cognisance of energy costs. When I have met industry leaders, both as a Member of Parliament and before that, when I was leader of the borough council — the council always tried to maintain good relations with industry — those leaders always mentioned that energy costs were a problem. In theory, energy costs throughout the EEC are supposed to be above board and the tariffs published. However, that does not necessarily happen in all countries within the EEC. Some multinationals are very aware of the preferential rates that some competitors in Europe are able to get. One way around it is to give long contracts for the supply of energy, whether it be gas or electricity, at a rate well below the published tariff.

I do not want to get involved in the issue of rates because we will have many occasions in the months ahead to discuss that. However, whilst the Government continually mention rates as an area of concern, most industries in my constituency say that energy is of prime concern. The Government have to look at that. Whether it is the responsibility of the Minister's Department, or some other Department, I ask that he look at what is happening in other countries within the EEC. Are our competitors paying a fair energy price? The information that I have from some multinationals is that they are not.

Manufacturing industries have to grow. They have to have the right quality products. The Government, trade unions and management — supervisors and everybody involved in industry — have to be concerned about quality. We have to give every possible assurance and encouragement to ensure that our goods are of the right quality. As the hon. Member for Batley and Spen (Mrs. Peacock) said, consumers are concerned not only about the price of goods but about the quality of goods. The quality must match the price of the goods. If one pays for an expensive meal, one expects a good meal. It is the same when one buys a car, a refrigerator or a freezer. One expects value for money, and that is important.

We also have to encourage innovation in industry, and research and development. The Government should be taking far more positive steps to encourage research and development. We should also be encouraging suggestion schemes in those industries that do not have them already. The workers in some industries that I have visited have

told me that they have put suggestions to management, but that no notice has been taken of those suggestions. The industry that I worked in was very good in that respect. We had a good suggestion scheme. One has to accept in industry that not all the good ideas come from management. Very often the worker on the production line can see what is being done wrong, what can save money, what can make a better product or what can avoid damage to a product. Suggestion schemes are extremely important and should be encouraged.

We also have to look at profit within industry. A manufacturer in my constituency—to avoid embarrassment I will not name it—last October put it to me that industry had to grow and make profits. I do not dispute that. That manufacturer also said that it was then for the Government to distribute that wealth, and I do not dispute that either.

We must accept that new technology will mean fewer jobs. That is inevitable. As new technology is introduced, that trend will continue. The Government must discourage employers from using permanent overtime. The unions also have a role to play. I am not referring to overtime to meet short-term sickness, holidays or where an order has to be delivered by a specific date. In many industries at present there is a pattern of regular overtime that is at an unacceptable level. If there are eight hours or more of regular overtime a week, those employers should be encouraged to employ extra workers rather than continue that level of overtime. Many industries consider it cheaper to use overtime than to take on new employees, and that is a very worrying aspect.

I am sure that the Minister is also aware that output in many industries could be increased by 50 per cent. or more if only 10 per cent. more employees were taken on. Many industries within my constituency, if they employed 10 per cent. more employees, could increase their output by as much as 50 per cent. if there were markets at home and abroad. We want to see people back at work.

The great difference between the Opposition and the Government is that we want to see the wealth shared. We want to see that people have an opportunity to work and that those out of work do not suffer a declining standard of living while those who are in work enjoy an improving standard of living. We want a fairer distribution of wealth.

Other countries will not buy our goods if they are not made at the right quality and at the right price. Our own consumers will not buy British goods unless they are at the right quality and the right price. There are occasions when one does try to buy British but it is extremely difficult to find British goods available. Therefore, industries must be asked why they have stopped making those items.

EEC requirements on labelling are of concern. The fact that the British Government cannot require labelling to say "Made in Britain" worries many industries, such as the textile industry in my constituency. Consumers have a right to know whether a product is made in Britain or not. We need to look more carefully at labelling that will show where the main labour was involved. Consumers do not have to buy British, but if consumers want to buy British, they should have the right to take that factor into account when making their purchase.

The Government should do everything possible to resist pressures from the EEC that will make it harder for consumers when they are making their purchases in any shop in this country to be absolutely certain of how much of the work has been done within the United Kingdom. That is a worrying aspect not only for Opposition Members but for Conservative Members. I am not asking for anything unreasonable. All I am saying is that the consumer should have the right to know and that they will be able to take that into account, along with all the other factors such as quality, price and design, when making their purchases.

This is an important debate. Whether we are involved in Government or Opposition, in the trade unions or management, we have to do everything possible to ensure that our industries are making goods of the right quality and at the right price and that we are able to achieve our fair share of the market in the United Kingdom and in the world in years to come. If we do that, this country will get over the problems we have been facing.

11.11 am

Mr. David Tredinnick (Bosworth): I am grateful to you, Mr. Deputy Speaker, for allowing me to catch your eye so soon after my arrival in the House. I am aware that not all previous hon. Members for Bosworth have been so fortunate. Sir William Edge, elected as Member of Parliament for Bosworth on 31 May 1927, was first successful in catching Mr. Speaker Fitzroy's eye on 12 July 1928, 14 months later.

I noted Mr. Speaker's remarks earlier in the week that hon. Members, for their good health, should wear jackets in the air-conditioned Chamber. I am sorry to hear that Mr. Speaker is not well. However, I must tell the House that, despite following his ruling to the button, not only have I caught his eye but I have caught his cold. I ask hon. Members to bear with me if I appear to be a little under the weather.

I have always considered it to be a great honour to be chosen to stand for Parliament. It is a much greater honour to be elected and it carries with it enormous responsibilities which I take very seriously. I first wish to thank the 34,000 electors in Bosworth who voted for me. I must make it clear to the House that my 17,000 majority, which made my vote almost double that of the party that came second, owed much to the respect, admiration and trust that my predecessor, Sir Adam Butler, generated during his 17 years as Member of Parliament for Bosworth. During my time in the constituency since my selection in December, I have heard not one word said against him. On the doorstep I have heard people say how he helped them, how he looked into their family problems and helped, for example, with war pensions. He has helped so many people in the constituency and he has always been approachable. He has certainly been kind to me.

I pay tribute, too, to his career in the House. He was the Parliamentary Private Secretary to my right hon. Friend the Prime Minister when she was Leader of the Opposition. He was a Minister of State at the Department of Trade and Industry, a Minister of State at the Northern Ireland Office and the Minister of State for Defence Procurement. Conservative Members will remember that he won the constituency in 1970 with an 8 per cent. swing, he held it in 1974 against the national swing and improved it in 1979 and in 1983. I hope that all hon. Members will join me in wishing Sir Adam a long and happy career outside the House.

I also pay tribute to my wife, who is sitting in the Gallery. She has already supported me through three campaigns, including two general elections, and I look forward to her support in many more.

[Mr. David Tredinnick]

One of the problems that newly elected Members on both sides of the House will have found in taking over from senior, well known and respected Members as they retire is how to get oneself known. Soon after I was selected as the candidate for Bosworth, I explained on the doorstep to a lady of advanced years and great seniority that I was taking over from Sir Adam, her respected Member of Parliament. She looked me straight in the eye and said, "Well lad, your problem is that nobody knows you from Adam." I would like to think that I have overcome that problem or I would not be speaking here today.

I am fortunate to represent one of the most historic constituencies in England. It was there, at the Battle of Bosworth in 1485, that the Wars of the Roses ended with Richard III being defeated by Henry Tudor, soon to be crowned Henry VII. I must say in passing that my heart goes out to hon. Members who represent constituencies with names that mean nothing to the local people and presumably mean something only to the mandarins of the Boundary Commission.

Apart from the famous battlefield, much favoured by tourists, my constituency covers 126 square miles or, if one prefers, 80,000 acres. It is situated at the very centre of England and has countryside as beautiful as one could wish to see. However, the commercial heart of the countryside is the town of Hinckley together with Earl Shilton, Barwell, Burbage and Anstey. A total of 46 per cent. of the residents employed in my constituency are employed in manufacturing, hence the reason for my great interest in wishing to catch your eye today, Mr. Deputy Speaker.

In the constituency approximately 16,000 are employed in the hosiery and knitwear industry. They are employed by one of the 90 hosiery and knitwear companies that we are fortunate to have. The motion refers to the importance of quality. I must tell the House that the quality of hosiery and knitwear made in my constituency is second to none. It is as good as that made anywhere in the world. We have a hard working, skilled labour force, forward-thinking managements and a record of good industrial relations. I suggest to hon. Members who live in the north and north-west that if they are driving up the M1 on a Friday they could do much worse than stop in Bosworth and buy some of the hosiery and knitwear available there. It will cost them much less than anything bought in Oxford street or Knightsbridge and they will get the same quality or better. I recommend that to hon. Members.

Quality is not the only virtue required for a manufacturing company to compete internationally. I propose to look at another factor and, I hope, demonstrate the profound impact that it has had on international competitiveness, at least for the hosiery and knitwear industries. That factor is the effect of the exchange rates and the value of sterling against European currencies.

I suggest that the easing of the value of sterling against major European currencies last year has been of great benefit to textile and clothing exporters. I do not want to send hon. Members to sleep by bombarding them with statistics but I must refer to figures for clothing exports to the EEC which have just been published by the British Textile Confederation. They show that in the first quarter of 1987, compared with the first quarter of 1986, those exports to West Germany were up by 43 per cent., to France by 45 per cent., to Belgium by 56 per cent. and to the Netherlands by almost 60 per cent. Those are significant figures.

As I said, those figures have been published, but what has not been published hitherto is the impact that the large increase in clothing exports to the EEC has had on our trading performance with the EEC in the first four months of this year.

I am delighted to be able to inform the House that the unpublished figures that I have received from the British Textile Confederation show a dramatic improvement. Compared with the first four months of 1986, in the first four months of 1987 our trade deficit with all European Community countries was reduced; for textiles by 10·3 per cent. and for clothing by 24·4 per cent. The combined textile and clothing deficit was reduced by nearly 15 per cent. That is good news for my constituents, the hosiery and knitwear industry and the country.

Unfortunately, there is bad news too. There is the general problem of low-cost imports from the far east. They threaten the viability of British companies. I refer to imports from countries in which labour is paid a pittance and the hours are long. In some cases, workers get only half a Sunday off each month.

I draw the attention of the House to a specific serious problem affecting my constituency; that is, the phenomenal increase in imports of cheap underwear from China. The matter is of great concern to me. In my constituency, 12 companies that make briefs and pants could be threatened. I ask hon. Members to bear with me as I give them a few figures that I think are important. Every year, approximately 136 million pairs are sold in the United Kingdom, of which, last year, 89 million were imported. In 1985, we imported from China about 2·5 million pairs. The figures that have now been compiled show that, in the first quarter of this year, we imported 8·5 million pairs from China. This year, we expect to import from China 34 million pairs in all. That is a staggering increase on a base figure of 89 million. Last year, the French and the Germans bore the brunt of imports from China. They pleaded with the EC for regional restrictions, and they were granted.

Were I not bound by the convention that my maiden speech should not be controversial, I would say that I wholeheartedly support the Knitting Industries Federation in its demand for urgent action for Britain.

I draw the attention of the House to another important influence on the ability to compete internationally. It goes hand in hand with quality. It is by no means restricted to the hosiery and knitwear industry. I refer to design. For six years, I worked in marketing in the computer industry and learnt to recognise the importance of design. Increasingly, in my constituency, companies are investing more in design and are reaping the benefits of that investment, particularly in computerised design in the hosiery and knitwear industry.

There is no better illustration of the force of good quality and design than another company in another industry in which many of my constituents work. I refer to Jaguar Cars at Coventry, which has already been mentioned by my hon. Friend the Member for Batley and Spen (Mrs. Peacock). Like many hosiery and knitwear manufacturers in my constituency, Jaguar has found the magic marketing mix that brings success in international markets.

11.23 am

Mr. William Cash (Stafford): It falls to me to follow my hon. Friend the Member for Bosworth (Mr. Tredinnick) and to congratulate him on an excellent maiden speech that he delivered with a lightness of touch and with an interest that we came to associate with his predecessor. I congratulate him not only on his excellent majority but on the quality of his first performance on the Government Back Bench. We look forward to many further opportunities of hearing from him in future.

At the heart of the debate is international competition. It has frequently been said that the quality of our goods lies at the heart of our industrial performance. Indeed, one of the curious characteristics of the current Japanese miracle is the fact that, for many decades, Japan was not regarded as a country that produced high-quality goods. It is fairly said that it was in the post-war period when it discovered the importance of a reduction in taxation—and it was the Economic Minister who introduced the notion of reduced taxation as a means of stimulating the economy — that it looked to America for its new industrial criteria. One of the other things that Japan discovered and developed was the need to improve the quality of its goods. Having been a country that traditionally produced goods of inferior quality, which was also a characteristic of other countries in south-east Asia and the Pacific basin, it learned its basic quality techniques from the United States and from men such as W. E. Deming and J. M. Duran.

The ability to be innovative and imitative ensured that Japan produced a combination of quality with volume and, at the same time, a reduced taxation policy, an innovation and an ability to produce an incentive-based economy. Much of its current success is due to a combination of such factors together with its ability to combine an exemplary relationship between management and work force that is being copied throughout the rest of the world.

The history of this country affords us a lesson. We must look back to the mid-19th century and consider how places such as Ironbridge, which is near my constituency, has become one of the leading places in Britain, indeed in the world, in power generation, the generation of turbines. We are aware of the quality of Evostick, Evode products and the world-famous Lotus shoe industry. They were all based upon quality. Back in the 18th century, when Richard Brinsley Sheridan was the hon. Member for Stafford, the quality of Stafford footwear led the world. Quality has always been at at the heart of industrial performance in my constituency. It has also been at the heart of industrial performance of Britain, and our ability to export during the 18th, 19th and 20th centuries depended upon the quality of goods that we produced.

In economic debates, it has been the characteristic of the Leader of the Opposition's speeches to stress the volume of production and the need to sustain it. The irrelevance of the theme that he developed has become increasingly apparent against the background of the need to produce goods and manufactures of the highest quality. In the modern world, there is absolutely no point in producing a system of manufacture that is geared exclusively to manufacture. From the only two speeches from the Opposition today, I noticed an insistence on the importance of output. Without quality, output is simply not good enough. For example, one must consider the number of people who have a Japanese watch, a Japanese car or a Japanese radio or an item from Korea or Taiwan.

People choose those goods because of a combination of factors including price, design, marketing and, above all, quality. We have sought to simulate that quality since the Conservative Government came to power. I pay tribute to the Under-Secretary of State for Trade and Industry for the way in which he has conducted that policy. It is essential to persuade people to go for quality if we are to compete in the modern world. Much of the credit for putting the emphasis on changing attitudes among management and work force should go to that Minister.

I referred earlier to the success of Rolls-Royce and the £150 million contract announced today. I understand that as much as £650 million might be involved. That contract is directly the result of high-quality production by a great British, privatised company. Through new contracts with Qantas it will be able to sustain jobs in Britain. It is not just a question of selling for the sake of selling because selling is vital to the economic performance of the country and to sustaining jobs.

We have heard much of Jaguar and Sir John Egan's efforts. That is another privatised company which imposes contractual requirements upon customers and subcontractors to ensure that the quality of goods is as high as the customer requires. There is no point in imagining that simply producing goods and, as we did in the car industry for decades, insisting on volume production is enough. It is not enough and might even be disastrous. We must sustain the quality of goods.

The Consumer Protection Act, which has just been passed, production liability and the harmonisation of European laws are of great importance as I know from serving on the Select Committee on European legislation. Working groups and Ministers discussing these matters in Europe have led to a proper emphasis on maintaining a free and fair market and that has much to do with the quality of legislation in the European Community and in this House. The combined effect will be to produce quality goods to enable us to compete effectively with the United States and south-east Asia.

Rejects and repairs have been mentioned. It is estimated that 10 per cent. of our gross domestic product can be put down to lack of quality and to the failure to produce goods of the type and quality that people want. If goods are constantly returned and industry has a repair and renewal problem, confidence will be lost and people will not buy the goods.

Accounting systems are also important. I understand that Ford and many other companies are ensuring quality not only by the quality of the product but by the quality of their accounting system. When such companies enter arrangements with subcontractors a condition of the contract concerns the quality of the accounting system to ensure proper cash flow. The quality of the goods is therefore matched only by the quality of the administration. We must dovetail all the ingredients to ensure that we produce quality goods.

Quality is essentially pro-competitive and anti-monopoly. One of the great problems in the past in terms of industrial performance and the development of monopolies—whether state or private—was that quality suffered. Thriving small enterprises which are highly energised and directed to the market produce the quality required. I think of places such as Covent Garden and of

[Mr. William Cash]

other small business enterprises being set up throughout the country. They prove that high performance, high quality products are what people want to buy in a thriving, prosperous and competitive world.

The Government are bent on the eradication of Socialism. They are a radical Government and they will achieve that objective. An intrinsic part of our policy is to get rid of the latter-day nationalisation which led to the lack of British quality in the 20 years after the second world war. I lived in Sheffield for nearly 20 years and witnessed the decline of the steel industry. Now that industry is in profit for the first time for over 10 years. One of the reasons is that it is now a highly competitive industry aiming at quality. That is how we shall be able to sell our products abroad as we did in the mid-nineteenth century.

The elimination of low-quality drab Socialism should be one of our aims over the next five to 10 years. One of the aspects of that, in terms of industrial performance, is to put emphasis on high quality manufacturing industry. High quality sells products, when products are sold a great economy is created, and a great economy leads to high employment.

11.36 am

Mr. Tom Sackville (Bolton, West): I should like to welcome you, Madam Deputy Speaker, to the Chair. I should also like to congratulate my hon. Friend the Member for Bosworth (Mr. Tredinnick) on an excellent maiden speech, in which he appealed eloquently for the interests of the industries in his constituency. I declare an interest in that he and I arrived on the same day, in the same house, at the same educational establishment near Slough 25 years ago. We sat next to each other then and it is good to be again sitting next to each other. My hon. Friend had many of the qualities of a successful politician at the age of 12. Today he sounded as if he had been here for years, and we expect great things from him.

Recently I was talking to a person who has worked for a long time in Japan for a British company. We discussed what should be done about the trade imbalance, the growing ability of the Japanese to sell goods to us and to other industrialised countries and our inability to sell to them. I suggested that we should allow the Japanese currency to appreciate yet further so that the competitiveness of Japanese exports would be further eroded. My companion said that the Japanese themselves expect to be able to weather that, to watch the yen appreciate further and to continue to sell to us because of the quality of their goods. The only way that we can combat that serious possibility is to produce similar or higher quality goods. We have not done enough to achieve that.

It is good that we should be debating today an important non-political subject. We spend most of our time in this House debating points that do not really contain great substance, as they are simply political issues. However, today's subject is absolutely vital to our economic future. It cuts across all political boundaries and it is excellent that it should do that. I am glad to be taking part in the debate.

Clearly, quality is essential. Quality does not simply mean product quality. It involves quality in after-sales service, quality among the dealerships, quality in a relationship between the manufacturer and the distributors and quality of service. Of course, quality also involves the relationships between the customer and the manufacturer, especially in relation to what is often called "flexibility of response". When a customer asks a manufacturer to make some modification or come up with a new product, the speed and success of the manufacturer's response is how that manufacturer is judged in the market place. Only now, rather late in the day, are British manufacturers appreciating that.

Over 20 years, Madam Deputy Speaker, we have suffered an accelerated decline in world opinion. The world has believed that British goods are not of high quality. Whether they were or not, the world received the impression that British quality had suffered. That impression snowballed and peaked a very few years ago when all British companies were tarred by the same brush and compared with those companies which had failed in quality, had produced shoddy goods, failed to deliver or failed to service the customer properly.

I used to travel around Latin America selling British export finance services. The problem then was to find the British goods that people wanted to buy. The word had gone round that the goods were not delivered on time. It is all very well trying to sell export finance, but it was difficult to find manufacturers who had found markets in that area. We were often told then — this is another aspect of quality — that British companies did not even go to the area or attempt to sell there. The Japanese and the Koreans had picked up whole markets which we had 100 years ago when we had strong links with many Latin American countries, but which we have progressively lost. I hope that people will consider that aspect and review the whole question of marketing abroad and setting up decent representations in foreign countries to ensure that we get the goods to the markets.

There is good news now. I talk to industrialists in my constituency all the time and I have been told that they are now selling into markets in which they would not have had a chance a few years ago. I learned the other day of a company that was successfully selling into France. I was told that 10 years ago that company would not have approached French markets because the French would have said, "No, we do not buy British goods." That attitude has completely changed in a number of different industries, and that is excellent news.

We must examine briefly why that has happened. The shock of the recession from the late 1970s to the early 1980s made many companies look very carefully at why they were no longer competitive. People began to look at price — a very important factor — and at quality and quality of service. Another very important aspect is the total change in the industrial relations scene. If there are constant industrial relations problems in an industry, with strikes and rancour between management and the labour force, that firm will never get round to asking the unions to consider quality as a prerequisite, because other contentious matters will take precedence. The turnround in the industrial relations scene is a major reason why quality has been improved. To introduce a contentious note, it is sad to hear that the Labour party, if it was in government, would repeal the greater part of the industrial relations legislation. Many problems in industry would then return. We cannot begin to talk about quality if there is an ever-present chance of a strike.

Another very important factor in the improvement of quality is the privatisation of many vital industries and the

future privatisation of others. It is common ground that many nationalised industries have had disappointing results in terms of competitiveness and quality over the years. Those companies which have been successful are, by and large, those which have tried to emulate the private sector and seek techniques by which it is possible to deliver.

We have already heard the example of British Steel, which has become a very high quality and competitive industry in the past few years. It has done that because it has taken on many of the features of private companies. I appeal to the Government to bring forward the privatisation of British Steel as soon as possible. Nothing but good for the work force, customers and this country can come from such privatisation. It would be very disappointing to see British Steel slip back into the demoralised and chaotic state it was in a few years ago.

I want to congratulate the Under-Secretary of State for Trade and Industry—I am sorry that he is not in the Chamber now—on what he has done on those points. He has taken a very intelligent and constructive attitude in his role in the Department over the years and he has started many initiatives on those vital subjects. Of course there is a limit to what Government can do in terms of convincing industry about quality, but the fact that the Government have provided the wherewithal in terms of ideas and training aids is encouraging.

I have seen an enormous change in the industries that I visit in my constituency. I hope that that change will continue. I see an atmosphere in which people are proud of what is being achieved in terms of quality and the new markets that result. I want to encourage the Government to carry on their campaigns and initiatives, and I am sure that we will reap the benefits of those in years to come.

11.47 am

Mr. John Wheeler (Westminster, North): I welcome you, Madam Deputy Speaker, to your first Friday as occupant of the Chair. On behalf of myself and others in the House, I wish you long service in this House, with your customary charm, skill and wit. I had the pleasure of introducing my hon. Friend the Member for Bosworth (Mr. Tredinnick) into politics in 1979 in my constituency, if he remembers that. I was very glad to hear his robust and strong maiden speech to the House today and I wish him every success in his years in this House and his contributions to our debate and service of this House.

Today's debate is of particular relevance to the security industry. I am glad to advise the British Security Industry Association and serve it in the capacity as chairman of two of its inspectorates. Security is about protection and providing the customer with products or services in which he can place his complete trust. It is an international business continually having to reassess itself in the wake of highly sophisticated technological advances where product development is inextricably linked with quality standards.

I am well aware of the importance of quality, not only in manufacturing, but in company service and attitude. Since its formation in 1967, the British Security Industry Association has sought to provide leadership, guidance and quality standards through self-regulation. Its major objective is, and must remain, to create an environment which combines competitive and innovative flair with proven standards of reliability.

Since 1971, the association has worked in conjunction with the British Standards Institution, initially focusing on BS4737, which was designed to improve quality control within the alarm industry. Faced with today's increasingly complex market, the industry has realised that there is a need for a far more comprehensive standard by which to operate. Thus, attention has now turned to the recently revised BS5750.

Collectively, the security industry has seen the beneficial effects of such a standard upon those sectors that have already adopted it, such as white goods and machine tools. It is not often that a standard, and a British one at that, has been designed to have such a revolutionary effect upon an industry. What is more, it forms the basis of an international standard—ISO 9000—which is to be introduced later this year. There is no doubt that it will have a considerable effect on global trading in future.

With a turnover of about £630 million—by no means is all of that associated with exports—and with many companies selling equipment and services overseas, the security industry recognises that the achievement of such a standard is an inherent part of gaining an international reputation.

It should be recognised that BS5750 is a model for a quality assurance management system. It is more concerned with the establishment of a systematic way of working within a company than with the product or service end. In essence, it operates on the premise that to prevent is better than to cure. It is well known that first-class products and excellent service emanate from good, efficient management. The standard is divided into three parts according to individual company needs. First, there is specification for design, manufacture and installation. Secondly, there is specification for manufacture and installation. Thirdly, there is specification for final inspection and testing.

The standard has been created to be flexible in its operation and it is easily achievable by small companies as well as large. A company with fewer than 500 employees may be eligible for grants, consultancy advice in reviewing internal quality control and the production of the quality manual that is needed as the first stage in the institute's assessment procedure. The manual is fundamental to the institution's review of a business, for it forms the basis for the criteria on which a company's eligibility is judged.

Before registration, the institution's inspectors examine company practice to ensure that the business is being run in the way that is defined in the quality manual. Once certification has been granted, the institution will continue to visit the company several times a year to ensure that standards are maintained or even upgraded. Continuous assessment in confidence takes place for the customer and for the company. Over 4,000 United Kingdom industrial organisations are already registered by the institution, and the number continues to grow. Although any company may register individually for the standard, civil trade bodies have already recognised the competitive edge that BS5750 gives to their industry, both in the United Kingdom and, perhaps more importantly, in the international market place.

A sector scheme has been established to allow sufficient flexibility within the application of BS5750. The British Security Industry Association's sector scheme is currently being established, and in line with other schemes is targeted specifically at the particular requirements of the industry. A working party is currently producing a quality

[Mr. John Wheeler]

assessment schedule for the security systems industry—companies responsible for designing, installing and servicing intruder alarms, closed circuit television, access control and other electronic security installations. Members of the working party comprise the British Standards Institution, the British Security Industry Association, the police, crime prevention officers, banks, building societies and the insurance world—essentially, those directly concerned with quality standards in the security industry.

The recently launched security systems inspectorate, of which I am the honorary chairman, was devised by the industry as a means of maintaining quality control throughout the sector. The adoption of British standard 5750 as a criterion for joining the inspectorate was a natural development of the association's responsibility both to its own members and to the customer. By October, the schedule will have been set out, and security companies will be able to register under the sector scheme. I know of two firms that have already registered independently. Both Chubb Alarms and Shorrock Security Systems have found the benefits to be enormous.

British standard 5750 has resulted in a streamlined management approach, cutting out bureaucracy and ensuring that staff are properly trained and supervised. Overall, it results in a radical review and remodelling of management systems, which greatly improves any company's ability to respond to its market place. It improves service to customers, and—equally important—increases company profitability by raising levels of efficiency throughout, from administration, purchasing and production through to installation and after-sale service.

What British standard 5750 is really trying to achieve is total quality management, something that is efficiently practised throughout the Japanese industry, as some of my hon. Friends have said. If we are to maintain and increase our competitiveness in the face of such opposition, it is imperative that British industry adopts total quality management practices. That may require cultural change, and it certainly takes time to implement fully within an organisation.

Some of Britain's best-known companies — for example, British Telecom and Jaguar — have already claimed tremendous benefits from the introduction of the standard. Now, under the leadership of the British Security Industry Association, the security industry in this country is following suit. On a global basis, the standard is held in high regard, and it now forms part of ISO 9000. It will be a benchmark for international trading, and a fundamental part of a company's success. The Japanese, the Americans and many others across the continents have sought the help of the British Standards Institution in reassessing their own management control systems through the application of BS 5750.

This debate is about the relationship between quality in manufacturing and a product's ability to win in the market place. BS 5750 provides the United Kingdom industry with an opportunity to move forward to demonstrate the quality of British products, and to motivate employees, from the top downwards, to stand among the best in the world. I am glad to be associated with this progress, and particularly with the initiative through which one perhaps less well-known part of the industry, the British security industry, is working towards competitiveness across international sale market places.

11.59 am

Mr. Graham Allen (Nottingham, North): Thank you, Madam Deputy Speaker, for calling me to speak. I welcome you to your new post. I am sure that your effort and service, about which I know from my experience on the national executive committee of the Labour party and within the trade union movement, will be amplified in your new position.

I welcome and commend the speech of the hon. Member for Bosworth (Mr. Tredinnick). Coming from a Member who has been here three weeks, I do not know whether that carries the weight of the congratulations of other colleagues, but I enjoyed his contribution.

I have been struck by the obvious political difference between the two sides of the House, which is reflected in the north-south divide. Everyone has his own experience of that divide and in the general election campaign Labour candidates made great play of it. The divide strikes Labour Members forcibly as they watch the performance of Conservative Members. They and their views are in a completely different world from that experienced by Labour Members. They are in the dreamland of Conservative policy since 1979, which has produced apparently untold benefits for them, their constituents and their constituencies.

I am sorry to say that the world in which we live in my constituency of Nottingham, North and other areas bears no relationship to that dreamland. I wish that it were not so. One of the great lessons that Conservative Members should learn, perhaps from the right hon. Member for Shropshire, North (Mr. Biffen), the former Leader of the House, is the humility to exercise their responsibility in Government on behalf of the whole nation rather than just those parts of the nation that they represent.

In my constituency 8,000 people are without work, and the vast majority of them have lost employment since 1979. Have they suddenly been afflicted with idleness? Have people on the unemployment register in Nottingham, North suddenly become idle scroungers, who do not care to work? The opposite is true. Many of these people are desperate for work. Many of them have been unemployed for a good number of years and are desperate for assistance from the Government so that they can find their way back to work and make a contribution not just for society but for themselves and their families.

Essentially, that assistance must come from the pump-priming efforts of Government, but the Government's efforts have been far from adequate. I am a trade union research officer in the General, Municipal, Boilermakers and Allied Trades Union, newly christened the GMB. I have had the dubious privilege of seeing cross my desk redundancy after redundancy, which has affected the members of one particular union only. There can be no question that this alleged revitalisation of manufacturing industry and improved competitiveness fails the real social test of people working and being productive, as they have been in my area, in ever larger numbers.

I have some statistics, which fortunately arrived this morning, which I shall quote briefly. They come from the Nottinghamshire county council and give a broad-brush approach to the position in Nottinghamshire.

On the latest available figures, manufacturing industry in Nottingham had a gross output of £4,083·8 million, which is just under 2 per cent. of the national output. The total of gross value added was £1,274·6 million. The total wages and salaries that were paid by manufacturing industry were £736·6 million. That is a substantial input into the local economy and, obviously, into the national economy. However, the key sectors in Nottingham for manufacturing have, without fail, been hit and, in my contention, have been hit by the Government's policies.

In the textile industry, Meridian, Courtaulds and Viyella are among the list of victims, which I could relate for as long as hon. Members have the time to listen. The textile industry in the east Midlands, and especially in Nottingham, has suffered greatly. The footwear and clothing industries have suffered badly also. However, higher in that league—I am again referring to statistics that have been produced by Nottinghamshire county council—the engineering sector has been hit especially badly. Hon. Members who know Nottingham will be aware of that city's proud history in engineering. In 1979, for example, Raleigh Cycles employed 8,000 people, but fewer than 1,800 are now employed in that great industry.

We also have a defence industry in Nottingham. The royal ordnance factory at Chilwell was once a great employer in Nottingham. Unfortunately, it has closed. The royal ordnance factory in Nottingham itself, which is in Queen's meadow, has now been privatised and the work force there is rightly worried about its future. In my constituency, Thorn EMI opened a plant four or five years ago to produce nerve-gas detectors for the Ministry of Defence, but that plant also is now closed.

Those jobs were not fly-by-night jobs or hamburger and candyfloss jobs. They were highly skilled and highly developed jobs that were performed by highly trained individuals who are now without work. Quite frankly, those people are also without very much hope of getting back into work. I suspect that talk of the competitive element or the vast boost that there has allegedly been to manufacturing industry would wear a little thin if the Minister were to put such a point of view to my constituents. I invite the Minister to come to my constituency and to make those points.

Mr. Mark Wolfson (Sevenoaks): Does the hon. Gentleman not agree that one of the factors, and it is germane to this debate, involved in those redundancies and closures—I do not for a moment deny them or the social and personal problems that they produce—is that the quality of work coming out of some of those companies has not been good enough to compete in international markets?

Mr. Allen: I regard that as a great insult to the trained craftsmen and skilled workers who, for generations in Nottingham, have produced high-quality goods. I suspect that the answer lies more in the lap of the Government and with the fiscal and economic policies which they have produced and which have led to higher interest rates and to uncompetitive rates for the pound. Those people in Nottingham have worked all their lives and have not suddenly lost the skill in their hands and brains. They are perfectly capable of producing high-quality goods. There is nothing inherently or genetically wrong with the working people of Nottingham or elsewhere that means that they cannot produce high-quality goods whereas other countries can. The people in Nottingham can do so, given the right climate and the right support.

Mr. Wolfson: I referred to the right management and design and the hon. Gentleman immediately assumed that I was being critical of craftsmen. Perhaps I was being critical of other parts of a business.

Mr. Allen: That may be so. Perhaps the hon. Gentleman will elaborate on that later.

There are other examples in my constituency of highly skilled and competitive industries that have suffered in the recent past. The obvious one is the coal mining industry. We no longer have a pit. On the borders of my constituency, we have lost two collieries during the lifetime of the Government. Men who have worked all their lives, proud people who have given a lifetime of service to the coal mining industry, are thrown on to the market. Their prospects of further work are not increased greatly by the investment in the coal industry, much of which will not require skilled labour, but will go into high-tech coal-cutting and coal-processing machinery.

The other area on the frontiers of technology is the Plessey telecommmunications operation. There have been massive redundancies and cuts during the past few years.

A comment was made about the problems in industry that would be created by the repeal of legislation currently inhibiting the rights of working people to organise. The problems in industry have little relation to trade unions and, indeed, working people. Those problems are very much the product of under-investment and perhaps the poor management to which reference was made. Lack of investment, profit-taking and asset-stripping are afflicting my constituency in Nottingham, North. I am surprised that Conservative Members representing the southern half of the United Kingdom speak with such complacency——

Mr. John Mark Taylor (Solihull): I do not.

Mr. Allen: I congratulate the few Conservative Members who represent constituencies other than those in the southern half of the north-south divide and I hope that they will represent the interests of a broader spectrum of people than those purely in their constituency. We need every voice to speak up against the Government about introducing a humane economic policy.

Let us never forget that economic policy is there to serve the people rather than to be their master, but within the southern part of our nation 1 million people are currently unemployed. In itself, that should be enough to make Conservative Members kick and scream against the Government's current economic policies, let alone the unemployment, which is way above that recorded in the 1930s.

It is a sobering fact that the image of mass unemployment in the 1930s that is seared into the brain of working people and the trade union movement fades into insignificance when we look at unemployment figures today. The complacency that we see among Conservative Members may exclude their consideration of that awesome image and statistic.

There has to be more to improving our manufacturing base than the current economic policies pursued by the Government, added to the fiddling of the unemployment figures over the past few years. The only way forward and out of the crisis is to invest in resources and training.

Mr. John Mark Taylor: Whose money?

Mr. Allen: Let local government spend its own money. Let it spend its capital receipts as it sees fit——

Mr. Taylor: It is not local government's money.

Mr. Allen: Would the hon. Gentleman like to intervene? Otherwise, perhaps he will keep quiet while I am trying to speak.

Mr. Taylor: By convention, I am not meant to intervene.

Mr. Allen: Local government capital receipts are in the trust of local government. It should be allowed to spend that money in the best interests of local people. It knows best how to assist the local population. If local government were allowed to do that, it would be one major contribution to restoring manufacturing industry and the competitiveness of our working people.

12.14 pm

Mr. Hugh Dykes (Harrow, East): I, too, add my voice in welcoming you, Madam Deputy Speaker, to your new position. I congratulate you and feel sure that we will be in good hands under your control.

I was impressed by the style and delivery of the speech of the hon. Member for Nottingham, North (Mr. Allen) who made his maiden speech only a short time ago. I was glad to see him make this speech more or less without notes because there is a disturbing tendency for hon. Members to read their speeches word for word from typescript. I am sorry that I gained the impression that my hon. Friend the Member for Westminster, North (Mr. Wheeler) was doing just that, reading from what appeared to be a brochure from a trade association. Fascinating and enticing though it was, reading from a trade association brochure is not what this place is all about. I am sure that my hon. Friend will not do that on other occasions, because normally his speeches are of extremely high quality.

I pay tribute to my hon. Friend the Minister for his relentless hard work in recent years on this subject. At the risk of annoying his colleagues, I can think of no one in the Department of Trade and Industry who has worked harder than him. It is a grinding task.

This leads me to the attractive conclusion, which I hope is not complacent, that the Department of Trade and Industry is now much better organised to help industry in a host of ways which are uncharacteristic of the actions of civil servants only a few years ago. I pay tribute to the civil servants and officials in the Department of Trade and Industry for their entrepreneurial approach, which has caused different management attitudes. Management has realised that civil servants are not backward in considering important notions of business development but often know much more about the subjects than they do.

I pay tribute to the maiden speech of my hon. Friend the Member for Bosworth (Mr. Tredinnick), which was disturbingly superb. His delivery gave the impression that he had been here for many years. I am sure that we shall enjoy hearing many other speeches from him on these and other important themes.

The hon. Member for Nottingham, North paid tribute to my hon. Friend the Member for Bosworth and referred to unemployment. He revealed in an interesting way how the Labour party cannot get out of the difficulty in which it found itself during the last election campaign of harking back to the old ideas of the past. I share the hon. Gentleman's acute anxiety about high unemployment and what we should do about it. I have been well known in previous Parliaments for discussing those matters and objecting to Government policies which appeared to lead to high unemployment.

The hon. Member for Nottingham, North will concede, I think, that Socialist-run Spain has one of the worst unemployment levels in Europe. Spanish Ministers are going around at ministerial meetings tearing their hair out worrying about unemployment and what to do about it. It is absurd to say, as the hon. Gentleman did with great complacency, that it is not the fault of the trade unions or trade unionists but that it all depends on the Government and management. We all know that we have let the country down in the past couple of decades. We have produced a complacent country and assumed that the world owed us a living, that it was not our job to learn the languages of potential clients, but that they would learn English and we would shout loudly to get our orders, and that everyone else was producing suspect goods whereas Britain was the only country producing quality goods.

There have been several decades of complacency in Government, trade unions and management. Enormous mistakes have been made by management with terrible old-fashioned attitudes—for example, arriving later than the workers at the factories. We are used to the whole syndrome. To say that only two or three sectors are at fault and that one is pristine and perfect is as crazy as my saying that everything was wrong in the trade unions and that management was wonderful. That is not the case. This country has embarked, for good or ill, on what I hope will be a great national co-operative effort to overcome this disease of the past. I am afraid that means that some of my colleagues will have to accept the fact that we need less class conflict in politics and more co-operation.

The reappearance of my hon. Friend the Member for Stafford (Mr. Cash) is beautifully timed. He said that the Government and the Conservative party were committed to the elimination of Socialism. It is not our job to say that, although I am as enthusiastic about the concept as my hon. Friend. It is for the nation and the electorate to decide. We cannot say that our mission in history is to eliminate Socialism; that is a function of the will of the people. We hope that they will reach the same conclusion as us. They will do that only if we produce attractive

Our national share of the vote did not increase last time; it fell slightly. The workings of the electoral system gave us another big majority in the House, but we know that many people do not agree with our policies. We must persuade them. We cannot simply bash them on the head and insist that they accept our policies, telling them that the Labour party is in a mess and that the alliance is wholly split so there is no other choice. We must persuade people of the merits of our policies.

Mr. Allen: I agree that persuasion is all-important. I do not know whether I am due for abolition in the near or the distant future. However, the question depends on our definition of Socialism. I suspect that the definition currently used by the Prime Minister and the Conservative party includes state education and the National Health Service. If that is so, there is great cause for concern.

Mr. Dykes: I hope that the hon. Gentleman will forgive me if I do not explore those themes. All I would say is that I am committed to the development and to the flourishing

of our state education. Indeed, in my constituency the state schools are so good that they are better than most private schools that I know; long may that continue.

We need a different approach—an approach that is reflected not only in the attitudes of other European countries but in those of the far east. For this to be possible, we must surrender something which we regard as a precious gift and which the media love—although, of course its representatives are not here today because it is a Friday—and that is ferocious and savage conflict in politics. It has become heretical to agree with the Opposition, just as they must not dare to say that Conservative Members have made a good suggestion.

On my first visit to Japan two years ago to discuss quality control and so on, I naively asked a Government spokesman, "How many times have you changed this policy since 1947?" He said, "Why bother to change it? It is a perfectly good policy." If we had more compromise in our approach to complex problems in which there is no easy black and white, red and blue and yellow solution, we would begin to make progress. We cannot achieve industrial regeneration and revival with prejudices and false nostrums. We have to get at the truth, and if we are to do that we must surrender some of our time-honoured political prejudices at the margin for the sake of a better result for the whole population. We need more investment in new assets—mainly in the private sector, which has much larger investment potential, but also in the public sector.

My hon. Friend the Minister justifiably painted a rosy picture of our recovery since 1981. However, we all know the uses to which statistics can be put, and I smiled at the Minister's timing. It is true that things are much better, but the Government are inclined always to stay with percentage improvement figures. They say that our output as a percentage of our gross national product has increased faster than that of any other European country since the base date of 1981. It is nevertheless a sobering fact that in absolute and therefore in relative terms the production of our key sectors is still well behind that of equivalent economies in the OECD. That is a matter for serious concern. The Italians, applying the il sorpasso doctrine in certain key sectors, are now producing twice as much steel as Britain. These facts are ignored in the British press, particularly in papers such as the *Daily Express* and *The Sun*. We have to bear in mind the immediate small sector considerations as well.

I well remember a meeting with Jaguar recently. Tribute has been paid to that company in the debate in terms of its recovery, quality control, and so on. There has been a great transformation, but it was sad to hear the managing director's answer when asked how many vehicles were actually being produced. It is a tiny proportion of the German output of luxury cars. Again, why cannot a small Rolls-Royce be produced? The demand would doubtless be great, but management is very complacent. I do not mean that as an unfair attack. I am describing a state of circumstances rather than an example of sinful behaviour. Companies in this country perhaps do not consider such possibilities as much as their overseas competitors. There are myriad examples.

I am concerned, too, about certain areas of the retailing industry, particularly in electronics. Here I declare an interest as a director of a large retail group. For some reason, in contrast with manufacturing industry, some areas of retailing in this country are very successful. In many ways they are more successful than the United States, which has a considerable reputation. One thinks of the great efforts and achievements of the food retailing sector and the famous names there. One thinks, too, of the prowess, tradition and power of the John Lewis group and the achievements of Marks and Spencer and groups such as my own dealing in electronic consumer durables. In recent years, for the first time, retail groups have become heavy investors in new equipment and assets. In some areas they have overtaken manufacturing industry in this respect.

My hon. Friend the Minister referred to the revival in production and output since 1981, but there are still nauseating problems arising from what I would describe as the doctrine of the reluctant supplier. Retailers are on their knees begging suppliers of important goods and services, but mainly manufactured goods, to deliver the required quantities. My group recently gave a British company what must be the largest single order for television sets. I shall not go into the details now, but all this is on public record. The British company supplied large sets almost as good—in my view, just as good—as Japanese or Korean sets. That was a good example, but on other occasions the number of sets that can be supplied is woefully inadequate and the waiting times much longer than for Japanese sets. That is why the Japanese and Koreans are coming in to supply electronic consumer durables in this country.

The Government's policy of welcoming import substitution is an important factor in the aggregate industrial regeneration of this country, but why is management still so complacent? I sympathise with the problems faced by an impatient work force wanting to get on with things but often prevented from doing so. Those attitudes are changing, but the problems will be resolved only with full co-operation and mutual respect, with the Government acting as a catalyst, rather than by the corrosive injection of conflict still evident in our political and socio-political system. If we can overcome that problem and emulate the compromise approach of other countries, we shall get much further.

Mr. Allen: I am curious to know what part in the new consensus the hon. Gentleman envisages for the young unemployed on youth training schemes, some of whom are now to be conscripted to schemes on pain of losing their unemployment benefit, the 8,000 unemployed in my constituency of Nottingham, North and the 4 million unemployed in the rest of the country.

Mr. Dykes: I do not say that we should slavishly copy other countries or that the solution is always over the horizon, but presumably we must search for the successful solution that the Japanese have found to that grievous problem. They have built up their economy, becoming heavy investors in new assets and high technology, with low unemployment and some temporary protectiveness towards industries at the germination stage. That is the basic answer, but the question more logically should be directed to my hon. Friend the Minister. I am sure that in due course he will reply on that.

While the reluctant supplier disease is still with us, opportunities now are much more attractive and greater because the far eastern producers are beginning to have their own problems of rising labour costs, adverse

[Mr. Dykes]

currency movements and perhaps even greater social pressures than they had in the past. We all talk about the wages in certain far eastern countries being lower than those in Japan, but that will not be for very long. The opportunity in this country is even greater for us to do tremendous things if we do not ignore volume and just go for quality, as one or two of my hon. Friends suggested. We should combine both quality and volume. The quality enhancement produces the volume increase potential.

The hon. Member for Burnley (Mr. Pike) has left the Chamber. He said that he had to depart, so we understand that. In his concluding remarks, with which I do not agree, he referred to the need for trade marks and brand names. While I would agree with him that the "Made in Britain" designation is important and that many consumers both here and elsewhere may want to have that on their goods, I do not think it should be compulsory.

I agree with the various judgments of the European Court and other EEC agencies that the danger of that kind of compulsion is that it is a restraint on trade within the Community. France did have a compulsory trade mark system, but I am not sure of the latest state of play in other EEC countries. The European Court is right to pronounce against that and to encourage merely the voluntary registration and usage on equipment of national trade marks or brand names, if people desire—I am thinking mainly of trade marks. If people want to put trade marks on their equipment, that is fair enough, but national compulsion is quite wrong.

With my antecedents and interest, I am naturally attracted to the idea of a European Economic Community trademark, but again I am not sure that even that should be compulsory. We live in an increasingly independent world, where consumers increasingly know that various products are put together in different countries under one label and that labels are less meaningful now. My hon. Friend the Member for Stafford referred to consumer protection legislation. Labels are not necessary, provided that consumers have the right in a shop or store to ask where a product is made, or is mainly made, because international assembly and delivery means that products are often not made in just one country. I hope that there will be increasing Europe-wide agreement on that and in due course world agreement, but that will take much longer.

Consumers must be presented with the highest quality. That is now improving, partly thanks to Government policy, but not wholly so. Managements now have less complacent attitudes, and I hope those attitudes are also fixed on quality control. The situation will improve provided that we get the aggregate management of the economy right and provided that this ceases to be an under-investing country. Although the figures have improved slightly in recent years, they are still woefully inadequate—I am thinking mainly of the private sector, but also the public sector, which is also a very important investor in new assets. If we solve those problems over the next few years, we will not need to talk in superficial political terms but begin genuinely to represent the interests of our nation.

12.33 pm

Sir Geoffrey Finsberg (Hampstead and Highgate): It was rather sad to listen to the opening speech of the right hon. Member for Swansea, West (Mr. Williams). He really was making bricks without straw. He was fighting the last election—a lost election—again. Do I perhaps do him an injustice? Was the Front Bench spokesman of a party that claims to be the party that represents manufacturing industry creating a facade to conceal the fact that throughout his speech there were only two of his colleagues listening to him? That shows the genuine interest of the Labour party on the subject. If I may say so, my old friend can make better speeches than that. He was unfairly critical of my hon. Friend the Minister. I suggest that, when he reads *Hansard*, he might feel that he could have made a speech much more in line with his normal excellent speeches.

The right hon. Member for Swansea, West talked about Japan. He said that Japan had succeeded in going up market with better quality and lower prices. However, he omitted the vital fact that there were no Luddite trade unions in Japan. That was our great handicap for more than three decades after the war. Fortunately, that handicap has now been reduced.

I am sorry that I had to miss about 40 minutes of the debate to deal with a constituency matter, but I came back to listen to the hon. Member for Nottingham, North (Mr. Allen) saying that Conservative Members know nothing of the real facts of the north-south divide and that we are mainly for the south. He was not in the Chamber to listen to my hon. Friend the Member for Batley and Spen (Mrs. Peacock) who comes from further north than Nottingham. She made a speech extolling what is happening in her constituency instead of whining about everything being wrong. The voice of the hon. Member for Nottingham, North was that of authentic, unreconstructed trade unionism and the public showed what it thought about that.

My hon. Friend the Member for Westminster, North (Mr. Wheeler) made a clear and good speech. I am sad that my hon. Friend the Member for Harrow, East (Mr. Dykes) found it necessary to criticise him in his absence. It is not the sort of thing that one does. He had an opportunity to criticise while the speech was being made if it was necessary to do so.

I believe that the time for compromise policies and politics is long past. We suffered that for 30 years and look at the mess we had. Firm policies have got us out of that mess and, clearly, the majority of people accept that we need strong sensible policies.

During the speech of my hon. Friend the Minister I intervened to speak about standards. The British Standards Institution has a good reputation. I had to deal with it as a manufacturer and, subsequently, as a Minister. I served on a couple of its sub-committees on one occasion. I asked my hon. Friend the Minister whether there was anything that could be done to speed up the process of decision-making. He said, fairly, that much of the work of the BSI depends upon consensus. I suggest that consensus reached in six months is probably just as good as consensus reached in two years. The trouble with many people who man BSI committees is that they are professional committee sitters and they have no real sense of urgency. I should like to make a concrete suggestion to my hon. Friend the Minister that he call in the leadership of BSI and ask it to set a time at which a new or revised standard should energe from the machine. That would concentrate the minds of those who are sitting on the committees. A target date is extremely important because

that is another angle on quality. We need quality of decision and quality of effectiveness and we are not getting that from the BSI.

I spent some 20 years in manufacturing industry, based mainly in the north and Scotland, and I know the real problems. I watched the installation of new machinery. It was rubbish of the hon. Member for Nottingham, North to talk about under-investment, because hundreds of millions of pounds have been spent on new investment and, in many cases, the attitude of the unions has negated much of the potential benefit of the new equipment, machinery and so on.

Mr. Allen: Will the hon. Gentleman give way.

Sir Geoffrey Finsberg: I will give way shortly.

One of the other problems involved in the installation of new equipment is that in so many cases it produces a reduction in the labour force. I remember going to the Austin Rover factory and seeing a man in a room sitting pressing a button every 20 seconds. I said, "That is a marvellous new machine." They said, "Yes, the job that one man is doing was done by 18 people before that machine was put in." We must recognise that, of necessity, the installation of new equipment will remove people's jobs. They need retraining or new jobs.

I do not accept the other point made by the hon. Member for Nottingham, North about hamburger jobs. A lot of good work is available in service industries, so it should not be despised in such a way.

Mr. Allen: Is it not a fact that, in many cases, the failure of private industry to invest properly over a long period led to the state — the hon. Gentleman, me and the taxpayer—having to bail out such companies, certainly in the immediate post-war period, so that they could be revitalised? Is it not also the case that such industries, many of which are being sold off by the Government, are now handing back to individuals the investment that the taxpayer put into them? I do not know whether such individuals are of a different generation from those who got us into the mess in the first place. Perhaps private investment is not the be-all and end-all, as the hon. Gentleman said.

Very often, hamburger jobs are low-paid and involve long hours. They are jobs from which the Government have removed the protection of wages councils. Does the hon. Gentleman say that that is the way forward for the 4 million unemployed?

Sir Geoffrey Finsberg: The hon. Gentleman will find that most unemployed people would rather have that sort of job than stay on the dole. The attitude of the unions that he represents is keeping far too many people on the dole by preventing them from taking useful jobs. I do not propose to change my mind on the matter.

I do not accept the hon. Gentleman's earlier point. He spoke of the post-war years. He may have forgotten that in the post-war years there was no investment. Of course, many industries had run down. The real trouble is that the Labour Governments, excluding the Attlee Government, were incapable of taking decisions. They allowed more and more overmanning and messing-up of our industries. We had to examine the problems in the coal, iron and steel industries and in the railways until a firm grip was taken on them. The steel industry is now virtually in profit.

Mr. Alan Williams: I do not know why the hon. Gentleman is going down that path. Does he understand that there have been only two peaks of manufacturing investment in the post-war period? The first was in 1970, at the end of the Wilson Labour Administration, and again in 1979, at the end of a period of Labour Administration. Far from having a period of under-achievement in investment in such industries, if only the hon. Gentleman's Government had sustained the level of investment that they inherited in 1979, we would now have an industry that invested £10,000 million more than it has. The best year of investment still only equals the level of 1961, a quarter of a century ago. The hon. Gentleman should not lecture hon. Members on investment.

Sir Geoffrey Finsberg: I had not used the word "underachievement". My abiding memory of the last Labour Government was 20 per cent. inflation, which the right hon. Gentleman will know meant an average of over 12 per cent. throughout the entire life of the Government of which he was a member.

Mr. Williams *rose*——

Sir Geoffrey Finsberg: If the right hon. Gentleman will forgive me, I shall not give way again. I am sure that other hon. Members wish to speak.

Mr. Williams: Is it not the normal practice of the House, Mr. Deputy Speaker, if an hon. Member goes out of his way to attack an hon. Member, to give way again if the hon. Member wishes to answer?

Mr. Deputy Speaker (Mr. Harold Walker): It is a convention of the House.

Sir Geoffrey Finsberg: I gave way when I attacked the right hon. Gentleman. When I give a statistic, I am not attacking him. The right hon. Gentleman is getting a bit touchy, which is out of keeping with his normal equable self.

I have watched the installation of new machinery. In many cases, it leads to a reduction in the work force. I have listened to people denigrate the need to keep to delivery dates. I have heard people say, "We'll deliver the merchandise when we are ready." They totally forget that it might be required by a set date and that by the time they deliver the ship will have left the docks. The merchandise will be useless and the repeat order will never come because overseas customers have been let down. The quality of service is as important as any other quality.

We must remember that the customer is king. If we do not produce merchandise of a quality and at a price which is acceptable to the customer it will pile up and remain on the shelves. That in itself will produce unemployment.

We are fortunate in that many of our great companies will not accept merchandise of a quality below that which their customers will accept. The customer decides what is needed.

I remember talking about quality, or lack of it, almost a decade ago, when many people asked, "What is the point of working overtime because so much money is taken away in taxation?" It was difficult to refute that argument. One of the causes was the change from wage freeze to wage inflation and perhaps the feeling that production might be more important than quality. Some companies recognised that the cost of putting in the quality control would add considerably to the cost of the merchandise and they were not certain whether the market would bear that.

My hon. Friend the Member for Batley and Spen spoke about Jaguar. That is a fine example of a company which

[Sir Geoffrey Finsberg]

has been almost completely transformed. Once it produced an unreliable vehicle with an appalling after-sales service, but now it produces an excellent product with a very good after-sales service. As my hon. Friend said, people are queueing up everywhere to purchase that car.

We can see in the progress of production and quality the outward beneficial effects of Government financial policy on the industries which have been taken out of the bureaucratic public sector and put into genuine public ownership. Employees have shares of their own company and receive dividends. They respond that much better to the need for greater and better production—greater in volume, better in quality.

Lower direct taxation is a definite encouragement to people to work harder. They receive more money and can keep more of it in their pockets because the standard rate of tax has come down. Those who say that they do not want tax reductions but more public expenditure are arrogant. Their view is certainly not shared by those who work hard to earn their money.

Mr. Allen: Will the hon. Gentleman give way?

Sir Geoffrey Finsberg: I have already been very generous to the hon. Gentleman. He will perhaps forgive me. I have already given way to him four times and he has interrupted every speaker from the Conservative Benches. I hope that he will forgive me. I am not being discourteous. I want to finish my speech as I do not like making long speeches.

Those people who accept that point of view ought to realise that they have no right to speak for others. If they do not want to take that extra money, they can give it to charity. However, they have no right to deprive others of the benefits that the Government's financial policy are producing.

The quality of the civil servants in the Department of Trade and Industry is extremely high. They have done a very good job in producing basic background material for those in industry who want to improve the quality of their merchandise and cater for the wishes of an increasingly sophisticated consuming public. I pay tribute to the Minister's staff in the Department of Trade and Industry and to the staff of other Government Departments who co-operate in trying to take us forward in that way. That is the correct way forward and for that reason the debate has been very useful.

12.51 pm

Mr. Mark Wolfson (Sevenoaks): I welcome the opportunity to take part in this debate on the importance of quality in manufacturing and international competitiveness.

This debate has clearly ranged widely over that subject and other factors affecting the economy. This is an area in which the Department of Trade and Industry, as my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) has just said, has played a very full and effective role as a stimulator for good practice and a clearing house for information about that good practice.

I also want to pay tribute to the Minister's specific contribution in giving leadership to that activity which shows the role that the Government can and should play in supporting initiatives that industry must take, but where Government support is needed to make progress. I also welcome the fact that, despite the thinnest of thin Houses on Labour Benches, this has been a debate in which, as well as controversy, there has been a considerable measure of agreement on some of the fundamentals involved in achieving higher quality.

It has been clear from this morning's debate that by quality we mean a whole range of non-price factors including good design, technological innovation, reliability, delivery on time and the quality of after-sales service.

If British industry is to continue increasing its competitive position, as it has been doing with signal success over the past four years, the need continually to improve quality is clear. If any business wants its customers to return, it must ensure that its products and services are not criticised. In so many instances in the past it has been the quality of imported goods, not price, that has attracted British buyers. There is the example of motor cars from Germany, Japan, France and Italy, but especially from Germany and Japan. The quality and reliability of the product put British manufacturers at a disadvantage until they started to put matters right.

With audio-visual equipment, for example, the important factors are reliability of quality and the ability to deliver both in quantity and quality. The reliability of products, especially those manufactured in Japan, has had a devastating effect on our industry. That could have been avoided, and steps are being taken that demonstrate real improvement.

Another example is to be found in household white goods such as washing machines and smaller items such as irons, toasters and other kitchen equipment. In the past, German and Italian products have made heavy inroads into the British market. So often the quality of British goods was lacking, while the quality of German and Italian products was higher. The producers of furniture for kitchens and bathrooms from Scandinavia, Germany and Italy made large inroads into markets supplied by British goods, and there was no good reason why British manufacturers should not have been competitive in quality. As so many have said today, quality requires an input from management, designers and the work force. It is a job for all three within an economic environment that effectively the Government have set over the past eight years. We are seeing the pay-off in the way in which British industry is now working so much more effectively. I do not dismiss, however, many of the problems that have been raised by Opposition Members. On the other hand, I cannot accept the doom-and-gloom view that suggests that British manufacturing industry is not in many instances making supremely effective strides towards occupying a far more effective position.

If the number of faulty products gets out of balance, jobs are exported. There lies a key factor in the overcoming of unemployment and the maintenance of a strong balance of payments.

The quest for quality binds together a number of priority tasks for British business and the Government over the next four years, and specifically in the immediate future. I shall list some of the priority tasks. First, secondary education must be reformed so that schools turn out youngsters who are better equipped than in the past, with basic capabilities for the world at work. So important are the attitudes that are instilled in school towards quality of work. The satisfaction of a job well done, the experience of successful activity, the feeling that a game has been well played and the achievement of a good

report all help a young person to fit into the world at work and contribute, when his time comes, to ensuring that the quality of the product in which he is involved is high and that it is saleable both at home and abroad.

The second priority is the establishing of closer links between higher education and business. We must ensure that universities and polytechnics produce more science and engineering graduates. More people must be encouraged to take jobs in the wealth-creating sector, especially in manufacturing.

A reputation for quality, which industry can often demonstrate, has a real attraction for graduates. Some of the most able have been discouraged from entering industry on graduation—this is one of their views, and one of many—because of "bushfire" problems. In the days when management was dealing almost continuously with industrial relations problems, many able graduates did not want to be involved. They wanted more readily to get into an industry in which they could concentrate on improving productivity, design and marketing, making the industry more effective as a world beater and not always having to deal with industrial relations problems. I recognise that such problems were the result of faults on both sides, but they were also partly due to the lack of the legislative framework which the Government have now put into place, and which I believe now contributes to a calmer atmosphere.

Mr. Pike: I do not wish to pursue the industrial relations aspect, but I think that the hon. Gentleman has hit on an important point—the reluctance of people with ability to be attracted into management in industry. People should be considering jobs in industry as well as jobs in the City, because industry is vitally important to the country's future. People have been particularly reluctant to go into industry recently, and I hope that the trend improves.

Mr. Wolfson: I am delighted to have the hon. Gentleman's support for my remarks. I agree entirely about the necessity for more people to take jobs in industry. The calmer atmosphere in industry may encourage more people to become involved in an industrial career, rather than choosing the City or the professions.

The third priority for Government and business to work on together is the improvement of skill training so that the present shortages and rising costs can be overcome. It must be accepted that training is vital throughout the working life of people operating on the shop floor, in supervision and among management. No one can accept that the good practice that they learn at one stage in their career will necessarily be suitable later.

The fourth priority is to encourage more investment in research and development, and the increased application of advanced manufacturing technology. I hope that the Minister will have something to say on that vital issue. I know that the Government are actively dealing with it, but there is some disquiet as to whether enough push and support is being given.

The final priority is to persuade Whitehall and the town halls, the Health Service and others in the public sector to think British and to cut down on unnecessary imports, while promoting the competitiveness of British industry.

Those priorities are bound together under the flag of improving quality. The need to drive incessantly for quality improvement involves the whole work force in any company. Every member of that work force has a deeply rooted interest in the objective of quality, and—as we have seen in the House—it is not a matter for political argument or special interest debate. Shareholders, managers, supervisors, work force and customers—all of them involved with the prosperity of a company—have a deep involvement and interest in ensuring that the quality of that company's product is improved. Individuals working in the company have a major interest, for their own security and job satisfaction.

Other hon. Members have mentioned the importance of quality circles and suggestion schemes which involve the work force in giving advice and taking decisions about the way in which the job is run. Job satisfaction and commitment to quality are increased when members of the work force feel that they have a stake in the company's achievement, and that their views are properly listened to by management. It also gives them an opportunity for further personal development and increases their scope for fulfilment in the work that they are doing.

I shall mention here an example of one company, which I chose because it highlights some of the points that I have made again and again. It is one of the case studies in the Department of Trade and Industry booklet "The Case for Quality", which disseminates good practice among many companies. I refer to Greendale Electronics. Dr. Roy Followell, one of the team at Bradford university carrying out Government research into quality control methods in industry, has said:

> "Greendale Electronics has achieved a great deal in a short time by the successful application of statistical methods of quality control."

What were some of the main factors involved in this company? First, the managing director had a clear objective, based on his experience in international and British business, to drive for high quality. That main drive was towards educating and motivating the work force. It has not been easy, but, after two years, his view is that he has infused a highly satisfactory relationship throughout the work force, because he was used to an egalitarian, collaborative relationship from shop floor to the board room. That is crucial for the effective development of high qualty standards in industry.

Better run meetings at which successes and failures were properly discussed is another example of that, as it produces a constant flow of information which is then linked by the company to bonus and productivity schemes and share options. Self-discipline is encouraged. For example, a scheme of self-certification for illness was introduced and immediately brought a marked reduction in absenteeism.

Being able to trace performance back to individuals as well as to materials and machines has proved to be an essential part of quality assurance. Originally, it encountered resistance, but ultimately those involved in that activity came to understand its importance to the company as a whole and therefore to their future prosperity and benefit. I hope that the House feels that it is not unreasonable to utilise such an example, as it demonstrates how fundamental those points are to achieving high quality in British industry.

My final priority, that of getting Whitehall, the Health Service, local government and everyone in the public sector to think British, leads me to what I want to say about partnership sourcing—and I am not referring to

[Mr. Wolfson]

dating agencies. Partnership sourcing means the involvement of the user with the supplier to raise standards. Examples of this have been given by other hon. Members. United Kingdom sourcing can be of benefit to everyone. It makes Britain more competitive in overseas markets. It ensures a more competitive and effective position for British companies serving the British market.

Government, the CBI and the National Economic Development Office all recognise the vital importance of improving business performance in terms of obtaining a larger share of the home market, and increased British sourcing helps to bring this about. It means adopting constructive purchasing policies and cultivating good, two-way relations with suppliers and potential suppliers of the products of services and other business needs. Of course, that increases the availability of alternative suppliers to British business.

Finally, I should like to talk about two aspects of partnership sourcing. I have already referred to the first, which is thinking British. That means being prepared to look among other products for one that is made in the United Kingdom and to buy it if it equals or beats those other products on price and non-price factors. That is a better approach than any "buy British regardless" philosophy and is accepted as correct by the Government and the CBI.

The second point about partnership sourcing is positive purchasing, which takes the philosophy a stage further. It means conducting purchasing procedures within a company to increase the abilities of that company's suppliers. That can be done by encouraging them to participate in regular dialogue about longer-term needs and future likely orders, involving them in setting the specifications and the use of approved standards, which have been mentioned by many other speakers. Far from giving special preference to those companies, positive purchasing seeks to make businesses genuinely more competitive. As we know, most examples of it so far are from the large companies. Marks and Spencer plc was the market leader in that area but other companies are increasingly doing the same. It is important to encourage medium-sized companies to do the same thing and to take a leaf out of larger companies' books.

Public purchasing policy is crucial. I hope that the Minister will confirm the Government's continuing commitment to use British sources when the Government are involved in public purchasing, provided that those British sources are competitive on quality and price with overseas sources.

I value the opportunity to take part in the debate and am grateful for the indulgence of the House in doing so.

1.12 pm

Mr. Eric S. Heffer (Liverpool, Walton): I want to apologise first to the Minister for not hearing all of his opening remarks. I apologise also to many of the hon. Members who have spoken because I have been dashing in and out doing various business.

I am absolutely delighted that we are having such a debate today because it gets to the heart of our future as a manufacturing country, to our industrial relations and to the type of society in which we live.

If I may digress for a few moments before addressing the issue of quality and competitiveness, if we are to put this discussion into its proper context, we must understand the decline that has taken place in our manufacturing industries over many years. The trouble in this country is that we all became extremely complacent because at one time we were the workshop of the world. We led the way and were the first great capitalist manufacturing country. Our competitors had to catch up with us. We had always done things in a certain way. Those running and owning industry, as well as those engaged in it, felt that we had found the best methods and that little change was needed.

I regret, for example the passing of our great motor cycle industry. We have only the dregs left and that is an absolute scandal. Our motor cycles were the best in the world. If we are discussing quality, I must point out that our workers produced the best manufactured goods in the world. There is no question about that and I hope that I can say so without any contradiction.

Last night some hon. Members may have seen an extremely interesting programme about the P and O line. For much of my life I worked on the shop floor in the shipbuilding industry. The old ships have all gone. Modern ships, despite their quality, are not in the same class. They are not ships, as we understand it. The old ships had real quality. The beautiful first-class lounges, the first-class accommodation, the restaurants and all the other things on those ships had real quality. I was one of those carrying out such work in my early days.

The Chamber has high quality woodwork. Would such a Chamber be built today? No, because it would be argued that it would not be competitive and that one could not build such things because nobody wants them any more. The job might be done under certain circumstances if people decided that it did not matter how much it cost because they wanted real quality.

Does not quality sometimes come up against the nature of the competitiveness of our society? Can one have the real quality goods, and at the same time the present competitive society? Do not profit and competitiveness stand in the way of real quality at different times? I am not suggesting that we should not have the best quality in our present competitive society, but there will be a problem in future.

Will competition, profit-making and cutting corners to make more profit be the future of our society, or will we create genuine quality of life? Is not that important? William Morris had the dream of a society with quality of life, where the building worker went home at night feeling that what he had produced was a great work of art. Do building workers go home now feeling that they have created a work of art?

In my constituency, I was a joiner at the Royal Oak pub and I put up all the oak panelling in the pub. Then the modernists came along. They did not like the oak panelling, so they tore it out and put in plastic. With it, to make more money, came the machines to produce the music, so that no longer can people have a nice quiet drink in a nice pub. Their ears are blasted off. They cannot talk to each other. It is an atmosphere of modernisation. Is that quality of life?

We are destroying the quality of life because of the nature of the society in which we live and because profit and competition, the capitalist mode of society, are destroying everything that is decent and right. That is what I am concerned about. When we talk about quality, let us talk not only about the quality of the product but about the quality of life that we produce for our people.

The hon. Member for Sevenoaks, (Mr. Wolfson) talked about the need for skill training. I know about that. I spent five years as an apprentice. It would have been seven, but the war came along and my apprenticeship ended. I found myself in the Royal Air Force, in which I spent four years. I want skill training, but it is interesting that some of the big companies with their own training schools got rid of them because they were not profitable enough. We are sometimes diverted from the realities of society when we talk about quality and international competitiveness.

Mr. Jim Spicer (Dorset, West) *rose*——

Mr. Heffer: If the hon. Gentleman does not mind, I shall not give way. Perhaps he would like to answer my points in his speech.

As for international competitiveness, we were complacent because we had been the workshop of the world. It was obvious that the Germans, the Japanese, the Americans and everyone else would not only catch up with us but pass us. They did so, but we continued in the old way.

We often hear people attack workers, saying that if only the workers had not gone on strike and if only the industrial relations system was such that workers were tied up—just as they are with the present industrial relations machinery—all would be well. But much of management did not change when it ought to have changed. Management let time pass and said, "It has always been done like that, the money has always come in like that, so do not do anything about it." I challenge Conservative Members who put that argument. When real changes in industrial techniques were put to the trade unions after serious discussion, so long as they were not imposed on them, nine times out of 10 agreement was reached, changes were made and there was little industrial disruption. Industrial disruption occurred when working people had conditions imposed on them without proper debate and discussion. Let us return to talking about real equality.

I believe in good design, but what is it? I have explained what I think about the design of modern pubs. It is unbearable, yet I am sure the people say that it is good design, that it is profitable, so we should have it. As for good design in cars, our cars were not accepted abroad, not because the quality was bad but because of press reports about them. I am sorry if hon. Members think that the quality was bad. If they think that, they have fallen for what the press said, not that there are many members of the press in the Strangers' Gallery at the moment. Those who wrote for the motor car columns were responsible. Every time a new product was produced, it was knocked. That point was picked up by our competitors who said that British cars were not worth a light.

British motor cars, especially Rovers, were some of the greatest cars ever produced. They are still among the best cars. It is a scandal that our cars were knocked by a press that was and is irresponsible towards the industry. Workers are knocked all the time as though they are responsible for every dispute and as though every dispute is unjustified. People have not understood that workers in other countries are told by their employers that they must not take industrial action because, if they do, they will be uncompetitive with workers in other countries. That happens in the United States where people want to put up barriers between themselves and the rest of society. The unions and others say, rightly, "We cannot have competition on the basis of others coming in and taking our jobs."

I believe that the matter goes to the very heart of our society. I do not believe all the nonsense that is talked about British Telecom doing so much better now that it has stopped being a publicly owned company and has been sold off to all sorts of shareholders. If people are so pleased with BT, why did I read in this morning's press that there are more complaints about BT's services and prices than ever before? I am sure that we shall find that that happens with gas and all the other industries that are to be sold off, too.

Sooner or later, we have to choose. We have to decide what sort of society we intend to build and live in. Are we going to have a society with genuine equality of life in which people have the chance to better their quality of life collectively or a society in which people do that individually at the expense of everybody else? Is that what we want?

I want a society in which we all gain. I judge a society according to the rung of the ladder which those at the bottom have reached, their quality of life, their security, their future and their hopes. If we are to build a society of genuine equality which is not obsessed with the concept of internal and international competition, we must change our basic philosophy. We must get rid of the philosophy of this Government. We must use public money in the interests of the public and recreate publicly owned industries—this time on the basis not of bureaucratic structures but of the democratic involvement of the work force and democratic management.

That is what I believe and that is all that I have to say. I may not have been dealing with every aspect of quality control in the factory. However, while some of the Conservative Members who have taken part in the debate have been bankers or directors, working at levels which I shall never know, I came to this place from the shop floor. Apart from my years in the Royal Air Force, I spent my time working on the shop floor, in the ship repair yards and on the big construction sites. The great argument throughout was real quality versus profit. How did the time and motion study people help quality in industry? They did not. They undermined quality but helped to create competitiveness and profitability. If we are serious about building a new society and a new world, it is high time that we got rid of the profit-making system and built one worthy of us all.

1.28 pm

Mr. Jim Spicer (Dorset, West): It is a privilege to follow the hon. Member for Liverpool, Walton (Mr. Heffer), to whom we always listen attentively. What worries me is the way in which he muddled slightly the quality of life with the lack of competitiveness. We cannot improve the quality of life for the people of this country if we do not compete in the world, at least on level terms.

The hon. Gentleman talked about his role in industry. Let us compare the state of British Steel today with what was happening 10 years ago. Today we have quality. British steel is in worldwide demand and we must try to increase our quota from the European Community. That was not so 10 years ago and it was not so with Jaguar seven or eight years ago. Eight years ago I was a member of the European Parliament, and I tried to persuade that institution that it would be right and proper to have a

[Mr. Jim Spicer]

quality British car in the car pool. Six months later, Jaguar was out because it did not compete with the quality of German and other cars in the car pool. Those who deserted British motor cars in the 1960s and 1970s in favour of overseas products did so not because they were traitors or had been misled by the media but because we had a reputation for failing to produce quality vehicles.

Where does that situation stem from? Looking back to the 1940s, there was a natural attitude at the end of a war when we were exhausted. The hon. Member for Walton spent five years in the Royal Air Force. I spent my time in the Army, and I remember coming home in 1945 almost feeling that the world owed us a living. Throughout the 1940s and 1950s, due to the pent-up demand created by the war, it was possible to coast along producing goods which would sell whether they were any good or not.

In 1946, I bought the first civilian model Volkswagen. I paid £160 for it and drove it back to this country. People in this country had never seen anything like it, but when management had the opportunity to produce those cars in this country they turned their backs on the idea. There have been faults on both sides, but that was entirely the fault of management.

In the 1950s and 1960s, there was a combination of bad management and disruption in industry, leading to the appalling situation in the early 1970s. We all have memories of the "One out, all out" attitude, the cries of "Are you with us, comrades?" and mass meetings in the fields. Any attempt to impose proper quality control in the motor industry and to bring people to book if they did not observe it provoked that reaction. Shamefully, up to last year 56 per cent. of cars bought in this country were from overseas.

Reference has been made today to the old slogan, "Better buy British", but we must be clear where the emphasis lies. It must be a better buy because it is British rather than suggesting that one had better buy the product just because it is British. That must be emphasised not only in this debate but throughout industry. We cannot stand aside from the theme of competitiveness. In the 1960s and 1970s, wherever we looked in the world — not just Japan, Germany and France, but Taiwan and Korea which were already coming up — we saw our manufacturing base being eroded because those countries were producing goods not just at the right price but of the right quality.

What fascinates me and gives me great hope for the future is that in the 1980s a new attitude is emerging in our industry. I am glad to see that my hon. Friend the Minister responsible for sport has joined us at this point as yesterday I chanced to have lunch with the director of Dunlop—one of our major companies. He told me that for the first time in years Dunlop goods were increasingly being produced in this country because we are competing in both quality and price with Taiwan, Singapore, Japan and Germany. That is the message that we must take on board. If we continue on that path, we shall indeed achieve a better quality of life. Why has the quality of life in Germany improved so dramatically in the past 30 years? It is not that they have forgotten how to produce quality goods — they have done that increasingly; they have always produced quality goods—but that they produce competitive goods. The more the value of the deutsch-mark goes up, the more competitive they have become.

For the first time in 50 years we are seeing that slogan of "Better buy British" coming through strongly. We should all be proud of that because it indicates, for the first time since the last war, a genuine partnership between management and labour, working to produce goods for the benefit of their own families, their own companies and the country as a whole.

Mr. Deputy Speaker: Does the Minister have the leave of the House to speak again?

1.35 pm

Mr. Butcher: I am grateful for an opportunity to make a few further comments on a number of the important issues that have been raised in what has been an informative and searching debate. I listened carefully to some formidable contributions, including a maiden speech about which I will speak in a moment.

When the right hon. Member for Swansea, West (Mr. Williams) examines the record in *Hansard* I hope he will agree that in my opening remarks I made it very clear that the devastating comment made to our delegation that went to Japan—devastating because of its candour—implied that the British were not capable of doing the business and not capable of catching up with their obsession with quality. When he examines the record I hope he will find that we are not in disagreement, that we have the same objectives, and that the quality message is not an ephemeral or recent obsession of the Government or the previous Administration. It is something that we are reaffirming, enhancing and expanding, and it has been based on the knowledge of a few central truths about quality that have been with us for quite a while.

It is for that reason—building on that information—that the Government have targeted an objective of getting the quality message across to 100,000 companies. We are about halfway there now. If we reach that target, we should have an example of quality management present in virtually every sector—in large or small companies—in most towns and cities. We hope that that will have a multiplier effect in changing the culture on the shop floor.

My hon. Friend the Member for Batley and Spen (Mrs. Peacock) summarised the debate skilfully. She concluded that an obsession with quality means an improvement in the job situation — it safeguards existing jobs and reimports jobs back into the United Kingdom that we may have exported in the past through a lack of concern about quality.

The hon. Member for Burnley (Mr. Pike) made a fine speech. If he does not mind my saying so, it was a speech of the old-fashioned Labour party—a speech made by someone who had great experience on the shop floor. I suspect that he will talk to the hon. Member for Bassetlaw (Mr. Ashton) about his new club, which is apparently dedicated to solidarity to the origins of the Labour party. I agree with him and with the hon. Member for Liverpool, Walton (Mr. Heffer) that quality is not something that can be imposed by management. It is something that happens in partnership with participants from all sections of the work force. By its very nature, it can work only if participation is full-blown and committed.

I am pleased to report that prominent trade unionists are involved in our national campaign. In companies around the country true partnerships are being set up, across what used to be the great divide, to get the quality message over.

My hon. Friend the Member for Bosworth (Mr. Tredinnick) made an excellent maiden speech. He vigorously defended the interests of the hosiery and knitwear industry and he illustrated the point I made in my opening remarks that — and I choose my words cautiously—if we can keep the current trend going into the 1990s we will be able to describe what happened as a British industrial renaissance.

My caution extends to recalling that there are international factors that a domestic Government can often do very little about. However, on the premise that the current trends continue, we have a real and major opportunity for a fight back in the international markets and the reconquering of certain sectors of our domestic market. I suspect that my hon. Friend the Member for Bosworth will be a vigorous defender of his constituents' interests, particularly those who work in the hosiery and knitwear industry.

A similar point was made by my hon. Friend the Member for Stafford (Mr. Cash) who used this opportunity to praise, rightly, the efforts of Rolls-Royce, which has confirmed yet again through the massive export order that it has announced in the past 24 hours that quality means jobs.

My hon. Friend the hon. Member for Bolton, West (Mr. Sackville) asked us to bring forward the privatisation of British Steel and made a number of other points. I would like to thank him for the kind remarks he made before he had to leave to look after the interests of his constituents. My hon. Friend the Member for Westminster, North (Mr. Wheeler) made a number of pertinent comments about the British security industry whose performance on quality objectives has improved.

The hon. Member for Nottingham, North (Mr. Allen) made an interesting speech. I should say immediately, in response to his request, that I have visited Nottingham a number of times. One of the visits incorporated the opening of an excellent exhibition in the Nottingham chamber of commerce, which vividly showed me that there is much dynamism in the local economy, that Nottingham business men are forward-thinking and that they are building new industries and using new technologies to preserve the prospects of their existing industries. I share with the hon. Gentleman what I presume is an objective of all hon. Members, which is to see that the prosperity that is now starting to accelerate in our country is shared in all parts of our country. I believe that we have a real prospect of that happening.

My hon. Friend the Member for Harrow, East (Mr. Dykes) pointed out that quality is about team work. He identified some of the trends that could lead us to be optimistic about the future.

My hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) hit on a sore point. There have been times in the past when I have asked why we cannot guillotine the standards-making process in order to clear a few minds and introduce a greater sense of urgency into the excruciating process. The BSI committees are setting strategies for their sectors of interest and that includes targets. The use of standards is voluntary and it is important that consensus is maintained, so that the standards that emerge are recognised and used by industry. I listened carefully to my hon. Friend's comments and I will examine them in greater detail when I return to the Department on Monday. It may be that one or two of the items he raised can be considered on future agendas with our partners at the BSI.

I can tell my hon. Friend the Member for Sevenoaks (Mr. Wolfson) that the automated manufacturing techniques programmes are successful. There is a supplier industry emerging in the delivery of AMT technology to the shop floor. It is a new industry and one in which we can take our existing skills forward to build a brand-new industry. My hon. Friend will know of the large amount of work we have done on skills shortages and I know that in the past he has welcomed the development of the new partnership between the higher education sector and the private sector. I am sure, having read my skills shortage report, that he will agree that it is starting to lever a significant spend from the private sector. A total of £43 million-worth of public money went into engineering and technology, levering £24 million of additional spending from the private demanders of the skills for the higher education sector.

The hon. Member for Walton made a vintage speech. We enjoyed listening to his reasons. They come from his convictions and his roots, and we respect them. But I ask him to consider the fact we are talking about the integration of the concepts of quality and competitiveness. One comes from the other, one depends on the other, and one leads to another. In this part of the 1980s, one must compete to sustain the quality of life that he would ask us to achieve.

My hon. Friend the Member for Dorset, West (Mr. Spicer) reasserted our national objective of improving the quality of British goods and services.

Before I conclude my remarks—hon. Members wish to return to their constituencies or launch into the next debate—I shall make a major point on the matter that was raised by my hon. Friend about the entrepreneurial approach of DTI and its officers. As I said earlier, the quality message can apply to all types of companies and organisations; for example, those engaged in manufacturing and services, and even public administration. There is no reason why the lessons learnt and the experiences gained in one part of the economy cannot be used in another. The principles are the same, although the methods of implementation can and often do vary.

I take this opportunity to highlight some of the quality activities within my Department, as evidence of our commitment to the quality drive. One of my Departments divisions, quality design and education, which is responsible for the campaign, has been exploring ways in which it can apply the principles of more effective quality management to its work. It is the first time that such principles, which in the past tended to be focused on manufacturing, have been applied to a central policy division of the Department. As part of its programme of improving the efficiency and effectiveness of its response to its customers—for example, industry and commerce, the general public and other Government Departments —and improving its internal operational performance, it has been reviewing management procedures and communications, looking at ways of reducing the quantity of paperwork, providing better training, and reviewing ways of improving support services such as typing. In addition, two quality circles have been set up. Although it is only a short time since the approach was introduced, operational benefits are coming through.

[Mr. Butcher]

Referring briefly to other parts of the Department and examples of quality activities, all the Department's research establishments have now been accredited by the national measurement accreditation service which, as I mentioned earlier, assesses and monitors the competence of test calibration laboratories. NAMAS, in turn, has adopted quality procedures and, as a method of involving employees, has also set up quality circles. The National Physical Laboratory is in the process of adopting standardised management systems. Most recently, the companies registration officers have adopted the principles of quality management. In addition, my Department has provided the necessary funding for a two-year consultancy to help ourselves and other Government Departments to examine in detail what more can and should be done. As Minister responsible for management resources in the DTI, I support that work.

My Department will now identify further areas for the introduction of such procedures within the administrative work in the Department, with the aim of improving the efficiency and effectiveness of sections that have regular contact with members of the public and users of DTI services. I think you will agree, Mr. Deputy Speaker, that it is right that my officials and the DTI should be involved in such procedures and that we should do as we say others should do. I am delighted to have had this opportunity to announce that that is precisely what will happen.

Mr. Alan Howarth (Stratford-on-Avon): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Hays Wharf

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Alan Howarth.]*

1.49 pm

Mr. Simon Hughes (Southwark and Bermondsey): I am grateful for the opportunity to bring to the attention of the House the development of a small but significant part of London — Hays wharf. I am glad to see the Under-Secretary of State in her place and I welcome her to her new office. I know that she is interested in the subject and I am pleased that the traffic problems did not make her punctual arrival too much of a tight squeak.

In my first Adjournment debate in 1983, when I was first elected to Parliament, I talked about planning along the riverside of our capital city. I referred in particular to planning for the south bank of the river from Waterloo to Surrey docks, in the centre of which is Hays wharf. The Minister will be aware of that debate. Her predecessor dealt with the issues in a good and long debate. I was joined by my parliamentary colleague and neighbour, the hon. Member for Peckham (Ms. Harman), who cannot be here today. I apologise on behalf of my other parliamentary colleagues and neighbours who cannot be here. They are aware of the debate and I shall refer to their views. Southwark is represented by all three major political parties which, unusually, are broadly in agreement on this issue.

Hays wharf lies between London bridge and Tower bridge, between the river and Tooley street. In the last century that area was the subject of the great fire of Tooley street. The part adjacent to London bridge is now developed to a substantial extent in the area of the old St. Olave's house and what is now called London Bridge City. The whole of the site is owned by the same company—St. Martins Property Corporation Ltd.—developers for the Kuwait Investment Office, an arm of the Kuwaiti Government and royal family, so it is not in public ownership. This debate concerns the current planning applications and how they should be dealt with.

In January 1982 the Secretary of State for the Environment granted planning permission, on appeal, for the redevelopment of part of the Hays wharf site including 750 sq ft of office space, 50,000 sq ft of shopping space and 35,000 sq ft of residential floor space. He refused to grant planning permission for proposals involving 1,320,000 sq ft of office space and considered the height of the proposed 30-storey building excessive and its relation to surrounding buildings unsatisfactory.

Since 1981 we have been in an unusual position because this part of my constituency comes under the London Docklands Development Corporation and is not governed by the normal planning processes under which a local authority makes the decision. The LDDC is the planning development control authority and is governed by the 1980 Act which set up the LDDC and its planning powers.

In 1983 the LDDC submitted development proposals for the Hays wharf area to the Secretary of State for approval under the provisions of the Local Government, Planning and Land Act 1980. Phase one included over 1 million sq ft of office space and phase two over 1·2 million sq ft of offices, housing, shops and open space. The local council and the GLC objected to the proposals because they believed the process to be undemocratic and inappropriate for that development and decision.

Secondly, they said that the uses did not meet the needs of the local community. Thirdly, they said that it involved an excessive office element. Fourthly, they said that it did not comply with the criteria on design set out by the Secretary of State in his letter of January 1982 and that, in any event, it was not an appropriate development, given that the council was about to draft a local plan.

A public inquiry was requested by the two local councils concerned. In the event, in July — the same month that a debate was held on the matter in this House — the Secretary of State approved the proposals for redevelopment submitted by the LDDC under a special development order. Planning permission was granted for the whole site. Five applications including detailed proposals for phase one — which effectively has now been developed — and outline proposals for phase two were then submitted by St. Martins Property Corporation Ltd. in September 1983 and permission was granted in January 1984.

Phase one is now effectively complete. In technical terms, three applications now lie on the table for the major part of phase two. A park is being developed and the work on that has begun near to Tower bridge on the south side. There are also three separate planning applications. In essence, I want to deal with the central application and the Minister will have anticipated that.

The major element of the new proposal that has gone to the LDDC is a detailed planning application for more than 1·2 million sq ft of offices, 306 parking spaces with a basement car park, a riverside walk, alterations to the local highways and the formation of a side and low level walkway on the site bounded by two small local roads, Morgan's lane and Weavers lane. A local council estate, the Bethel estate, would be demolished — in fact it has just gone — and listed buildings would also have to go. The floor space does not differ from that which was approved. I want to make it clear that in planning terms I am not basing my argument today on the component parts of the application. My view is that we already have too much office space in that part of my borough and we need other things. However, I am aware that that is by no means the crucial argument and issue before the Government or the LDDC.

The issue now is the physical layout, massing and appearance of the proposal. That is very different from before and includes land previously allocated for residential use. The proposal is probably unique in the history of planning applications in Britain. I believe that if it were granted, it would be for the largest volume of building in London.

When my late and much lamented colleague David Penhaligon was in the House, he inquired and was told that it was quite proper to produce a plan for the House. I have asked for and been given a copy of the proposed plan. It would be helpful if I showed the House the nature of the design because it is monstrously large. As we look at the plan, on the Minister's right we can see Tower bridge. On the left there are buildings which have now been completed along the riverside. In the centre is the plan of the proposed building. That building is intended to be in the style of this building. However, its total tower height is as high as the tower housing Big Ben. Its whole mass is many times bigger than this building. It is also the same height as St. Paul's cathedral. Therefore, on the south bank we would have a massive modern building that was made to look like this building. I guess, if it was built, that some visitors would think that it was this building because it would look more like the Palace of Westminster but be bigger. The very nature of the building and the cheek of its design as well as the sheer volume and other objections all raise serious and national issues. I will leave this plan on the Bench before me for a moment and show another drawing to the House — which the Minister may have seen — which is useful in terms of comparison.

There is a drawing which shows the projected building against the river with Tower bridge in the background and another that shows its height relative to Tower bridge and St. Paul's cathedral. It is a massive, monstrous building. Since the LDDC sent out the application for consultation it has not received an overwhelming number of statements of support. Indeed, no statements of support have been received. There have been several specific objections, however, as well as a few neutral comments from those who do not think that the proposal affects them.

I shall describe the building and then take up some of the criticisms that have been made by those who have expressed objections. An American architect has produced the design for, in all likelihood, one American client, which is probably a bank. The design is described as being

"related to traditional English architecture".

It certainly is. That is the nature of the design. It is described as being

"loosely based on an enlarged Houses of Parliament".

There are two large blocks arranged in the form of a U that are open towards the river with a private courtyard. There will not be a thoroughfare or roadway. The description continues:

> "The blocks range in height from 6 and 8 tall storeys facing the river to 11 storeys further back, with two 17 storey towers (330ft high) in the middle."

Such a building would dwarf the area, where it is not as if it is one that does not have other buildings and sites of significance. The two most obvious are Tower bridge and the Tower of London. The officers of Southwark council concluded that the proposed building would have a devastating effect on the historic and cherished local scene by its impact on the river front, on Tooley street, on the urban grain and historic fabric of the area, on the Tower of London and on Tower bridge. I am sure that the Minister will appreciate the council's conclusion that the proposed building would also fail to satisfy the design criteria established by the Secretary of State in his decision in 1982 and in the outline permission granted by the LDDC in January 1984.

The general public will be excluded from the large area occupied by one building and will lose the enjoyment of the river. An attempt has been made to provide a riverside walk, but the open space and the streets around the site will be of low amenity value because all the surrounding public areas will be dominated by the overwhelming presence of an enormous building. Anyone who sits in the park or walks along the river walkway or road will have a huge building towering above him. Depending on where he is, the individual will be in the shadow of the building for most of the time.

The council concluded that any future changes in technology or the location of the banking sector could result in a redundant building not easily adapted for other uses. If a building is constructed to one specific client's design and the client's needs move on, one is left with a building that may have no continuing use. We are talking

[Mr. Simon Hughes]

about something that could be the largest palatial off-white elephant that London will have seen. If we have difficulty letting other blocks in London such as Centre Point, there will be even more difficulty with the proposed building, especially if the bottom falls out of the big bang and the banking sector in the years to come.

Lastly, the original planning consent, which included the specific floor area to the exclusion of height and, therefore, volume, was given in ignorance of the current demand for increased floor-to-floor heights and its consequent effect on bulk. The result of trading practices is that the height between floors is much greater than the original proposals. Although there are relatively few tiers of windows, they are all several floors in depth in terms of the floor height at the Palace of Westminster.

That is the nature of the application. It went before Southwark council for consultation and unusually—this illustrates the importance of the issue—the planning committee arrived at all-party, unanimous agreement. Southwark is a Labour-run borough and my alliance colleagues are the opposition. The Conservative group is the third party. There was a recorded vote of 11 to nil.

It was decided that the LDDC be informed that if the council were the local planning authority for the determination of the three applications, permission would have been refused in all cases, and that in the light of the substantial departure of the application from the special development order submissions of 1983 and outline permission of 1984, the council requested that the Secretary of State call in the proposals of phase 2 for public inquiry, and that then steps be taken to alert the public to this. It was moved by the Chair and duly seconded that the council opposed outright the proposals contained in the Hays wharf phase 2 development proposal.

The floor space is the same, but the volume other than the floor space has increased dramatically because of the increased height. Originally, there were to be several small structures; now there are effectively two, but made to be constructed as one. The LDDC submission to the Secretary of State in 1983 stated that the height should correspond to the height of existing buildings and to the grandeur of the riverside, and should involve an intensive development but of medium height, the majority of buildings being seven storeys high, with a maximum height of 15 storeys. Those proposals have clearly not been adhered to. The height of the two towers exceeds by over 40 metres the maximum height specified in the outline permission of 1984, and the proposals on which the Secretary of State previously based his decision.

The proposals involve the demolition of two listed buildings, in particular 3 Vine lane, which the outline planning permission originally required to be retained. I understand that the design was changed in the latter part of 1986. The present proposals were received on 7 April of this year and, according to the present timetable, should go before the LDDC committee in the autumn. The LDDC asked in April for more information from St. Martin's, which is expected but has not been received.

The responses to consultation have been unanimously critical. The Minister will appreciate the significance of the bodies that have responded so far. The Docklands Consultative Committee, which is a committee of the local boroughs, says:

"The height and bulk of the building signal an insensitive over-development of the site. The external design . . . can only realistically be described as an 'architectural whimsy' which is unfortunately contemptuous of everything around it."

The borough of Tower Hamlets and the City of London Corporation, which are opposite the development, oppose it. The corporation says:

"The height and bulk of the towers would be over-dominant and unduly bulky and out of scale with the general development on the South Bank. Although the design of the buildings would be traditional in concept . . . their scale would be deceptive, almost grotesque."

The Royal Fine Art Commission has been asked for its views, and has said clearly that it is very unhappy. The commission is

"profoundly uneasy about the building's bulk, scale and lack of a convincing style. The bulk of the building is too large for the site and impossible to relate to adjoining buildings . . . It will overwhelm the existing buildings along Tooley Street. The commission believes that the planning consent which included a specific floor area, to the exclusion of height and therefore volume, was given in ignorance of the current demand for increased floor-to-floor heights and the consequent effect on bulk. The planning status should therefore be re-examined. In its symmetrical and palatial form, the present project disregards the existing street pattern and urban grain, and imposes its own overbearing presence. To double the scale of the buildings"—

this may be one of the most significant phrases of all—

"is fraught with danger. There is the grotesque possibility that the new development may make the Tower of London—"

which has been there for centuries—

"across the river, look like a garden folly."

So massive will the building be that the Tower of London will look like one of those mini villages that can be seen in holiday resorts and other tourist centres.

"The Commission is convinced that the relationship between the new development and the Tower of London in terms of both scale and axes has not been adequately considered. The project lacks authenticity and genuine style. The Commission acknowledges the architect's interesting attempt at symbolising the power and glory of commerce . . . but finds the effect cosmetic, where it ought to be intrinsic; and an imitation of the past where it ought to be a re-interpretation and a transformation which expresses our time."

When it was finally asked to look at the revised scheme, it said:

"The Commission does not believe these changes to be sufficiently fundamental to alter its view."

English Heritage, the guardian of our built heritage, said:

"The proposed large office blocks do not comply with the Secretary of State's requirement that development 'must be subordinate and complementary to the Tower and Tower bridge'. The two proposed towers would be excessively dominant and intrusive in the riverside setting."

English Heritage said about the demolition of 115 to 121 Tooley street:

"the design currently proposed does not yet seem to me to be satisfactory and I do not consider that consent should be granted for the drawings which show these designs."

About the demolition of the Anning and Chadwick warehouse it said:

"the retention of the listed building deserves more consideration in the light of the Circular than it appears so far to have received."

Perhaps most anomalous of all comes an objection, perfectly proper constitutionally, from within the Department of the Environment itself. Its Royal Palaces Secretariat, when asked for its view on behalf of the Tower of London, said:

"We wish to register strong objections to the main block of buildings comprising part 17, part 11 and part 6 floors. In particular, the towers rising to 99 metres are greatly in excess

of what was agreed by the Secretary of State on 6 July 1983 when the tallest block at that time proposed was to be no more than 57 metres high.

In the Department's view the height and bulk of the proposed buildings, if permitted, would seriously affect the setting of the Tower of London. The scale of storey heights with two actual storeys contained within each apparent giant storey height and the vast scale of the detail of the separate parts of the facade contribute to the main problems of height and bulk so that as a whole, and in detail, the effect on the Tower of London will be adverse.

The main impact on the Tower of London would be felt from Tower Bridge, where the fine panoramic view to the west would be dominated by the new blocks on the left. This would by comparison dwarf the Tower of London on the right. From the Wharf footpath the new blocks would be very dominant. Being about half the distance from the Tower they would appear roughly twice the height relative to the Guy's Hospital tower . . .

The new towers would also impinge on the seclusion within the Tower of London. It is noted that from at least two positions they would be seen to rise above the roof or embattlement level and have a seriously adverse effect on the sense of being surrounded by medieval and historic buildings."

If people in or visiting the Tower will no longer be able to appreciate properly one of our prime national medieval treasures, there must be something wrong.

My political neighbours share my concern. They have not looked at all the documents that I have accumulated this week, but I have spoken to both of them and they both have reservations about the detail of the development. There are all sorts of reasons why I hope that the Minister will realise that this building should not go ahead. For example, there is a risk of an enormous wind tunnel through the centre of the blocks and out into the areas around. The line of sight from the observatory in Greenwich across to St. Paul's cathedral will be interfered with. It does not agree with the only statutory plan for the area, the Greater London development plan. It will have an adverse effect on the neighbouring communities and the chances of their proposed development.

The whole matter raises further the question whether it is appropriate for anybody, let alone for private commercial gain, to be allowed to erect a building that looks like this one. It is unacceptable for somebody to make a pastiche on this building. We are hesitant about the portcullis being used on souvenirs for sale outside the building. The biggest souvenir would be a building like this one, but out of the control of the House.

Lastly, I believe that if the ultimate owners of the site, the Kuwaiti Government and royal family, were to be aware of how sensitive this site is, they would not be at all happy at people acting at several arms' lengths on their behalf intervening on London's skyline with this design in such a way.

I had a difficult choice. I had to decide whether to ask for the decision to be taken by the LDDC, the planning authority, or to ask the Minister and her colleagues to consider whether it would be appropriate for the scheme to be called in and for the Government to hold a public inquiry and then make the decision. I have come to the view that it is so important a site and so grotesque a plan that in London's interests, and in the national interest, we must have a call-in by the Secretary of State and a public inquiry and that, at the end of the day, the scheme must be rejected. I hope that today's debate will have alerted the country to the danger and disadvantage to London if the scheme goes ahead.

2.15 pm

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): First, I should like to thank the hon. Member for Southwark and Bermondsey (Mr. Hughes) for his kind comments and his welcome for my appointment.

I congratulate the hon. Member for Southwark and Bermondsey on securing time for a debate on development at Hays wharf. I note that the last occasion this subject was debated on the Floor of the House was about four years ago. The hon. Gentleman has put forward his points with his customary clarity. I have listened with care to his speech, but those points to which, on a re-reading of the debate, I have inadvertently failed to respond, I shall deal with in a follow-up letter.

Before I refer to the background and the particulars of the Hays wharf development, I must make it clear that I am necessarily constrained in what I may say about its second phase. The hon. Gentleman appreciates why I cannot comment on the merits of planning applications that are now before the development control authority lest I prejudice my right hon. Friend the Secretary of State's consideration of any appeals or call-ins that might come before him in due course. Equally, I cannot comment on possible schemes that might themselves become applications.

The hon. Gentleman referred to the significance of the site and briefly outlined the background to the developments attached to it. There is no doubt that Hays wharf—now better known as London Bridge City—is a very large and important site. It is strategically important because of its proximity to the City of London, and environmentally because of its riverside location opposite London's most frequented tourist spot, the Tower of London. Phase I—on the part of the river frontage nearer London bridge—is now all but completed and is proving to be a remarkable success story.

There is a long history attached to the redevelopment of Hays wharf since it ceased to be operational in the late 1960s, but progress was slow. I do not wish to dwell on the planning background because it was covered in the debate four years ago. Nevertheless, it may be worth reminding ourselves that a number of applications for the site went to a public inquiry in January 1982, soon after the London Docklands Development Corporation was established. As a result of my right hon. Friend the Secretary of State's decisions, the developers worked with the LDDC to produce revised redevelopment proposals.

The LDDC subsequently submitted proposals to my right hon. Friend for redevelopment of the area under section 148 of the Local Government, Planning and Land Act 1980. After carrying out the procedures fully in accordance with the provisions of the Act, my right hon. Friend approved the proposals in outline subject, inter alia, to the approval by the LDDC of the siting, design and external appearance of the buildings and other matters set out in the Town and Country Planning (London Docklands Urban Development Area) Special Development Order 1981.

The LDDC approved the detailed application for phase I of London Bridge City in early 1984. Work on phase I, which runs eastward from London bridge, began in 1984 and its 120,000 sq m of mixed office, retail, residential and leisure accommodation is now substantially complete and let. When occupied, it will provide nearly 5,000 jobs.

[Mrs. Marion Roe]

Outline permission for phase II to extend the development of London Bridge City to Tower bridge is extant by virtue of the consent given by my right hon. Friend in 1983. That development would provide 151,000 sq m of mixed use accommodation and nearly 6,000 jobs.

New applications were submitted to the LDDC in April this year for outline consent to alternative proposals for phase II. Furthermore, the major part of the site is the subject of a full application seeking both outline and detailed consent. The LDDC is considering those applications, and, for reasons that I have already given, I must take special care over what I say.

The hon. Gentleman referred to the call-in procedures under section 35 of the Town and Country Planning Act 1971 and asked about the criteria against which decisions are made. Most call-ins, that is, planning applications that my right hon. Friend has decided that he should determine rather than the local planning authority, relate to applications for development that the local planning authority is minded to approve and that, in the authority's view, constitute a departure from the development plan. In London that generally means departures from the provisions of the Greater London development plan. Other cases may arise because the development proposal in the application is unusually large, important or controversial.

As announced by my right hon. Friend on 5 May, his general policy is that planning decisions should be left to the local authority in accordance with the general approach set out in the Department's circular 2 of 1981. He intervenes only where there are compelling grounds for doing so, and in general where the planning issues raised are of more than local importance. Such cases may include, for example, those which in his opinion could have wide effects, beyond their immediate locality, which give rise to substantial regional or national controversy, which may conflict with national policy on important matters, and those where the interests of national security or of foreign Governments may be involved.

In the first instance, all objections to and representations about proposed development should be made to the local planning authority where responsibility for considering applications lies. Clearly, there are means of drawing my right hon. Friend's attention to controversial proposals. The hon. Gentleman has used one such means today by initiating the debate. For reasons that I have already given, I cannot comment on the current proposal at Hays wharf, but I can assure him that my Department will keep a close eye on the situation.

I am always surprised at people who appear to resent the success of new developments on derelict land, such as in Docklands, for which there is no viable use in their traditional form. Of course, we all have different views about what should be put in the place of the old use and, of course, we regret the inevitable disturbance that necessarily arises for local interests when wholesale redevelopment is essential.

We must also protect and enhance those elements that are worthy of retention. That has been achieved in the first phase of London Bridge City by a careful blend of old warehouses and strikingly new buildings giving a balanced embankment scene rich with interest, and by the opening up of the river front for public access.

The whole development will open up to the public an important stretch of riverside opposite the Tower. It will create a new and lively social and commercial centre for the south bank. I do not believe that the hon. Gentleman will deny that economic and environmental regeneration is a sine qua non for the welfare of those who live and work in Bermondsey. As to the design of the development, as with any development, views are necessarily subjective.

Despite the sheer scale of redevelopment involved—nearly 24 acres of inner urban land—London Bridge City is a microcosm of what is going on elsewhere in London, yet, from that vantage point, the visitor will see development all around. Immediately downstream of Tower bridge the visitor will see new development on the 93,000 sq m site at Butlers wharf. Beyond, and especially on the north bank of the River Thames, there are extensive, and major developments in the heart of Docklands. Development, in progress and proposed, covers almost every conceivable purpose on a scale virtually impossible to achieve elsewhere, from transport—STOLport and the docklands light railway—housing for sale and for rent, office and commercial premises, hypermarkets, recreational facilities, sports stadium, tourist attractions and hotels. For most of this development the LDDC has acted as a catalyst.

The corporation has so far reclaimed more than 322 hectares of derelict land. Seven thousand new homes have been built, or are under construction, on land in its ownership and £2·2 billion worth of private investment commitments have been secured. This has been achieved at a total cost to the public sector of £315 million. The corporation has entirely transformed the western part of its area in just six years.

Further to the east, but still within the LDDC area, lie the Royal docks, which form the largest single inner-city regeneration opportunity in Western Europe. If superimposed on a map of central London, they would stretch from the Tower to Marble Arch and from Euston to Waterloo. The corporation is currently developing a range of exciting proposals for this area with the private sector.

Across the river to the square mile, new developments rise as the City establishes its modern role, not simply as the commercial centre of Europe but as one of the three trading centres of the world. Not all the buildings are to everyone's taste. Some, such as the Lloyd's building, are controversial. But they demonstrate resoundingly the hallmark of confidence in the commercial future of the nation on which the prosperity of all its people depends.

The Government's confidence in the concept of development corporations is reinforced by our intention to establish new corporations elsewhere. Their purpose is to get things done urgently. Wherever regeneration is vital—not just in the UDC areas—we must ensure that it is not stifled through the over-zealous application of planning controls. The livelihood and well-being of those who live there depend on imagination and investment. At the same time, we must endeavour to protect and enhance those amenities, including our heritage, which people—both residents and visitors—value. This twin approach—conserving the best, enhancing the rest—has been imaginatively consummated in the first phase of London Bridge City. The challenge is to replicate the success elsewhere.

I have not dealt with detail because of legal constraints. For the same reason, I have had to avoid commenting on the phase II site and the merits of the applications. I hope

that I have dealt with some of the points and emphasised the importance of new development and investment not only in this part of London but throughout the country.

2.28 pm

Mr. Simon Hughes: With the leave of the House, Mr. Deputy Speaker, I should like to reply to the Minister.

Mr. Deputy Speaker (Mr. Harold Walker): Mr. Simon Hughes.

Mr. Hughes: I am grateful to you, Mr. Deputy Speaker.

I am grateful to the Minister for her reply. I know of the constraints of her temporary position.

Her reply showed that the law allows the Secretary of State and her other ministerial colleagues to consider whether this matter meets certain criteria. Clearly, it appears from all those who submitted proposals and objections that this is more than an application of local significance, and that it has a national importance. The Minister has helpfully revealed that, if those criteria and others are fulfilled, the applications can be considered by her Department. That is why I brought it to her attention. I think that, when the criteria are examined, people will understand that it is perfectly proper for this matter to come before the Government for consultation, inquiry and decision.

That is the right course. This is probably one of the most rationally significant applications in the centre of London for decades and that is why it merits Government intervention, although the Government are rightly reluctant to intervene on most occasions. Whatever our views about the development of docklands, the Government have to look at a scheme of such great impact——

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House now adjourn.—*[Mr. Alan Howarth.]*

Mr. Hughes: In considering inner cities there are always two fundamentals. We have to meet the needs of the community and provide for work, relaxation and homes, but we must also provide a city in which people can comfortably live and whose design reflects our best traditions. Design and design criteria predominate in this matter and I hope that I shall persuade the Government to accept the view that this amazing application does not fulfill the necessary design criteria for this site at all. I am sure that the Government will want to make the right decision and they now have the chance to do so.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Three o'clock.

House of Commons

Monday 13 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

HARWICH PARKESTON QUAY BILL

Queen's consent, on behalf of the Crown, signified

Read the Third time, and passed.

Oral Answers to Questions

ENERGY

Mining Subsidence

1. **Mr. Haynes** asked the Secretary of State for Energy what progress is being made by British Coal regarding mining subsidence compensation claims.

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): Since 1984, when British Coal revised its procedures, there has been a significant reduction in the time taken to process the majority of claims, and the number of claims outstanding has fallen by 22 per cent.

Mr. Haynes: May I suggest that the Minister has a look at the cases that British Coal is messing about with? British Coal is walking all over the people who have made claims. It is crushing them like insects. Reviews are in progress and it is now being said that there is no more time. The local hospital is now being messed about with. I warn the Minister that if he does not do something, I will be walking all over him.

Mr. Spicer: That sounds an uncomfortable experience. Of course, I am aware of the hon. Gentleman's involvement in a number of cases, particularly as I have just received a letter from him on the subject. I shall certainly take it up with British Coal.

Let me say more generally that as I was a candidate in the colliery town of Easington for 10 years in the 1960s and early 1970s, I am very much aware of the anxiety and distress caused by subsidence. I certainly intend that we should produce as soon as possible our response to the Waddilove report, which deals with those matters. In the meantime, I am pleased to tell the hon. Gentleman that action has been taken to speed up the claims procedure in anticipation of that response.

Mr. Gerald Howarth: Far from walking all over my hon. Friend the Minister, let me take this opportunity of welcoming him warmly to his position on the Front Bench. I am sure that he will bring great distinction to his office.

There is a very real problem over compensation. Is my hon. Friend aware that, in a constituency such as mine, many people are very upset because they find that British Coal is effectively judge and jury in its own cause? It is always British Coal that determines whether subsidence has taken place, which I find very unsatisfactory. Will my hon. Friend bring that problem to bear in his review as quickly as possible?

Mr. Spicer: That will certainly be one of the outstanding matters that must be examined. It is the subject of a number of cases now before us which I am taking up with British Coal.

Mr. Rogers: Is the Minister aware that, during the coal strike, Mr. MacGregor met a group of Members of Parliament and said, in answer to a specific question from me, that the charges for subsidence would be held against the collieries that had created it, and would not be a charge upon other collieries or the industry as a whole? I ask the question because of the peculiar geological circumstances extant in the Nottinghamshire coalfield as compared with, say, south Wales. I do not see why the south Wales colliery should bear the subsidence costs of collieries such as Nottinghamshire. Is the Minister aware of that suggestion, or is it just another of MacGregor's lies? He told enough during the strike.

Mr. Spicer: I shall leave aside the hon. Gentleman's last remark. The whole question of funding and, indeed, allocation is one of the matters that we are having to decide in our response to the Waddilove report.

Electricity Industry

2. **Mr. Tony Lloyd** asked the Secretary of State for Energy if he will make a statement on the future of the electricity supply industry.

7. **Mr. Baldry** asked the Secretary of State for Energy if he will give an estimate as to the timetable for the proposed privatistion of electricity supply.

The Secretary of State for Energy (Mr. Cecil Parkinson): The Government are working to secure a very successful future for the electricity supply industry in the private sector. We are urgently tackling the important issues involved, and consulting widely, and will bring forward proposals as soon as this work is complete.

Mr. Lloyd: The Secretary of State believes that this question is about privatisation. The privatisation of the industry is very important, but the security andefficiency of electricity supplies are at stake. Those factors are of paramount importance to Labour Members. What guarantee will the Secretary of State give that a privatised electricity supply industry will still look to the British sector for its supplies of switchgear, turbines, generators and all the other important equipment, particularly as the Government have already failed to invest adequately in research and development in the industry?

Mr. Parkinson: We cannot force the CEGB to buy British. It chooses to do so because British goods are competitive, because British equipment is good and because it has a long tradition of working closely with the supply industry. If the industry is privatised, there is no reason why that should change, provided that British suppliers continue to perform as well as they do now. I do not believe that the change of ownership need give rise to a change of policy, unless the suppliers fail to perform.

Mr. Baldry: Does not the British Gas experience demonstrate that privatisation is good for the consumer,

that it is good for manufacturing industry—in that jobs have been created because manufacturers now pay a lower price for their energy—and that it is also good for the weaker members of the community, such as pensioners, who also now pay less for their energy? Is not the British Gas experience good for the taxpayer, who no longer bears the burdens that face nationalised industries? The sooner the electricity supply industry is privatised the better it will be both for the consumer and the taxpayer.

Mr. Parkinson: It was widely predicted that the only way that British Gas would increase its profits was by shoving up prices, but following the first financial results and the pricing formula that we imposed on British Gas it has reduced its prices by 4·5 per cent. That was because the price of its basic supplies had been reduced, but the benefit of those cost reductions was passed on to the customer, which Opposition Members predicted would never happen.

Mr. Benn: Is the Secretary of State aware that since the privatisation of British Telecom there has been a sharp deterioration in the service, a sharp deterioration in the record of repairs, an increase in profits and an increase in charges——

Mr. Speaker: Order. The question is concerned with the future of the electricity supply industry.

Mr. Benn: Mr. Speaker, I am drawing a comparison with a privatised industry that has already moved into the private sector where none of the Secretary of State's claims turned out to be correct. Will the right hon. Gentleman assure the House that this will not occur when a privately owned monopoly in British electricity is brought into being by a Government who claim to believe in competition?

Mr. Parkinson: I am afraid that I shall have to disappoint the right hon. Gentleman. He is making an unjustified assumption. We recognise the need to introduce competition into the electricity supply industry. That is why we are studying the matter with great care. The right hon. Gentleman would be most unwise to assume that there is only one way to privatise an industry.

Mr. Rost: I warmly welcome my right hon. Friend to the Front Bench and wish him every success in a very challenging job. Will he assure the House that privatisation will not be along the lines of British Gas, but that a formula will be devised that will provide genuine competition and give a fair opportunity to private producers?

Mr. Parkinson: In approaching the subject of electricity privatisation there are many interests to be balanced: the work force, the customers and the public—the taxpayers—as the owners. It is because we are trying to find a way to introduce competition and at the same time to be fair to all those interests that the matter is receiving deep and detailed attention. We are not rushing towards making decisions that have not been thought out.

Mr. Wallace: Given the Government's enthusiasm for privatising the electricity supply system and nuclear power, particularly the PWR, why do they not put their convictions to the test and see whether they could raise on the market the private capital to build the Sizewell plant?

Mr. Parkinson: That is a typically muddled alliance approach to the problem. Until we have settled a structure for the industry and decided on the basis for privatisation such questions are pointless.

Mr. Speller: I congratulate my right hon. Friend on assuming his onerous office, but when considering the future of the electricity supply industry will he consider the potential input of energies that are alternatives to the normal coal or nuclear sources, particularly the amount of value that could be obtained from the many wind generators throughout the British Isles?

Mr. Parkinson: I am tempted to make the obvious joke, but I will not. The matter of renewables and power that is generated from wind is under close study. The House will have noticed that we have commissioned a pilot project to consider power that is generated by the sea and tides. We think that this is an important sector and it will receive careful attention.

Mr. Orme: Is the Secretary of State aware that the question of nuclear power and privatisation will be exceedingly important, particularly the accountability for nuclear power stations? Will parliamentary accountability be removed under any future legislation?

Mr. Parkinson: I cannot imagine any circumstances in which the regulations under which the nuclear industry operates could be weakened or in any way lightened. We recognise the very serious point that the right hon. Gentleman is making, but there is another point. Chernobyl was a wholly state-owned station and Three Mile Island was wholly privately owned; ownership does not decide safety. What decides safety is the safety regime that is instituted and the rigid enforcement of it, which we are determined to do.

Energy Efficiency

3. **Mr. Forth** asked the Secretary of State for Energy if he plans to hold energy efficiency conferences.

The Minister of State, Department of Energy (Mr. Peter Morrison): I am currently reviewing my Department's plans as to how best I can promote energy efficiency.

Mr. Forth: I welcome my hon. Friend's remarks, but does he agree that the motive for adopting the energy efficiency programmes lies in the savings that can be made, which enlightened management should be able to understand by now? Does my hon. Friend share my suspicions that too many conferences often obscure issues rather than help people to come to rather more obvious conclusions about the benefits of energy efficiency?

Mr. Morrison: I agree with my hon. Friend that savings, profits, the labour force and the customer best promote energy efficiency. At the same time, as I said in my original answer, the Department has had a startling success in the past in making those points and we are looking at how we might make them again in the future.

Mr. Chapman: Does my hon. Friend agree that the design of new buildings, as well as the satisfactory insulation of existing ones, is crucial in encouraging energy efficiency? May I have his assurance that his Department is in regular contact with the Royal Institute of British Architects to promote energy efficiency in new buildings?

Mr. Peter Morrison: I agree with my hon. Friend and, as he will hear in answer to the next question, the design

of new buildings is of key importance. If at that stage energy efficiency is taken into account, it avoids many subsequent problems.

London Docklands

4. **Mr. Gerald Bowden** asked the Secretary of State for Energy what steps are being taken to promote energy efficiency in the development of London's docklands.

Mr. Peter Morrison: London's docklands offer a unique opportunity for demonstrating that buildings can be designed and managed in an energy efficient way.

My Department is liaising with the London Docklands Development Corporation and other interested organisations in order to promote the efficient use of energy in London's docklands.

Mr. Bowden: I am encouraged by my hon. Friend's answer, but when considering energy efficiency in design and the appropriate improvement in building design, will he give some indication of the scale of financial savings and quantify some of the savings that may be achieved, for instance, in docklands by these new improvements in building design?

Mr. Morrison: It is estimated that about £3 billion a year can be saved in the heating and lighting of buildings in the country as a whole. It appears that, on the plans to date of office development, some £20 million a year could be saved in the London docklands.

Mr. Rogers: Although we would all applaud these savings, can the Minister give the House the assurance that no public money will be given to property developers in the docklands, and especially no grants to heat those £200,000 flats, and so on?

Mr. Morrison: Yes, Sir.

North Sea Oil and Gas

5. **Mr. Douglas** asked the Secretary of State for Energy if he will make a statement on the current level of production of North sea oil and gas.

Mr. Peter Morrison: North sea oil production in May was 2·6 million barrels per day, the same level as last year. United Kindom gas production has increased over the past few years and in May production was 3·2 billion cu ft per day.

Mr. Douglas: Would the Minister care to comment on how much the 130 million tonnes of oil production exceeds our requirement? Will he take a little look at the future and especially at balancing the needs of the British and especially the Scottish economies to secure employment with the oil and gas reserves available in the North sea? There is considerable well-founded speculation that the Brown Book figures underestimate oil and gas reserves by about 50 per cent. Would the Minister care to comment on that, because these issues are of particular importance to Scotland?

Mr. Morrison: Having looked back, I know that the hon. Gentleman has followed the industry and production on the United Kingdom continental shelf very closely. If I infer correctly from his question, he is asking for a depletion policy. I hope the hon. Gentleman agrees that, on current prices, that policy is more academic than practical.

Mr. Kennedy: What steps, if any, does the Minister's Department propose to take, or to encourage the Treasury to take following the feed-through effect of the welcome, if somewhat overdue, tax changes in this year's Budget? By the time those tax changes work through there is liable to be a gap or sag in the available contracts into 1988 for all the United Kingdom oil industry fabrication yards. Can further steps be taken by either the Department of Energy or the Treasury to ameliorate the effects next year, which will be a very rough year?

Mr. Morrison: As the hon. Gentleman will appreciate, my Offshore Supplies Office is closely in touch with the companies to which he referred. I think that we have a good and close working relationship with them. I have made it clear that I shall keep closely in touch on their behalf with my right hon. Friend the Chancellor of the Exchequer.

Mr. Rowlands: Does the Minister still believe his predecessor's prediction that we will be self-sufficient in oil until the year 2000?

Mr. Morrison: If the hon. Gentleman had had the misfortune to listen to me in Glasgow two weeks ago at precisely the same hour on the same day, answering the same questions——

Mr. Rowlands: Answer the question.

Mr. Morrison: I shall answer the question. I explained then to an audience and an interviewer that to make predictions of that sort, even if one were an oil economist of the highest level, would be dangerous.

British Coal Enterprise Ltd.

6. **Mr. Page** asked the Secretary of State for Energy what is the latest figure on how many jobs have been created by British Coal Enterprise.

8. **Mr. Batiste** asked the Secretary of State for Energy if he will make a statement on the latest progress of British Coal Enterprise.

Mr. Michael Spicer: Up to the end of June British Coal Enterprise had helped create 18,506 new job opportunities in 1,399 individual projects. The company's investment of £31·5 million has attracted additional finance from other sources of almost £200 million.

Mr. Page: I welcome my hon. Friend to this portfolio and wish him every success. The figure that he cited of over 18,000 job opportunities is a considerable increase on the last figure quoted to me. It shows that the Government not only care about unemployment but, more important, are doing something about it. In view of that success, does my hon. Friend have any plans to increase this scheme? Are there any targets for which he will aim under that scheme?

Mr. Spicer: My hon. Friend is quite right. The scheme has shown great potential for the creation of jobs in coal mining areas. In answer to the second part of his question, I understand that British Coal Enterprise Ltd. hopes for an increase this year to an annual rate of 15,000 new job opportunities.

Mr. Ashton: Is it not the case that job opportunities are often different from jobs? is the Minister aware that the figures that British Coal put out were very vague—like the Minister's own figures? Will he give us a breakdown

of the figures, constituency by constituency, so that we may establish which are real new jobs and which are duplicated jobs which have merely been shifted from British Coal to private contractors?

Mr. Spicer: I cannot understand why members of the Labour party carp in this way and it has been going on for several months now. The scheme provides great new prospects for jobs in coal mining areas. Why not accept it for what it is? Would the Labour party withdraw the scheme?

Mr. Ashby: Is my hon. Friend aware that many new and very good jobs have been created through British Coal Enterprise in areas of mining decline such as my constituency? Could BCE direct its attention to sites which are becoming disused and which need much work done on them if they are to be brought back into industrial use —sites for factories and so on? BCE could do so much in that area. Could it not take a more vigorous approach to such disused sites?

Mr. Spicer: That is obviously a matter for BCE, but I shall draw my hon. Friend's interesting idea to its attention.

Mr. Barron: How many of the 18,000 jobs have been filled by the 80,000 mineworkers made redundant since the end of the strike?

Mr. Spicer: That figure is not available.

Offshore Supplies Industry

9. **Mr. Evennett** asked the Secretary of State for Energy whether he will make a statement on the policy of Her Majesty's Government towards support of export initiatives in the offshore supplies industry.

Mr. Peter Morrison: I can assure my hon. Friend that I will be doing all that I can to promote and support the export initiatives in the offshore supplies industry.

Mr. Evennett: Does my hon. Friend agree that a secure home base is essential for exporting? Will he assure me, and the rest of the House, that his Department does all that it can to encourage the exporting industry?

Mr. Morrison: On the latter point, I can certainly assure my hon. Friend that that is the case. The offshore supplies industry has been through a difficult time, but in spite of that it received £2·2 billion worth of orders last year. The domestic market is still extremely strong, and that is the basis on which to build the export market.

Mrs. Margaret Ewing: While the Minister is supporting the offshore supplies industry, will he ensure that the various organisations in the north-east of Scotland, with the experience and knowledge that they can bring to the industry, are given an interest in this matter?

Mr. Morrison: I can certainly assure the hon. Lady that everyone—in the north-east of Scotland or elsewhere in the United Kingdom—will be given a proper hearing. However, at the end of the day, it will be for the oil companies concerned to decide, on sound commercial grounds, how to invest and from whom to buy the equipment that they need.

Dr. Michael Clark: Is my hon. Friend aware that ample rumours and a large amount of circumstantial evidence are circulating to suggest that foreign companies that supply offshore services and supplies to this country are being heavily subsidised by their Governments? Will my hon. Friend do all that he can to support British companies which want to export to other oil-producing areas so that we may have a balance of international trade?

Mr. Morrison: I assure my hon. Friend that as far as possible I shall ensure that there is fair trading between countries. However, I should point out that at present 82 per cent. of North sea orders come from United Kingdom-based companies.

Mr. Ernie Ross: What is the Minister doing to ensure that we have a strong home base so that we can take advantage of export initiatives, and what is his Department doing to ensure that skills that are lying unused can be channelled into export initiatives?

Mr. Morrison: As I have just said, 82 per cent. of current orders for the North sea are from domestically based companies. That is a very high figure and has risen from 40 per cent. over the past years. The Offshore Supplies Office is doing all that it can to ensure that British-based companies have a fair share of North sea orders.

Sizewell B Power Station

10. **Sir Trevor Skeet** asked the Secretary of State for Energy what progress has been made in placing orders for the Sizewell B nuclear power station.

Mr. Parkinson: Orders for the Sizewell B nuclear power station are a matter for the Central Electricity Generating Board. I am advised by the board that as at 1 July contracts had been let to a value approaching £650 million.

Sir Trevor Skeet: I welcome my right hon. Friend to his appointment at the Department of Energy, but I hope that he will show a great deal of enthusiasm for the nuclear industry, which is vital to the United Kingdom. Will he give us some figures for the employment that it has provided in various parts of the United Kingdom, thanks to the policy that the Government have pursued and that the nuclear industry has been able to pursue on its own?

Mr. Parkinson: As my hon. Friend knows, about 20 per cent. of our electricity is supplied by nuclear power stations, and Sizewell B alone should produce an average of 10,000 jobs for the next seven years, reaching 15,000 when the contract is at its peak. It offers the prospect of many very well paid jobs and long-term security of electricity supply.

Mr. Wilson: Does the Minister accept that in drawing an analogy with Chernobyl he scarcely does service to the standards and safety record of the British nuclear power industry? Does he accept that in my constituency there is deep apprehension about the prospect of privatisation of nuclear power stations? Does he agree that it is bad enough to sell off the family silver, but criminally irresponsible to start flogging off the family plutonium?

Mr. Parkinson: The hon. Gentleman cannot have been listening carefully to what I said to the right hon. Member for Salford, East (Mr. Orme). Safety is determined, not by whether a nuclear power station is publicly or privately owned, but by the safety code and the strength with which it is enforced. Britain has a fine record, and I hope that the hon. Gentleman will recognise that.

Mr. Jack: Will my right hon. Friend do all that he can to ensure that British Nuclear Fuels can take full advantage of the Sizewell project to compete for pressurised water fuel orders?

Mr. Parkinson: British Nuclear Fuels is a very successful company, and 80 per cent. of its business is done overseas. That represented nearly £500 million last year. It is an important export earner. It does a good job and it provides important jobs in Copeland, which the hon. Member for Copeland (Dr. Cunningham), who was the Opposition spokesman on the environment during the previous Parliament, recognised and supported.

Mr. Jack Thompson: What proportion of the £650 million is committed to British contractors as against Westinghouse or other American contractors?

Mr. Parkinson: The overwhelming proportion of the expenditure is with British companies——

Mr. Thompson: How much?

Mr. Parkinson: I cannot give the exact figure, but it is well in excess of £620 million of the £650 million. One order for £17 million has gone to Southern Ireland for some steel fabrication, but, apart from that, orders have been placed overwhelmingly with British companies.

Coal Industry

11. **Mr. Neil Hamilton** asked the Secretary of State for Energy what has been the increase in labour productivity in the coal mining industry since March 1984.

24. **Mr. Ward** asked the Secretary of State for Energy what are British Coal's latest figures for output per man shift.

Mr. Michael Spicer: For the week ending 20 June, average deep-mined revenue output per man shift was 3·74 tonnes, an impressive increase of about 54 per cent. on the average of 2·43 tonnes for 1983-84.

Mr. Hamilton: Is it not a pity that we did not have similar productivity figures in the coal industry in the past? If we had, there would be more jobs in coal today and miners would be even better paid. Is it not a shame that the Labour party supported every restricted practice that the Scargillite dinosaurs in the National Union of Mineworkers wanted to perpetuate? Has my hon. Friend had any representations from Labour Members on extending flexibility in working practices, for example, by supporting the six-day week?

Mr. Spicer: It is true that in the last days of the Labour Administration productivity was falling, and it is also true that the industry now has an impressive record. It results as much from new investment in the industry as from the closure of uneconomic pits. That investment has been £5·5 billion during the lifetime of this Government, and is currently £2 million per working day.

Mr. Ward: Those figures are impressive, but is it not a fact that they compare unfavourably with some of our foreign competitors? Is not the lesson the need for more investment, more productivity and, above all, support for the introduction of a six-day week?

Mr. Spicer: It is true that many countries produce coal more effectively. Some coal-exporting countries produce coal at over twice our productivity rate. It is also true that it is absolutely essential that we continue to introduce new practices to make the industry more efficient.

Mr. Allen McKay: Does the Minister realise that output per man shift can be achieved by reducing manpower? Does he agree that the magnificent figures that we have achieved—there is no doubt that they are magnificent—are due to a reduction in manpower, and that, therefore, there is an increase in OMS? Following his reply to the hon. Member for Poole (Mr. Ward), irrespective of whether coal is cheaper abroad, what effect will privatisation of the electricity industry have on the coalmining industry?

Mr. Spicer: The answer to the hon. Gentleman's first question is yes. The answer to his second question is that it is the Government's intention and objective that British Coal should be so efficient and competitive that there will be no question of its not being able to take on foreign competition.

Mr. Ashton: Is the Minister aware that the proposed six-day week will affect not only miners? Many thousands of people who live in mining villages and mining areas, often in rural areas, will be badly affected by noise, dirt and dust, lorries and Sunday night processions to the pit. Those matters also have to be taken into account, because six-day working does not affect just miners.

Mr. Spicer: Let me be quite clear about this. The six-day working week will mean that equipment, not men, will be working harder. Men will work the same or fewer days in the year, as is the case at the moment. A more efficient procedure for working mines is proposed and this will benefit those mines and the areas around them.

Mr. Andy Stewart: In welcoming my hon. Friend to the Front Bench, may I say that he will be welcome in my constituency when he is ready to make his first visit to a colliery. When he makes such a visit, will he explain to the people who work in the industry that six-day working means not necessarily longer working time but a higher financial return to the miners who produce the coal?

Mr. Spicer: I look forward at some stage to taking up my hon. Friend's invitation. It will not be my first time down a pit, as I was a candidate in a colliery constituency for 10 years and during that time I visited pits on many occasions. Certainly he is right in saying that a six-day working week will make the pits more effective, and it does not mean that men will be asked to work more during any one year than they are at the moment.

Mr. Eadie: The Minister must realise that while we welcome increased coal production it has to be matched by increased demand. A consequence of increased coal production must not be more pit closures. Does the Minister believe that it is fair competition for coal to be imported from Colombia, where it is mined by nine-year-old children? Does he think that coal imported from South Africa is fair competition? Does he agree that the message to the miners must be increased coal production and increased demand, but fair competition?

Mr. Spicer: I would put it slightly differently from the hon. Gentleman. Increased coal production has to be sold. Coal has to be sold as an economic product. I am sure the hon. Gentleman knows that the vast majority of coal imports to this country are special coking coals. It is

precisely because British Coal understands that that the Margam pit is being proposed. If it works properly, Margam will provide coking coal that will be an import substitute.

12. **Mr. Strang** asked the Secretary of State for Energy if he will seek a meeting with the chairman of British Coal to discuss industrial relations matters; and if he will make a statement.

Mr. Parkinson: I have had an initial meeting with Sir Robert Haslam and intend to meet him regularly to discuss all aspects of the coal industry.

Mr. Strang: Does the Secretary of State accept that Opposition Members want to see better relations between British Coal and the NUM, but that one of the continued obstacles to progress is the victimisation of hundreds of miners and their families more than two years after the strike? Is he aware that some of the miners took the advice of his predecessor, went before an industrial tribunal and won their case, but are still suffering victimisation from British Coal?

Mr. Skinner: Come on, you have got your job back.

Mr. Parkinson: And the hon. Gentleman has never had one. Employment is a matter for the directors of British Coal. The hon. Member for Edinburgh, East (M. Strang) is aware that every case was re-examined after the appointment of Sir Robert Haslam. Representations on behalf of the men by their unions, managers and other parties were considered, and, at the end of the day, the board decided that more than 300 could not be re-employed. That is a matter for the board. However, I am satisfied that careful consideration was given to each case.

THE ARTS

Royal Shakespeare Company

45. **Mr. Blair** asked the Minister for the Arts whether he plans to meet the Arts Council to discuss the level of future funding for the Royal Shakespeare Company.

The Minister for the Arts (Mr. Richard Luce): I met the chairman on 1 July and the Royal Shakespeare Company featured in our discussion.

Mr. Blair: Given that the Royal Shakespeare Company now finds itself in critical difficulties and that the Arts Council has suffered a cut in real terms in the funding that the Government have made available, what plans does the Minister have to extricate the Royal Shakespeare Company from its difficulties, or does he intend to abdicate responsibility for this great cultural institution?

Mr. Luce: There is no doubt about the standard of excellence of the Royal Shakespeare Company. It acquired a deficit of £1 million largely because it had a bad year last year at the Barbican theatre. The Arts Council is negotiating with the RSC about its future funding. There is one point that I should make. The Royal Opera House has reached a three-year funding agreement with the Arts Council, which should give it longer term stability. That could be a good basis upon which the Arts Council and the Royal Shakespeare Company could reach an understanding.

Mr. Jessel: Should we not build on our strengths? Does my right hon. Friend agree that the Royal Shakespeare Company is a great national asset which attracts to our shores visitors whose spending generates employment and income in other areas, such as hotels and shops? Does not the RSC deserve our full-hearted support?

Mr. Luce: I agree with my hon. Friend about the important contribution that the Royal Shakespeare Company makes, not least in its tours around the country enabling people who do not usually see Shakespeare performed by the RSC to do so. We give a grant through the Arts Council of £5·2 million. As I said, the RSC acquired a deficit last year arising mainly from losses at the Barbican theatre, and that is a matter for negotiation between the RSC and the Arts Council.

Mr. Fisher: Does the Minister recall that the Government gave the Royal Shakespeare Company financial stability on the recommendations of their own report, the Priestley report, three years ago? The Government having failed to live up to that undertaking, the RSC is more than £500,000 short of the level that was agreed. Do the Government not understand that it is not only a cultural crime to underfund and wash their hands of the RSC, but that it makes no economic sense? Not only did the RSC play to 1·6 million people last year, but it paid back to the Treasury in VAT and national insurance contributions far more than the £5 million that it received in investment from the Arts Council.

Mr. Luce: The hon. Gentleman reminds me of a Dickens character called Mark Tapley who said that it was predicting the worst that kept him so cheerful. That seems to be in line with the hon. Gentleman's character.

Following the Priestley report, going back to 1983-84, the deficit was written off by the Government of the day and the RSC's baseline was increased along the lines of the Priestley recommendation. One thing that was not agreed by the then Minister for the Arts—I think that he was right — was to index-link the RSC at the expense of other clients and companies. That would have been wrong.

Mr. Cormack: Will my right hon. Friend give an assurance that he will not preside over the disintegration of one of our gratest national companies?

Mr. Luce: I entirely agree with my hon. Friend's assessment of the company, and I give such an assurance.

Arts Council

46. **Ms. Ruddock** asked the Minister for the Arts when he last met the Arts Council to discuss the future development of the Arts Council's work in education.

Mr. Luce: I discuss the council's work regularly with its chairman.

Ms. Ruddock: Does the Minister agree that, to build on the excellent arts education in schools, students must be in a position to go on to arts colleges and dance and drama schools? My constituents are currently being denied places in such institutions, despite having appropriate skills and educational standards, because the Government refuse to make such grants mandatory and students cannot afford the fees. Will the Minister, as a matter of urgency, meet the Secretary of State for Education and Science to ensure that the Government invest in that vital area of arts education?

Mr. Luce: I am in fairly continual touch with my right hon. Friend the Secretary of State for Education and

Science. Of course, the matter is principally one for him. I take the view that the introduction of the GCSE examination is an important basis upon which arts, in the museums and heritage world and in the performing arts, should be drawn in more closely with teachers' work. It is a fact that the Arts Council gives about £320,000 within its education unit to try to get teachers and pupils more interested in arts and heritage. That is the right contribution to make.

Acceptances in Lieu of Tax

47. **Mr. Simon Coombs** asked the Minister for the Arts if he has any further plans for changing the rules for the acceptance in lieu of tax schemes.

Mr. Luce: There are no immediate plans for changing the present system for accepting items in liew of tax, although procedures continue to be kept under review.

Mr. Coombs: How does my right hon. Friend or somebody else decide to which gallery a work of art that is accepted in lieu of tax is to go? Will he look carefully to see whether the number of galleries and institutions to which such works can be sent can be extended so that all the regions can have a fair share of that kind of product?

Mr. Luce: My hon. Friend has made in important point. It is important that our national treasures, from wherever they come, should be accessible and available to people all over the country. It is, of course, for executors to express family wishes. Very often, a family will express a clear request that a particular object of art should go to a particular location. On other occasions they make an express wish, and it is up to me to decide. I agree with the principle that my hon. Friend has expressed.

Mr. Robert Sheldon: Is the right hon. Gentleman aware that the present explosion in prices of works of art, which bear little or no relation to the retail prices index, has meant that there is a greater temptation to sell now and that there are fewer funds with which to meet such high prices? Do we not require a fresh examination of the whole basis of retaining works of art in this country?

Mr. Luce: I accept the right hon. Gentleman's analysis that the prices of pictures and objects of art are going up fast. There is no doubt about that. On balance, our procedures for the preservation of important objects of art in this country and the terms of our acceptance in lieu are working fairly well. As far as acceptance in lieu is concerned, we have a reserve fund of £10 million, upon which we can draw, in addition to a budget of £2 million in my programme for helping in that area. We have not yet used that full budget.

Photographers Gallery

49. **Mr. Boyes** asked the Minister for the Arts when he last visited the Photographers Gallery.

Mr. Luce: I visited the Photographers Gallery on 23 March for the presentation of the Photographers Trust Fund prizes and bursaries.

Mr. Boyes: On behalf of all hon. Members who have an interest in photography, I hope that the Minister will accept that we are extremely grateful that he has made at least two visits to the Photographers Gallery. My hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) has also visited the gallery. I am absolutely sure that the Minister has been impressed by what he saw in the Leicester Square gallery. Will he give an assurance that he will give a bursary of some sort to a young photographer to work perhaps in the House of Commons or somewhere else? Such action would encourage photography, which, as everyone knows, is a medium in which all people may indulge at low cost.

Mr. Luce: I know of the hon. Gentleman's intense interest in phtography, so much so that he encouraged me to join in the House of Commons competition.

However, having seen my photographs developed, I am reserving my right whether or not to enter the competition. I accept that photography is of interest to a great many people, and the Arts Council, the regional arts associations and the MSC between them provide something like £1·3 million to help photographers in this country. I hope that the hon. Gentleman welcomes that.

Mr. Baldry: If bursaries are given to photographers, surely that is exactly the type of area where private industry and enterprise can make a greater contribution. What we want as an encore are more speeches similar to the one that my right hon. Friend made last week regarding funding for the arts. What work is being done in my right hon. Friend's Department to consider how photographers in West Germany, Japan and the United States are supported by private enterprise and, indeed, how the arts in general are supported in that manner in those countries?

Mr. Luce: My hon. Friend is absolutely right. The more that bursaries can be funded from the private sector, the better. It is happening all the time. I am grateful to my hon. Friend for his remarks about my speech. I only wish that the Opposition would acknowledge that the general election has taken place and the people have expressed their views. The arts world must go along with that, and I am sure that it will benefit from the fact that the private sector can offer a great deal of help in the raising of extra funds. The private sector has a great deal to do.

Leicestershire

50. **Mr. Janner** asked the Minister for the Arts whether he will make it his policy to increase the level of funding for the arts in Leicestershire.

Mr. Luce: Funding for the arts in Leicestershire is a matter for the Arts Council and the Regional Arts Association. I am pleased to say that the Arts Council has been able to make a substantial increase in its grant to East Midlands Arts for activities in the region.

Mr. Janner: Is the Minister aware of the magnificent work done by both the Haymarket and Phoenix theatres in Leicester and of the hard time that they have because they do not know from one year to the next how much funding they will receive or from where it will come? Is it not part of the Government's duty to ensure that magnificent organisations, such as these theatres, do not merely survive, but know how they will do so?

Mr. Luce: I know that for many years the hon. and learned Gentleman has taken a close interest in these two theatres. I would have hoped that he would welcome the fact—if he did not perhaps already know it—that the East Midlands Arts Association has now allocated

£664,000 to the Leicester Haymarket theatre. I would have thought that that would make a major contribution to the health of the theatre. Now that the Phoenix theatre has begun to fulfil some of the conditions that it was asked to fulfil, the East Midlands Arts Association has started to restore funding. I am glad that the county council has contributed £35,000.

CIVIL SERVICE

Top Management Programme

95. **Mr. Butler** asked the Minister for the Civil Service if he will make a statement on the operation of the top management programme.

The Minister of State, Privy Council Office (Mr. Richard Luce): Yes, Sir. The top management programme was established in February 1985 for very senior staff from the public and private sectors. The civil servants involved are generally grade 3. The tenth programme is currently taking place. The programme has been very well received by participants and the organisations which send them.

Mr. Butler: I congratulate my right hon. Friend on his reappointment, but may I ask him to ensure that the top management programme places a great deal of emphasis on interchange with the private sector so that civil servants can learn the lesson of Lord Young and how to solve problems rather than always concentrate on the obstacles?

Mr. Luce: The private sector participates in top management conferences and, of course, pays for them. I believe that the fact that the private sector is working side by side with civil servants during those conferences does both sides a great deal of good.

Mr. Janner: Is it correct that no member of any ethnic minority group has taken part in the top management programme? Has a monitoring exercise of any sort been applied to that programme in accordance with the code of the Commission for Racial Equality?

Mr. Luce: Offhand, I cannot tell the hon. and learned Gentleman whether members of ethnic groups have taken part in this management programme, but I can easily find the answer for him. The hon. and learned Gentleman is aware that we attach a great deal of importance to ensuring that there is equal opportunity and that people are promoted into the service on merit. We have undertaken monitoring to see whether we can further the cause of equality of opportunity. However, promotion and entry into the service must be on the basis of merit.

Civil Servants (Initiative)

97. **Mr. Gwilym Jones** asked the Minister for the Civil Service what steps he is taking to reward initiative on the part of civil servants.

Mr. Luce: As part of our programme for improving efficiency in the Civil Service we are taking a number of steps to encourage qualities that can help staff perform more effectively in their jobs.

I would, in particular, refer my hon. Friend to the statement made by my right hon. Friend the Prime Minister on 23 April on our plans for strengthening the link between pay and performance. Those will supplement the schemes already in existence under which, for example, rewards may be paid to staff for suggestions and technical inventions.

Mr. Jones: I am grateful to my right hon. Friend for that answer and I should like to encourage him in that direction. There are a variety of different schemes that can be appropriately pursued with cash awards. Does my right hon. Friend agree that payment for initiative is as legitimate in the Civil Service as it is in commerce and industry?

Mr. Luce: I am grateful to my hon. Friend. He is well aware that we are moving more and more towards performance-related pay within the service. A number of important decisions have been taken on that in recent months. In addition, there is a staff suggestion scheme, awards for the inventors of technical inventions and group incentive schemes. I believe that all that is moving in the right direction.

Mr. Beith: On the question of rewards and initiatives in the Civil Service, is it not important to protect the impartiality and integrity of the service? How will that objective be served by combining in one post, against the recommendations of the Treasury and Civil Service Committee, the posts of Cabinet Secretary and head of the Home Civil Service?

Mr. Luce: I have no doubt about the impartiality and loyalty of the present Secretary to the Cabinet. In answer to the Select Committee on the Treasury and Civil Service a few months ago—I think it was in the autumn of last year — the Government made plain their reasons for accepting, on certain understandings and conditions, the combining of those two jobs.

Mr. Patrick Thompson: On the question of initiatives, incentives, rewards and performance-related pay in the Civil Service, will my right hon. Friend reassure me that a higher proportion of engineers and scientists are finding their way into the higher management grades of the Civil Service?

Mr. Luce: My hon. Friend puts his finger on an extremely important point. Certainly it is our objective to ensure that that happens. It is also our objective to recruit more people from science and engineering, because the Civil Service is short of such people. It is for that reason that we are introducing a flexible pay scheme that is designed to help the recruitment and training of those people.

Mr. Skinner: I wonder how those initiatives and bonuses will be paid to civil servants. Let us consider, for instance, somebody who works behind the counter at the Department of Health and Social Security, or in the unemployment benefit office. Would that person get more money based on more people being thrown on the dole by this Government, or would that person get more money by reducing the dole queues? Would National Health Service civil servants get an added bonus by closing down hospitals? How would incentives and bonuses be calculated?

Mr. Luce: They would be calculated on the basis of the merit of the civil servants' work and the objectives that they must fulfil. It would be interesting to see what would happen if the hon. Gentleman were to be paid on the basis of merit. However, as far as the Civil Service is concerned,

those payments will be based on whether civil servants fulfil their jobs effectively and well. Those who perform their jobs best will be given discretionary awards of one kind or another.

Civil Servants (Training)

98. **Mr. Rowe** asked the Minister for the Civil Service if he will make a statement on the quality and quantity of training for civil servants.

Mr. Luce: Yes, Sir. On quality, our new programmes for senior staff and our plans for young people demonstrate that the Government are committed to high-quality training and development which improves operational performance. Quantity depends on need and relevance. In 1985-86 the Civil Service ran 35,000 training courses and provided 1·5 million training days, an average of three days' training for each civil servant.

Mr. Rowe: Is that not yet another example of the way in which the Government are taking the lead? Will my right hon. Friend turn his mind to considering the ways in which he could persuade industry and commerce, which are far behind our competitors in the quality and quantity of training provided to follow the Government's lead and, possibly, to share some of the resources?

Mr. Luce: I agree with my hon. Friend. One important part of our broad range of training schemes is that we are trying to convey to the Civil Service the importance of carrying managerial responsibility, and we are more and more delegating responsibility through the financial management initiative. Our training schemes are designed to assist in that. Certainly the link with the private sector is of extreme importance.

Mr. Winnick: Are civil servants to be trained to decide which British residents arriving back from America or which American visitors coming to this country have a copy of Wright's book? As the book will be openly on sale in the United States within 24 hours, does the Minister agree that an interesting situation will arise when people can bring that book, openly and legally, into Britain?

Mr. Luce: We have more important things to discuss in relation to training.

Mr. Thurnham: Is my right hon. Friend aware of the strike by civil servants in Bolton over the introduction of YTS trainees? Will he consider ways in which the Civil Service could introduce more YTS trainees, as has the private sector?

Mr. Luce: My hon. Friend is right. The YTS is as important for the Civil Service as for anywhere else. Today, only 300 people are involved with the YTS in the Civil Service. However, the Department of Employment is taking a lead in extending the scheme. I am glad that there is an understanding between the Civil Service management and the unions on this matter.

Sub Judice Rule

3.31 pm

Mr. John Morris (Aberavon): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"Government policy in the light of the imminent publication in the United States of the 'Spycatcher' book by Mr. Peter Wright."

The matter is specific because the book is already on its way to American bookstalls and, indeed, because of the time factor, may already be there. It is only hours before it is here.

The matter is important because the Government have spent a great deal of taxpayers' money—if I may coin a phrase — in the courts of Australia, the Republic of Ireland and those within this jurisdiction, although, curiously, not in the courts of America. The capacity of the Government and their legal advisers to suffer judicial black eyes seems virtually inexhaustible.

The matter is urgent because the present Lord Chancellor, before his translation, like a bishop, to higher things, said that he was eagerly looking forward to explaining the Government's policy once the fetter of the sub judice rule was removed. The book, which has been the subject of so much litigation — I have nothing against work creation, even for lawyers, either by the Manpower Services Commission or by any other body —will be on our shores in a matter of hours. Whether or not the Government are right in the latest twist of litigation, the time has surely come to justify the value, or acknowledge the futility, of it all.

The House, traditionally, since at least the time of King Charles, has been the holder of the nation's purse strings. It is sufficiently important that the time has come when we should have the opportunity of saying, "Enough is enough" and when the world of "Alice in Wonderland", where the whole world, except a Briton who does not leave these shores or buy a copy from a traveller from America, can read the book in question is clarified. The time has come to justify this futile, farcical performance.

Mr. Speaker: The right hon. and learned Member for Aberavon (Mr. Morris) asks leave to move the Adjournment of the House under Standing Order No. 20 for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"Government policy in the light of the imminent publication in the United States of the 'Spycatcher' book by Mr. Peter Wright."

I have listened with care to what the right hon. and learned Gentleman said, but I regret that I do not consider the matter that he has raised is appropriate for discussion under Standing Order No. 20 and I cannot, therefore, submit his application to the House.

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. I want to raise a point of order that relates to the sub judice rule as it affects our proceedings. You will know that yesterday, following the decision of *The Sunday Times* to print extracts of the Peter Wright memoirs, the Attorney-General announced that he intended to bring an action against *The Sunday Times* for criminal contempt.

The House will recognise that the Government's handling of the affair has allowed moneybags Mr. Murdoch to move in with a big wallet to turn an issue of principle, an issue of official secrecy and open government, into a Fleet street scoop——

Mr. Speaker: Order. What is the point of order? If the hon. Gentleman is successful and in order, he may be able to raise this subject on the summer Adjournment motion.

Mr. Campbell-Savours: This morning I tabled four questions, three of which related to discussions and communications between *The Sunday Times* and the Government last week. I did that in the knowledge that Mr. David O'Callaghan of Turner Kenneth Brown, Solicitors for *The Observer*, telephoned Mr. David Hogg, the Deputy Treasury Solicitor, on Friday and told him that *The Sunday Times* had purchased the serialisation rights——

Mr. Speaker: Order. The hon. Gentleman must not, under the guise of a point of order, make a contribution which may well be in order at a later stage, but not now. I can deal with the sub judice rule if the hon. Gentleman will give me that opportunity.

Mr. Campbell-Savours: Mr. Speaker, I——

Mr. Speaker: Order. I am not prepared to give the hon. Gentleman the opportunity to make a speech which he could make later.

Mr. Campbell-Savours: I have also tabled a written question to the Secretary of State for answer this Wednesday. I have asked whether the Government intend to issue an amendment to the general import licence, so as to render——

Mr. Speaker: Order. The hon. Gentleman must not raise matters of that kind. If he is concerned about questions that have not been accepted by the Table Office, he can ask for them to be referred to me.

Mr. Campbell-Savours *rose*——

Mr. Speaker: Order. I am dealing with one thing at a time. The hon. Gentleman can ask the Table Office to bring his questions to my attention. It is not in order for the hon. Gentleman to raise this matter on the Floor of the House in this way. Does he want to know about the sub judice rule?

Mr. Campbell-Savours: Mr. Speaker, I tabled questions before the application was made to the courts. I put it to you that my questions are critical, because they deal with public concerns and anxieties. Is your ruling, or any ruling that you may make, likely to affect my right as a Member of the House to table questions to which the public want to know the answers?

Mr. Speaker: I can deal with that. As the House knows, I have consistently ruled that there can be no question of proceedings in the Australian courts being treated as falling within the ambit of the sub judice rule of this House. The same would apply to any proceedings in the United States courts, although I have no knowledge of any such proceedings.

With regard to the publication of Mr. Wright's book in this country, I have to rule that that subject cannot be raised in the House at this juncture. There are four relevant groups of cases pending in the United Kingdom courts.

and all are inter-related. In particular, the appeal of the Attorney-General against the High Court judgment in the case of the Attorney-General v. *The Independent, the London Evening Standard* and the *London Daily News* is now being heard in the Court of Appeal. That case raises exactly the same issues as will apply in *The Sunday Times* case. In those circumstances, the House will not expect me to exercise my discretion by allowing reference to be made to any of those specific cases in the House, or in questions or motions.

3.38 pm

Mr. Tony Benn (Chesterfield): You said earlier, Mr. Speaker, that it might be in order to raise certain matters arising from the submission of my right hon. and learned Friend the Member for Aberavon (Mr. Morris) for an emergency debate on the summer Adjournment motion, which is the next topic for business. That is, in a sense, an Adjournment debate. As you cited the cases about the sub judice rule, may I remind you of the plea that you made in another place when you were re-elected, when you said that you had made claim

"by humble petition to Her Majesty, to all ancient and undoubted rights and privileges,"

their relating to the House of Commons.

I have consulted "Erskine May", which states:

"any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence."

I am putting it to you, Mr. Speaker, very gravely, that from what has come out, whether we read it in an American bookshop, *The Sunday Times* or *The Independent*, we now know that senior officials of MI5, in association with Jim Angleton of the CIA, tried to destroy an elected Prime Minister of this country during the 1970s. We also know that when such a charge is made in the United States, Congress brings it out into the open, whereas a British Government use legal devices to suppress the prosecution of a criminal offence brought to public attention by a public servant.

With great respect, Mr. Speaker, no one wants to discuss the vendetta between the Government and the author of this book, but I submit that if you were to rule that in the debate on the Adjournment we could not discuss what has now come into the public domain, the House would be subordinate to what the Attorney-General wishes to do in his legal capacity. I seriously ask you to allow the House to discuss a matter which not only prima facie led to the obstruction of a previous Government, of which I was a member, but which, if it is not discussed now, would make a mockery of us compared with the American Congress, which is bringing covert action of this kind into the public domain because it is manifestly in the public interest.

Mr. David Winnick (Walsall, North): On a point of order, Mr. Speaker. The Attorney-General has informed us that the further appeal in Australia is to be heard on 27 July. As you know, that is after we begin the summer recess. That means that the case will continue in Australia and be concluded, yet the House of Commons will be unable to comment in any way whatever.

I wish to take up the point made by my right hon. Friend the Member for Chesterfield (Mr. Benn), because if MI5 officials were involved in destabilisation, in trying to destroy an elected Government and in smearing the Prime Minister of the day, such allegations should be debated by the House. These allegations may not be true and may simply be part of Mr. Wright's imagination, but if they are correct, it could well be that some of the officials in MI5 who took part in such subversive and criminal activities are still in MI5.

If Parliament is told that it cannot discuss the matter, we shall go into recess for three months and the case will be heard during that time. That means that while the country and the press will no doubt have an opportunity to discuss the matter, Parliament will be silent on the fundamental issue of parliamentary democracy. If we cannot even debate serious allegations from a former senior official of MI5 that the Government of the day were subject to destabilisation, that makes a mockery of our parliamentary democracy and our parliamentary system. I therefore ask you, Mr. Speaker, whether we can have a statement from the Attorney-General at the first opportunity, and certainly before the House goes into recess.

Mr. Tony Banks (Newham, North-West): Further to that point of order, Mr. Speaker. Perhaps hon. Members now appreciate my request for a shorter recess. I fully understand the principle on which you say that if something is sub judice we should not discuss it, but surely the sub judice rule is designed to protect the rights of citizens who may appear in court and who would not want to have his or her case in any way jeopardised by talk inside the House. I am sure that hon. Members on both sides of the House would support that. However, the Government are now deliberately using the sub judice rule as a means of gagging the House to prevent its debating something of great importance. It becomes absolutely perverse when we know that this matter is being discussed in other countries and that the books will turn up on these shores. Therefore, there might now be a case for you to reconsider the sub judice ruling in respect of this case, because it seems to Opposition Members that the Government are manipulating the office of Speaker by getting you to defend a principle that allows them to gag the House.

Mr. Speaker: Order. I am bound by the resolutions of the House. Let me repeat the rule that matters are sub judice if they are awaiting trial, or under adjudication by any court exercising a criminal jurisdiction, and should not be referred to in any motion—including a motion for leave to bring in a Bill—in debate, or in questions to Ministers. I am bound by that resolution passed on 23 July 1963. If the House wants to change the resolutions, it is a matter for the House. I have already said that I am not prepared to exercise my discretion in this case.

Mr. Merlyn Rees (Morley and Leeds, South): On a point of order, Mr. Speaker. The book which is now to be published in the United States and which, apparently is now being distributed, will arrive in this country shortly. I am concerned only with whether, in view of what you have said and ruled, the book will be made available in the Library and who has control over that.

The book will be available to most of us very soon. I accept that security and the national interest matter. As you will know, Mr. Speaker—because you will have read the report of the Select Committee on Privileges—

[Mr. Merlyn Rees]

we gave some thought to what is the security of the state and to who makes the judgment, the Government or others, in approaching you on such matters as the Zircon film. I have studied carefully the statement by the Prime Minister on 6 May, which I have in front of me. The right hon. Lady accepted the information given to her that the allegations made by Mr. Wright were untrue. If we are discussing something that is untrue, how can it be against the national interest for people to read it? So that we can make our judgment, will the book be available in the Library, although we cannot discuss it here?

Mr. Speaker: I have no idea. That will be a matter for the Librarian.

Dr. David Owen (Plymouth, Devonport): Further to the point of order, Mr. Speaker. As I understand your ruling, you are not prepared to accept the use of Standing Order No. 20 or any reference to the case in the debate on the Adjournment. However, would you be prepared to reconsider your decision on how the House might debate the issue if, as the right hon. Member for Morley and Leeds, South (Mr. Rees) said, the book comes into the country tomorrow and is then widely available, but the Government refuse to ban it or to take action in the United States courts? In those circumstances, would you be prepared to examine the whole issue afresh, including what you have said about the sub judice rule affecting not only the particular case in which the Attorney-General is now involved, but the three other cases? That strikes many of us as going very wide of the issue.

Mr. Andrew Faulds (Warley, East) *rose*——

Mr. Speaker: Order. I shall take the right hon. Member for Chesterfield (Mr. Benn) first.

Mr. Benn: Further to the point of order, Mr. Speaker. I accept that you are in a difficulty over the sub judice rule. May I put it to you, however, that, according to a proper interpretation of that rule, it might be wrong for hon. Members to comment during the summer Adjournment debate on the conduct of the editor of *The Sunday Times* in publishing extracts from the book, but it could not be wrong for hon. Members to bring to the Chamber matters which are already in the public domain through *The Sunday Times*, and which we expect to appear in their full form?

I am only anxious, Mr. Speaker that we should not make a fool of Parliament by an interpretation of a rule that would deny to us uniquely what everyone else in the world is freely discussing, when it affects one of our former Prime Ministers and present Members of the House. May I invite you, Mr. Speaker, to narrow your interpretation and say that no one can refer to whether *The Sunday Times, The Independent, The Guardian* or the *London Daily News* is criminally culpable, but make it abundantly clear that we are allowed to speak about matters which touch upon Parliament, and which are now available to everyone —including yourself, Sir—and rule accordingly?

Mr. Faulds: Further to that point of order, Mr. Speaker. In view of your pronouncement a few moments ago, I shall now proceed to the Library and ask for a copy of this book to be made available to me, on the presumption that neither the Prime Minister nor any of the Law Officers can forbid the Library to get hold of it.

Mr. Speaker: That is a hypothetical question, but may I say——

Mr. Campbell-Savours: Further to that point of order, Mr. Speaker.

Mr. Speaker: No.

Mr. Campbell-Savours: Why not?

Mr. Speaker: Because I am on my feet.

As the book is about to be published in America, I accept that this matter creates considerable difficulty for the House. I have already ruled that it is legitimate to raise anything that has come out in the Australian courts, but what should not be raised under our sub judice rules is the action that is pending before the British courts. I said at the beginning of my statement that anything that has come out in the Australian courts is fair game.

Mr. Benn: Or in *The Sunday Times*?

Mr. Speaker: That is before the courts in this country, but anything that has come out in the Australian courts is perfectly in order, and I do not think that the House needs to be too inhibited.

Mr. Campbell-Savours: Further to that point of order, Mr. Speaker.

Mr. Speaker: No.

Mr. Campbell-Savours *rose*——

Mr. Speaker: Order. If the hon. Gentleman wants to be called in the debate, I am not prepared to hear a speech from him now by way of points of order.

Sir Kenneth Bradshaw

3.51 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): I beg to move,

That this House requests Mr. Speaker to convey to Sir Kenneth Bradshaw, KCB, on his retirement from the office of Clerk of the House its deep gratitude for all his devoted work in the service of the House throughout a long and distinguished career.

I am confident that the motion unites the House in paying tribute in this time-honoured manner to someone who has held, with distinction, a number of important posts in the Clerk's Department over many years, and who has held for the past four years, as Clerk of the House, the highest office in the service of the House.

Sir Kenneth Bradshaw will be retiring at the end of August. By then it will have been 40 years, following war service, in which he was mentioned in dispatches, since he joined up, so to speak, in the Clerk's Department. I believe that that is longer than the continuous membership of any hon. Member now in the House.

To have maintained over such a length of time a record of total loyalty, integrity and devotion to the service of the House is a notable achievement in itself. To have done so with undiminished enthusiasm, never failing courtesy, and with, I believe the musical term is such 'brio', is a still greater one.

In particular, throughout his service—both as Clerk of the Overseas Office and in other posts, particularly in the Association of Secretaries General of Parliament—of which, I understand, he is currently the President—he has for many years done an enormous amount to forge international links and friendships between those who service parliamentary institutions. His hospitality and kindness in that work have become legendary worldwide.

Here in Westminster Sir Kenneth's name will also always be particularly associated with his concern throughout his service with improving the welfare and status of the staff of the House at every level. Always patient and considerate in negotiations, he has done much to resolve staffing disputes, like the protracted grading review, which had seemed intractable for many years. The present staff relations in the House owe much to Sir Kenneth's guiding judgment and personal concern. I am sure, Mr. Speaker, that you will agree that in this, and in many other matters, the House of Commons Commission is deeply indebted to Sir Kenneth.

Another important and lasting contribution which Sir Kenneth, in collaboration with the present Clerk of Committees has made, has been his published work on the comparative procedural workings of Parliament and the United States Congress. This broke new ground and is still recognised as a standard work.

On the less formal side, I understand that Sir Kenneth has been a social pillar of the Parliamentary Golfing Society for many years. With regard to the musical life of Parliament, his vocal style in his occasional interventions in our proceedings once, I recall, led a journalist to describe him as

"the last of the bel canto Clerks".

In conclusion, Mr. Speaker, I am sure that every hon. Member here will, as I do, wish Sir Kenneth every happiness in his retirement. He enters it with the profound gratitude of all those who recognise how much the work of this House of Parliament has depended throughout the centuries on the proud traditions of the high office which he has so capably upheld, and which he now hands on to others, maintained and enhanced.

3.55 pm

Mr. Neil Kinnock (Islwyn): I am happy to join the Leader of the House, and I am sure the whole House, in supporting the motion of gratitude for the distinguished service that has been given by the Clerk, Sir Kenneth Bradshaw.

Sir Kenneth has been a servant of the House since 1947 and has brought to all the offices that he has held in the course of his service that remarkable combination of commitment and dispassion that produces excellence in our British public and democratic administration.

The standard of Sir Kenneth's contribution is made more remarkable by the fact that it has continued for four decades. While it is true, as Lord Wilson reminded us, that a week is a long time in politics, 40 years must be an eternity to be above politics.

In those 40 years Sir Kenneth has performed, as the Leader of the House reminded us, in two spheres that are connected with this Parliament and international democracy. Those services have been distinguished and distinctive. First, it will be within the memory of many hon. Members that he contributed his capabilities as Clerk to the Overseas Office in this Parliament for four years. Further proof of his reputation among our fellow parliamentarians and those who serve them in other Parliaments is to be found in the fact that Sir Kenneth is President of the Association of Secretaries General of Parliaments of the Inter-Parliamentary Union. Both that general involvement and the particular role that he played as Clerk of the Legislature of Saskatchewan 11 years ago means that there can be few among the ranks of Secretaries General of Parliaments who can rival Sir Kenneth's parliamentary internationalism.

Sir Kenneth's second source of domestic and international distinction has been his co-authorship, with Mr. David Pring, of the excellent and now classical work, "Parliament and Congress". The reviewers who greeted the book back in 1972, and its reprint in 1981, commented on the lucidity, scholarship and readability of the book. I can testify to all three of those qualities. Before I went to the United States in 1976—during the recess—to do a series of lectures and television programmes on comparisons and contrasts between our Parliament and the United States Congress I naturally reached for this book, and when I read it its clarity and detail gave me the same sense of gratitude as would be felt by someone who thought that he was climbing on to a life raft and discovered that he had boarded a luxury liner. This work is everything that the reviewers said it was.

My copy of that volume is at home, but to refresh my memory this morning I borrowed the Library's copy. I intend to take it back, which is another breach of convention, later in the day. It is clearly a well-used book, as any hon. Member can see, and it is a testimony to the respect that the book commands among right hon. and hon. Members that, in all of its 412 pages, only one page is marked, and one would exaggerate to call it defaced. On the contents page there is the merest line of a ballpoint pen around one item: "Salaries and Remuneration". Clearly, the book has not only lucidity but utility.

As hon. Members will know, those qualities are not confined to the book. Indeed, they have been the qualities,

[Mr. Neil Kinnock]

together with many others, that have distinguished Sir Kennceth throughout our acquaintance with him. I am sure that anyone who has known Sir Kenneth will regard him as a friendly man, an excellent communicator and a complete master of procedure, utterly dependable in his judgment and advice. For all those reasons, but most of all because of the distinguished service that he has given our democracy and our Parliament, I am sure that all here and all who have worked with Sir Kenneth over those 40 years wish him a long, active and fulfilling retirement, with limitless golf partners and a limitless supply of opera tickets.

4 pm

Mr. Robert Rhodes James (Cambridge): I am pleased to support the motion and to follow the Leader of the Opposition. As a former colleague of Sir Kenneth Bradshaw and the first Clerk of the House who was foolish enough to get himself elected as a Member of Parliament, I have profound respect for my more shrewd and more sensible former colleague. What the Leader of the Opposition has said is absolutely true. The privilege of being a servant of the House, whether as a Member of Parliament, a Clerk or official, is real. I learnt that privilege from, among others, Kenneth Bradshaw. He has been a fine servant of the House. I am honoured to have known him as a colleague and a friend, and he deserves well of the House.

4.1 pm

Mr. A. J. Beith (Berwick-upon-Tweed): On behalf of my right hon. and hon. Friends, I support the motion with enthusiasm. As Clerk of the House, Sir Kenneth Bradshaw has been unfailingly courteous and consistently helpful to hon. Members, including those from minority parties. He has shown that impartiality and independence of the Government which the House requires of its Clerks. He has embodied and advocated that high view of the Clerkship in his international activities as President of the Association of Secretaries General of Parliaments.

Sir Kenneth's Clerkship has coincided with many changes in the way in which the House is run. This is perhaps symbolised by the fact that, so far as I can recall, he was the first Clerk who was interviewed extensively for the post of Clerk. He carried out that task in a manner that involved greatly extended managerial responsibilities, through the Board of Management — responsibilities which he discharged with great tact and skill. In doing so, he provided enormous assistance to the House of Commons Commission.

Those of us who worked closely with Sir Kenneth in that or in other spheres have come to regard him not only as an outstanding servant of the House but as a man of great integrity and charm and a congenial colleague. We all wish him the greatest happiness and activity in his retirement. We pay tribute to the work that he has done on behalf of the House.

4.2 pm

Mrs. Margaret Ewing (Moray): In adding the support of the Scottish National party, I speak not only for the party's current Members in the House but for all those who have served since 1967. The Scottish National party has been continuously represented in the House since 1967, and that period spans some 50 per cent. of Sir Kenneth's service to the House. All of us have greatly appreciated his objective advice and courteous assistance over the years, and we wish him a long and happy retirement.

4.3 pm

Mr. D. E. Thomas (Merionnydd Nant Conwy): I should like to associate myself with the remarks that have been made on behalf of minority parties in paying tribute to Sir Kenneth's work in the House. Inevitably, tributes of this kind are a celebration both of an individual's career and of the nature of our institution. It is perhaps appropriate that we should speak to this motion on a day when we have been debating the nature of our procedures and our rules of order. In adding my best wishes to Sir Kenneth in his retirement, I ask him to consider whether he will have the time to prepare a further edition of his excellent study "Parliament and Congress", because it might be influential in liberating some of our procedures.

Question put and agreed to.

Resolved, nemine contradicente,

That this House requests Mr. Speaker to convey to Sir Kenneth Bradshaw, KCB, on his retirement from the office of Clerk of the House, its profound appreciation of his forty years of devoted service to the House, and his maintenance of the highest traditions of his office.

Adjournment (Summer)

Motion made, and Question proposed,

That this House, at its rising on Friday 24th July, do adjourn until Wednesday 21st October.—*[Mr. Ryder.]*

Mr. Speaker: I must announce to the House that I have not selected either of the amendments on the Order Paper, but they may be raised during the debate.

4.4 pm

Mr. Frank Dobson (Holborn and St. Pancras): On a point of order, Mr. Speaker. It has been reported to me that an hon. Member has been to the Library of the House and been told that the Librarian has been told that it would be inadvisable for him to obtain and make available in the Library a copy of the Peter Wright book. I should be grateful if you would look into this matter as the protector of the interests of all hon. Members.

Mr. David Winnick (Walsall, North) *rose*——

Mr. Speaker: Order. I have been asked a question, and I shall answer it. I do not know anything about this matter. I suppose that if such a book were to be ordered it would have to be ordered from overseas because it is not published in this country. I shall certainly look into the matter.

Mr. Winnick: On a point of order, Mr. Speaker. There is another book, which is apparently banned in this country because the Government have tried to take action against the publishers, namely, "One Girl's War" by Joan Miller. Two weeks ago I brought to the attention of the House the fact that it was in the Library. I wonder whether the Government have acted on the latest book because they are displeased that this other publication is held in the Commons Library.

Mr. Andrew Faulds (Warley, East): Further to the point of order, Mr. Speaker. I can usually speak for myself fairly effectively. I was the Member who went to the Library to put my name at the top of the list to read this fascinating book. I was told that the Library had been advised that it would be inadvisable to hold the book. I was given to understand that there was a letter from your Office, Sir, making that point.

Mr. Speaker: I assure the hon. Member that I know nothing about it. If he is first in the queue, I shall certainly be second.

Mr. D. N. Campbell-Savours (Workington): I approached the Librarian on 7 July—last week—and asked him about the Joan Miller book in the Library so as to set the precedent for the arrival of Peter Wright's book. On 8 July, the Librarian wrote to me, saying:

"My present intention is to retain these copies in the Library unless and until I am instructed to the contrary."

The Librarian has made it clear that he wishes to receive and retain in the Library books that he knows and recognises are the subject of legal action outside the House and that are not freely available due to legal restraints. I put it to you, Sir, that the only way Joan Miller's book can be removed from the Library is by resolution of the House. If the Government refuse to accept the Peter Wright book, they have an obligation to place a motion before the House calling for the removal of the Joan Miller book, thereby enabling Parliament to debate this whole matter in a way that it has been prevented from doing today.

Mr. Speaker: The Joan Miller book is in the Library and I do not know of any indication that it will be withdrawn. I have already dealt with the other matter. I shall certainly look into it.

Mr. Dobson: Further to the point of order, Mr. Speaker. Will you confirm that, in the absence of a Library Committee, you are the only person who has the authority in the House to instruct the Librarian whether or not to make that book available?

Mr. Speaker: Yes. The Librarian is an Officer of the House and, as such, he reports to me.

4.8 pm

Mrs. Ray Michie (Argyll and Bute): It is an honour to address the House. I am grateful to you, Mr. Speaker, for calling me to speak during this debate on the summer Adjournment.

It is my privilege to represent the constituency of Argyll and Bute, one of the most beautiful parts of the country. Many hon. Members will have holidayed there and returned refreshed and invigorated. It is, of course, a complete myth that it rains a lot and that the midges wear tackety boots. I assure those who are to visit Argyll and Bute that they will find much there to delight and that they will always receive the kindly, courteous and hospitable welcome that is the hallmark of the highlander.

I understand that it is customary in a maiden speech to refer to one's predecessor. I happily pay tribute to John MacKay for his work in the constituency, and I know that he was a loyal and conscientious member of his Government. Perhaps I owe him a special personal debt. He contested Argyll and Bute twice as a Liberal candidate in the 1960s and had he not joined the Conservative party I might not be here today.

Life has come full circle. I was born and brought up in the Liberal faith and philosophy and I owe my success in large part to the continuing example and inspiration of my father—the late Lord Bannerman of Kildonan. Better known in Scotland, in politics, in international rugby and in Gaeldom as Johnnie Bannerman, he cut his political teeth in Argyll at the 1945 general election. Many of the problems that he encountered remain. The islands still bear the burden of high transport costs, and the failure to introduce the promised road equivalent tariff for ferries means that the islanders are considerably disadvantaged as they strive to build economically viable communities.

The whole economy of Argyll and Bute depends on thriving tourism, farming, crofting, fishing and forestry. In particular, the small farm and croft form the basis of our rural way of life, which has an intrinsic quality of its own. It does not have to be justified and it stands strong against any value judgment.

The reference to farming in the Gracious Speech gives me hope that the Government will remember that in Argyll and Bute we do not contribute to EEC surpluses. It leads me to hope that the Government will defend the interests of the family farm, especially in the less-favoured areas, and that they will consider allowing crofters and tenant farmers to participate in the woodland and forestry schemes, and to reap the benefits currently enjoyed by the landlords.

In the months ahead we shall hear much about the so-called community charge which is, indeed, a poll tax. No modern Western country would even consider such an

[Mrs. Ray Michie]

unfair and regressive tax — last levied in England in 1381, it led to the Peasants Revolt. I hope that the Secretary of State for Scotland will reconsider the injustice done to two particular groups of people. Crofters and the Church have traditionally enjoyed a 50 per cent. derating concession but the Government have so far adamantly refused to continue that concession with the poll tax. Consequently, an extra £1·3 million will be taken out of the crofting counties and the Church of Scotland will have to find an extra £333,000. That will deal a hefty blow to both groups.

During the election campaign we heard much about the amount of money that is being spent on the Health Service. However, I regret to say that that money has not been spent in Argyll where, for nigh on 40 years, Campbeltown and Oban have waited for new hospitals. We have a superb staff who give a high standard of service to patients, but they are being asked to do so in impossible and unacceptable conditions, and in old and crumbling buildings.

Another matter that is causing grave concern in my constituency is the recent notification by the Nature Conservancy Council of the designation of an extensive area—over 32 square miles—on the island of Islay as a site of special scientific interest. The NCC sets out 20 operations that are thought likely to damage the SSSI. This is extraordinary in that it will affect 49 farmers and crofters who have worked the land over the generations without any environmental damage.

I am told of the NCC's objection to a temporary access to the proposed experimental wave power station and that a farmer who wants to level hillocks for easy cultivation will require permission because they give shelter to the corncrake. Those are just two examples, but the list of restrictions bodes ill for the social and economic welfare of the island.

We must seek a proper balance between nature conservation and the interests of the people who live and work in the area. To that end, I hope that the Secretary of State for Scotland will urgently consider the establishment of a Scottish nature conservancy council. It is vital that there should be close co-operation, consultation and agreement between the public bodies concerned with planning and land use and those who are affected by the designation. The people of Islay are deeply upset and angry. They fear that in the end 65 per cent. of the land area of Islay will become eligible for designation, and, if that happens, depopulation could occur on a scale not seen since the infamous clearances.

Many of my constituents have a particular interest in the Gaelic language, as do I. The need for Gaelic to be given a status equal to English, which is now enjoyed by Welsh, is all too obvious to those who know and care. Until reparation is made for the systematic and deliberate damage done to the Gaelic language over many years successive Governments must continue to bear the guilt. This ancient language lies at the heart of our traditions, culture and heritage, and its beauty in song, poetry and story is unsurpassed. We cannot afford to lose it.

We are told that the whole tenor of the Government's philosophy is the freedom to choose and to make our own decisions. We are told that we must stand on our own feet. In view of those tenets, I sincerely hope that the Government will respond to the wishes of the Scottish people by setting up a legislative body in Edinburgh with fair elections by proportional representation and the abolition of one tier of local government.

We in the Liberal party are convinced that institutional change would bring that freedom and, at the same time, improve the quality of decision-making. Scotland has lived too long at less than its full potential. There is more to life for its people than material progress; there is the right to choose, and to ignore that right is to court disaster. Scotland must recover her sense of destiny, her pride and self confidence and take her rightful place as a partner in the United Kingdom.

4.18 pm

Mr. Michael Jopling (Westmorland and Lonsdale): It is with considerable pleasure that I follow the hon. Member for Argyll and Bute (Mrs. Michie), who has just got her maiden speech off her chest. It is a great trial for all who join the House for the first time. The hon. Lady's speech was of great interest, especially to me, since I am interested in rural affairs. She made her speech with considerable charm and with none of the nerves which many people have on these occasions, and we look forward to hearing from her again. Her comments about her predecessor, John MacKay, will have given Conservative Members most pleasure. We miss him very much. I miss him especially because we battled together for many hours, day and night, in the Council of Ministers in Brussels. He was a doughty fighter for fishermen and especially for farmers in Scotland.

We discuss this motion, in different guises, many times during the year and I speak today for the first time in 16 years without having some Front Bench responsibility. To get myself back into the mood for doing this, I looked up the last two or three speeches I made 16 years ago. In June 1971, in almost my last speech as a Back-Bench Member, I was accused by Mr. Reggie Paget of being involved in a Whip's filibuster. I was somewhat perturbed to see that I replied:

"On principle, Mr. Deputy Speaker, I never speak to Whips."—[*Official Report*, 28 June 1971; Vol. 820, c. 172.]

At that time, Mr. Speaker, you were a Whip. You got your own back on me, because I was a member of the Conservative Whip's Office within a few weeks of making that remark. It has been somewhat difficult to get back into the swing of things.

I approve of the motion. I am especially pleased that the Leader of the House has been able to arrange an early rising of the House in July. This is an important matter, not least for the families of Members, especially Scottish Members. Scottish Members regularly used to complain that their children had been home from school for some time before the House went into recess. I hope that the Leader of the House will remember that sometimes Members' families pay a great price for our attendance here. I hope that it will always be part of my right hon. Friend's strategy to get the House up in good time every July. I also support the motion because my right hon. Friend is proposing a long recess during which the Government can produce a good deal of legislation before we return on 21 October. I hope that the Government will make the best use of the recess.

I reject the idea that is put forward every year of having a shorter summer recess and extending the recesses at Christmas, Easter and Whitsun. I note an amendment on the Order Paper and an early-day motion to that effect. I

have a simple reason for rejecting the idea. Governments being who they are the moment we did that, they would increasingly appropriate the extra recesses at Christmas, Easter and Whitsun to discuss so-called essential legislation. Some of us know what Governments do. They begin by saying that it is only for one year, and before we know where we are, it becomes a regular part of the parliamentary scene. There have always been suggestions that the House should return some time in September. That would be messy, and the House should not sit during the season of party conferences. It is best to have a long recess just as the Leader of the House has proposed.

My right hon. Friend must ensure that the recess is properly used. He must bully Departments to have ready a large number of Bills to lay before the House as soon as it returns on 21 October. After those Bills have been before the House for the appropriate two weekends, I hope that the first two weeks of November will be full of Second Reading debates so that we may get on with the parliamentary process. I am sorry to see only one Bill awaiting Second Reading on the remaining orders at present. I had hoped that more Bills would be awaiting their Second Reading so that we could debate them when we returned in October. It is crucial to get the programme off to a good start.

The Leader of the House may have heard me say before that organising the parliamentary legislative year is a bit like growing a good crop of wheat. One starts at much the same time of the year. It is important to prepare the ground—to have the Bills ready—so that once the crop is sown it continues to grow and prosper without any check. I hope that he will ensure that that happens, but I assure him that Departments will give him every excuse as to why Bills are not ready for laying before the House the first week after the recess. I hope that my right hon. Friend will be ruthless with them in ensuring that the Bills are ready. If not, during the corresponding debate on the motion for the summer Adjournment in 1988, my right hon. Friend will be faced by complaining Members whose children are already busy on the beaches with their buckets and spades, asking their mothers why their fathers have had to go back to London. It is important that the House should rise early, in July, each year, and I hope that my right hon. friend will continue his good work.

We all know that this will be a busy Session. The Gracious Speech demonstrated that clearly. The first Session of a Parliament is always the busiest, and rightly so. But I hope that the Leader of the House will be ruthless with his colleagues in ensuring less legislation in future Sessions. I remind my right hon. Friend that before we were elected to Government in 1979 we all said a great deal about the need to stem the torrent of legislation which had poured out of the House over the years. I fear that we have not done as much as we should to stem that torrent. I hope that my right hon. Friend will insist on a good deal less legislation during the Government's 10th to 13th years.

Some Departments in Whitehall seem to think that their Ministers' success depends on how much primary legislation they can introduce. When new Ministers go to Departments, I have visions of the permanent secretaries standing at the top of the steps rubbing their hands together and saying, "Welcome, Minister. We have a lot of interesting legislation for you this year." I hope that my right hon. Friend will curb this dangerous trend, of which I disapprove. I have always regarded the Department of the Environment as a special culprit here. It has been notoriously bad at taking on more legislation than it can manage and then having to chop and change it at the expense of huge amounts of parliamentary time.

I am sure that my right hon. Friend knows all this and that he will take steps to ensure that we have a properly managed programme. He made great efforts to do that while he was Chief Whip. I hope that he will be vigilant in keeping legislation to a minimum and in getting it produced accurately and early so that the House is not kept here for longer than necessary during the summer months.

4.29 pm

Mr. Tony Benn (Chesterfield): I rise to follow up the matters that were raised with Mr. Speaker after Question Time about the material now in the public domain written by Mr. Peter Wright in his book "Spycatcher". It is being published in America today and extracts of it have been made available to the press in this country. I accept entirely that it would be wrong to comment upon the actions of those who may be held accountable in the courts for what they have done, but that is not the issue. The question that the House should consider without party prejudices of any kind is that a senior official of MI5, Mr. Peter Wright, who served in that capacity over many years, has written a book in which he has said that during the 1970s half of MI5, who are public servants, were engaged in an action designed to undermine or overthrow the elected Government under the then Prime Minister, Harold Wilson.

I was a member of that Government and many of the events referred to in Mr. Peter Wright's book strike a responsive chord in my memory because I know what was being said then. I knew it was not true, I wondered the source from which it came, but I decided simply to proceed and to note the events against the possibility that some explanation might be forthcoming later.

Mr. Wright says in his book that a Mr. Jim Angleton, head of counter-espionage in the Central Intelligence Agency, came to the United Kingdom at that time with a report that the Prime Minister was a Soviet agent and that the CIA virtually instructed MI5 to take action against an elected Prime Minister. Those basic facts only have to be stated for it to be clear that officials, some of whom may still be in the Civil Service, were guilty of attempting a coup against an elected Government in this country.

I do not claim that anybody in the present Government had direct responsibility for what happened. However, the Attorney-General is accountable to the House, as was his predecessor, the present Lord Chancellor, and the Prime Minister is responsible for the intelligence services. They have made no attempt to investigate the truth of those allegations by testing them in the courts. Instead, they have thrown the entire resources of the State into getting the allegations suppressed. The Cabinet Secretary was sent to Australia and was exposed to absurdity in the Australian courts for many reasons, one of which was that he confessed that he had been "economical with the truth" —that statement from the most senior civil servant in the country who is normally regarded as being apart form and separate from matters of political controversy.

To stay within the rules of sub judice I will not name the newspapers which attempted to bring out what happened. They were proceeded against by the then Attorney-General, the now Lord Chancellor, who, for all I know, may well be called upon to adjudicate on the

[Mr. Tony Benn]

matters he initially promoted as Attorney, should those matters go on appeal to the House of Lords where he sits on the Woolsack with some responsibility for such matters.

The hon. and learned Member for Burton (Mr. Lawrence), who is a lawyer, shakes his head. Anyone who really believes that the Government and the courts are separate knows little about the proceedings of the House or indeed of the other place. A comparable case of covert action is now being investigated in the American Congress. Colonel Oliver North and Admiral Poindexter are arraigned before the American Congress for action that is comparable precisely with what Mr. Peter Wright and, allegedly, Jim Angleton of the CIA did in Britain. Far fom the American Congress suppressing the matter because it might be the subject of judicial action—for all I know, it might be—in accordance with the tradition of open government in America, for which I have the greatest possible admiration, it has brought the matter out and Colonel North is required to explain everything that he has done. He has been forced to admit that he lied, and under cover of Congressional protection he is now delivering to the American people an account of the stewardship of Admiral Poindexter, the President and himself. Not in this country.

Mr. Winnick: Will my right hon. Friend give way?

Mr. Benn: No, I would like to continue as I do not want to detain the House for very long.

It would be an outrage if the House were to adjourn and an allegation as serious as that made by Mr. Peter Wright about a coup against an elected Government were to pass unnoticed. I am a long-serving Member of the House and I have attended all its ritual functions. We always meet after an election in a mass of mutual congratulations.We elect the Speaker and Members on both sides of the House say how good a man he is. I join in that. We meet to say how we are the best Parliament in the world. The newly elected Speaker goes to the House of Lords and claims our ancient privileges, and everybody nods. When the Queen is to deliver her speech, not only do we lock the door to pretend that we keep the executive out, but we put the Outlawries Bill down to show that we are not obliged to consider the Crown's business first.

But if the Attorney-General decides that he wants to silence Parliament, he has a very simple way of doing it. He goes to the courts and tries to interfere with the freedom of the press, knowing that the Speaker is obliged by precedent to apply the sub judice rule to silence Parliament. There is as great a threat to Parliament today as there has ever been in its history. That threat is not by the occupant of the throne but by the Crown's Ministers who sit in the House. As I said in the Zircon case when I begged the House to refer that matter to the Committee of Privileges, unless we take the matter seriously this Parliament will be a laughing stock around the world, and rightly so. We bring schoolchildren here and tell them about the mother of Parliaments. We tell them how wonderful it is and how speeches are made fearlessly by hon. Members in the public interest. We tell them that matters of concern are aired in a way that other countries try to emulate. It is not true. The truth is that the House, on a matter as grave as any that has been before it during my time as a Member, which goes back nearly 37 years, has absolutely failed to insist on holding the Government, the Law Officers and the Prime Minister accountable because it has denied itself the opportunity of discussing the matter.

This is not a party matter. If Government Members had any evidence that some foreign security service was trying now to overthrow the Prime Minister by subversion, was "bugging and burgling its way across London" —I quote Peter Wright—the party opposite would quite properly be up in arms. I would hope that my colleagues would, too. However, when it happens to be a Labour Government that was subverted, where are the advocates of law and order? Where are the Members on the Government Benches who say that a crime may have been committed and that they want the guilty to be pursued in the courts? There is not a voice. The conduct of the Attorney-General and his predecessor in the case has fallen well below the standards required of their office.

I have heard many debates on the summer Adjournment where people get up to just make a point or, as we have just heard, to raise a rather funny speech about the length of the holidays. However, this is a substantial matter. I apologise for referring to the excellent maiden speech by the hon. Member for Argyll and Bute (Mrs. Michie) at the end rather than at the beginning of my speech. It was a formidable maiden speech. As the son and grandson of Liberal Members, both of whom sat for Scottish seats, perhaps I may be allowed to put a special feeling into my reference to the hon. Member and to say that she will be heard with great respect whenever she chooses to address the House.

Before I sit down I must repeat what I have said. If Parliament does not have a full debate before the summer recess upon an attempted coup against the democracy of this country, masterminded by MI5 officials who are paid to protect our freedom and who are accountable to the Prime Minister, it will fail in its constitutional task to protect those who elected us.

4.39 pm

Mr. John Bowis (Battersea): Tempting as it might be to follow the line taken by the right hon. Member for Chesterfield (Mr. Benn), I shall tread the traditional path of non-controversy and stick to non sub-judicial matters in my maiden speech. I congratulate the hon. Member for Argyll and Bute (Mrs. Michie) on her maiden speech. I hope that I can equal it.

I begin by paying a warm and sincere tribute to my predecessor, Mr. Alfred Dubs. I believe that Alf Dubs was respected on both sides of the Chamber. He had a fine reputation as a Member of Parliament and he served his party well as a spokesman on home affairs and immigration matters. I believe that he did well by the people of Battersea. However, a Member of Parliament is judged not only by his work in the House but by his work in the constituency. From my experience of people in my constituency, I can say that a large number of individuals and organisations owe a great debt of gratitude to Alf Dubs for the work that he did for them. If when I come to leave the House I can say that I looked after my constituents as well as he looked after his, I shall have done well by them.

The best tribute that I can pay Alf Dubs is to say that political friends and foes alike refer to him as "a nice man". I certainly agree with that from the short knowledge I have had of him. Whenever our paths crossed during the

election campaign there was a courteous and civilised debate between us, which is just as it should be in party political circles. I believe that that is a fitting tribute to the man that I have replaced in the House.

It seems almost superfluous to refer to my constituency. As I look around, I find that almost every other hon. Member seems to live in the constituency. Unlike most hon. Members who escape their constituents when they go into the Division Lobbies, I have a nasty feeling that as I go into the Lobbies I shall be nobbled by hon. Members urging me to take some particular action on their behalf. Nevertheless, I shall take hon. Members on a brief Cook's tour of my constituency. There are rather a number of bridges in it. It starts at the Nine Elms approach to Vauxhall bridge, and includes Chelsea bridge, Albert bridge, Battersea bridge, Wandsworth bridge and ends up on the Putney bridge road. The constituency goes down through the two commons of Wandsworth and Clapham and ends up in Balham.

The Battersea that I represent is something of a merger. It used to be largely Douglas Jay's old seat of Battersea, North, with a hefty chunk of Battersea, South which used to be represented by Ernest Partridge. With all these Jays and Partridges around, I am tempted to give something of an ornithological history of the area. However, suffice it to say that in this case the Tory eagle has landed.

If one looks at history, as one must, to find my Conservative predecessors in the constituency, one finds that 1959 was the last occasion on which there was a Conservative Member for Battersea, South. One goes into the mists of pre-war history, to 1931, to find my Conservative predecessor in Battersea, North. That was Commander Arthur Marsden, who was hot foot from commanding HMS Ardent at the battle of Jutland. Therefore, one can see that I look back as well as around and ahead as I consider my constituency.

I can look back at another rare bird in this place, a Communist Member of Parliament. Saklatvala represented Battersea — [HON. MEMBERS: "Hear, Hear."] Hon. Members seem to remember him.

Mr. Jeremy Corbyn (Islington, North): I knew his daughter.

Mr. Bowis: I cannot speak for his daughter, but I can speak for him. He stood as a Communist, but I notice from the footnotes in all the history books that he was a Communist with Labour party support. Wild horses would not drag from me any references to modern parallels with Militant Tendency.

There are many parallels with the past in my constituency. One sees many references to Battersea as having a fair number of what are described as "Yuppies". I do not know whether that is a parliamentary term, but it is used frequently in relation to the area. The first Yuppie in the history books goes back to William the Conquerer. He, as an upwardly mobile gentleman, owned the manor of Battersea and took his chums there to enjoy the delights of what was described in the Domesday Book as the wealthiest manor in Surrey. Therefore, things have not changed that much in the area.

There is a tradition of agricultural interests in the area. That may surprise many hon. Members. However, there is the grain and malt that goes into the Ram brewery at the Wandsworth end of my constituency and fruit and vegetables go into Nine Elms market at the other end of my constituency. We have a tradition that goes back to the days when the first asparagus was grown in Battersea park and lavender was indeed grown on Lavender Hill.

We have a tradition of colourful, if not turbulent, priests in the area. One was fined for catching salmon in the Thames and another was accused of consorting with witches. Today's incumbent has done nothing more scurrilous than serve a term as a Labour alderman.

In the south of my constituency we find the old route that is Stane Street, which the Romans built and down which the Roman tourists went on their way to Chichester, heading south along the line of Balham high road in a way that shows that Peter Sellers was not altogether inaccurate when he described Balham as the "Gateway to the South". Since then, Balham, Battersea and Wandsworth have grown and merged. From villages have grown towns and from towns have grown inner city areas. Areas have grown up and up, in many cases 20 storeys and more up. The borough of Wandsworth has inner city problems, as do all inner city areas. However, I believe that my area has found some of the answers to those problems.

The report "Faith in the City" referred to a number of relevant matters affecting my area. It referred to the unacceptably dull masses of municipalised housing estates, but it showed that the real need for areas such as mine was a thriving local economy. I think that that is what we have achieved. We have a partnership between central Government and local government, and a partnership between both forms of government and local firms and local people. It has put new heart into that area of inner London. The housing and environment have improved and the economic climate has taken off. It is a good place to live. It has the lowest unemployment levels in inner London and we have some 300 inquiries coming to the council every month from firms seeking to move into the borough.

I do not suggest for one moment that the successes and lessons of Wandsworth can be translated instantly to other parts of the country or to other inner city areas. However, I do suggest that the innovative and imaginative mix of public funding and private enterprise has done much to transform what was a depressing and depressed grey area of yesterday into a forward looking and confident community that looks to tomorrow's world with confidence and expectation.

I represent a wide variety of people. I represent those who have done well — many people in Battersea have done well. I congratulate those people, and it would be churlish not to wish them well in continuing their good fortune. We want more and more people to go on doing well. That is the climate of my constituency. However, I also represent those who have not done so well: those who are crying out to us for some form of help. My support came from a great range of people across the constituency, and I intend to represent the successful and those who need help.

There is a curious economic and fiscal truth, which is that low rates of income tax lead to a greater tax take. The same principle applies to company taxation. Tax cuts lead to greater wealth creation, greater wealth creation leads to more taxable wealth, and extra tax leads to more resources to be spent on areas of need; areas of need that are dear to the hearts of all hon. Members. The message in my constituency is that tax cuts and greater wealth creation lead to the spending that we want.

[Mr. Bowis]

Having got the creation of additional wealth and an additional tax take, we must examine the balance that needs to be kept between spending and the maintenance of control over interest rates and inflation, without which spending would be much less effective than we would wish it to be. We must examine priority areas of spending, as well as increased spending.

My priorities for action relate to three areas of spending. They were referred to in one way or another in the Queen's Speech. One and a half of them relate to the ways in which Bills will come forward, and the other one and a half, I hope, will be considered by Ministers during the summer recess. They are summed up by the three messages by people in my constituency. They are, "I want my own home", "I want my child to get a decent education", "I want the worry taken out of my old age.". I bring those messages to the House. They say, "I am in a trap, and I want help to get out of it.".

Those are three traps, and they are not the fault of those who are entrapped. The child who is trapped in our education system in parts of inner London is locked into a system of neighbourhood mediocrity. The new education poverty trap holds faster children back and does not encourage slower children to catch up. I wish to encourage our education system to go forward to encourage children to stretch out as far as they can reach and to work and be rewarded to the height of their ambitions. The Government's actions go some way towards the achievement of that aim.

The moves to reform ILEA, to give schools greater budgetary autonomy and to give parents a greater say and influence in their children's schools are welcome. The move to make entry requirements and limitations on popular schools more flexible is also welcome. I hope that we can gradually unlock the education trap.

There are two housing traps. We in Wandsworth have one of the most successful boroughs, not only in enterprise, the environment and the economy, but in housing and home ownership. One third of our borough council tenants now own their own homes or, in most cases, their flats. The money that has been gained from that successful policy has been poured into improvements in houses, estates, sheltered accommodation and the great partnership between the local borough and local housing associations. But people still need housing help. Their housing ambitions are not met because of the absence of private rented accommodation. That is their trap.

Private accommodation once provided for young people in particular. Alas, in recent years, as hon. Members know well, for many reasons which we shall not examine today private accommodation has gone. I hope that it will return. The Government are seeking to encourage it in the institutional provision of private housing. I also hope that the Government will consider tax incentives for small private landlords, whom we also need back. That is half the housing trap.

The other half of the housing trap in my area relates to the particularly large number of people who live in housing association properties. Housing associations have done a great service for our country and for inner London. Nowadays, they are largely funded by central and local government. They take referrals largely from the local council of people who wish to move into housing association properties. Once people move into such properties, they suddenly find that, through no fault of their own, they lose their right to buy. They want the right —council tenants also want it—to buy the homes which they have done much to improve and for which they have great affection. I should like to see them being given back that right. It is not enough to give them transferable discounts; they should have the right to buy the homes in which they live.

Finally, I come to the subject of pensions. Most pensioners are now much better off than they were, and pensioners are the first to say so. All pensioners have benefited from the Government's success in containing and reducing inflation. In the past, the ravaging disease of inflation affected pensioners' incomes and savings. No friend of pensioners today would advocate policies that would risk putting the inflation rate back to 10, 20, or 30 per cent. and thereby putting pensioners at risk again, but a certain group of pensioners need our support. They have given great service to the country, but the country has not rewarded that service by ensuring them comfort in their old age. That group is just above the supplementary benefit line. They have some small savings and a small pension and do not qualify for the benefits that would be available if they had less. They have retired too soon to benefit from new second pensions. They hesitate to turn up the gas in winter. They say, "I cannot afford to put an extra lock on my back door." They are in a real hardship trap, and we should support them.

Housing, education and welfare are my three priorities for action. There are three problems, three traps, and three locks. I hope that during my time in this Parliament I shall play my part in helping the Government to find three keys to unlock these three traps.

4.56 pm

Mr. Jimmy Wray (Glasgow, Provan): I pay tribute to my predecessor, Mr. Hugh Brown. He was a well-respected hon. Member. He worked very hard for the constituents of Provan. I respect him as a person and as a Member of Parliament. For a time, he served with the Scottish Office. He was a dedicated, able man. I have no doubt that many Opposition Members respect him as much as I do. *Dod's Parliamentary Companion* gives us a potted history of his career, and we know that he was noted for being a tough-talking Scot. His wife, Mary, also came from a great political family in Glasgow. She paid much attention to his constituents. I wish both Hugh and Mary happiness in his retirement.

This morning I consulted a dictionary for the meaning of the word "controversy". It means to debate or to be open to question. I have no doubt that you, Mr. Deputy Speaker, will agree that the Government are open to question. I do not have a great deal in common with Conservative Members. I abhor the rotten capitalist system that has brought misery to many families in my constituency. I am not like the hon. Member for Battersea (Mr. Bowis). My constituency has the worst unemployment rate in Britain. In some areas, it is as high as 39 per cent.

The level of poverty in my constituency is deplorable. It is not so long ago that my constituents queued for the giros that did not arrive. They also queued at soup kitchens. Surely the Government must recognise the poverty that they have created by allowing banks to repossess houses and to raise their interest charges when

coffers were empty. That is the type of Government and the type of capitalism that Conservative Members have supported for the past nine years.

One of the most horrifying pieces of legislation discussed in the Chamber was discussed in panic because, when revaluations caused rates to treble in Strathclyde and Glasgow, the Prime Minister panicked herself into setting up a study to establish a rating system based on the ability to pay. The Prime Minister introduced what she called the "community charge". It is a poll tax. I have an electorate of 43,000, but if that legislation is implemented in Scotland my electorate will be down to 10,000 because nobody will register. The legislation is a breach of civil liberties, because, if people do not register, they will not be allowed to vote. The legislation must not be implemented.

The first person to introduce a rate relief for the poor was Pope Gregory. It was based on a system of help for the poor, but we are now considering a system based on the ability to pay. The community charge transfers the burden from the rich to the poor. A couple living in a 30-bedroom mansion, paying £2,000 in rates, would be asked to pay £500 under the new system. The burden would be transferred to a family living in a slum. That family of five earners may have a joint income of £25,000 a year, but they will be asked to pay something like £1,500 under the community charge. We abhor such a policy, and that is why the great lady has been scored off 90 per cent. of Christmas card lists this year.

Democracy has been eroded. The Labour party was the first to set up an inquiry into the local government system under the Layfield committee. That committee reported in 1976 and stated clearly that it would be extremely costly and take 10 years to introduce a new rating system. I believe that we should look for a system with a buoyancy yield, and the only system that provides that is a local income tax system. Based on that system Lawrie McMenemy, earning £4,000 a week, would pay a flat rate of just 5 per cent. on that £4,000. Wee Mrs. Dobbs on £30 a week would pay 5 per cent. on that £30. The local income tax system would leave room for exemptions and fluctuations in income and inflation would also be taken into account.

There are 18 million people living on or below the poverty line in this country. Press reports of previous weeks revealed that some of those people are only a giro cheque away from starvation. Oxfam has been turned into the national tailor for many poor families because they cannot afford to buy clothes on the menial supplementary benefit provided by the Government. The Government had an opportunity to do something about that problem when they introduced the Social Security Act 1986. However, that Act was designed not to help the poor, but to take from them so that the Government could save £1 billion.

Over the past eight years, it has been clear that the Government can give and find money, but they find it for the wrong people. They found £8 billion for the highest taxpayers in the country. That payment is the equivalent of £219 per week or an income of over £11,000 a year. The Government gave relief to those who did not need it. What did they do for the lower paid—those earning less than £5,000 a year? They gave them £1·63 per week, the equivalent of £89 a year. For that reason we will fight to dismantle the rotten, corrupt capitalist system that has been created in the past eight years.

Are we safe in the Government's hands? I do not believe that we are. The Government have decided to spend billions on a new weapon, Trident, that can destroy 26 cities and kill millions of people in one blast. However, we should consider the protection that is afforded to the Members and staff of this House. Last week, one member of staff was bleeding profusely and ran down to the medical office. The lady saw a 6 in. by 6 in. box wrapped in brown vinegar paper and bound with tape. Although she was standing there bleeding, the messenger said, "We cannot open the box." However, she said that she must and, after four minutes of unwrapping the tape, she opened it to discover there were six pieces of linen, six elastoplasts and one piece of cotton wool in that box. She was then told by the Serjeant at Arms that the box should never have been opened because the contents of the box were there to protect people if there was a nuclear attack. Such is the safety provided by the Government for the staff and Members of the House.

Three dear old ladies, who have spent 100 hours in the Court of Sessions, have asked me to raise their pet subject, the Water (Fluoridation) Act 1985. I do not know how anyone could have voted for that Act, especially when one considers the paragraph that specified that fluoride would be applied to 1 mg per litre where practicable. I would like a definition of "practicable". No one has ever mentioned whether fluoride can be considered as a medicinal product. The Medicines Act 1968 states that a medicinal product is a substance that is used to clear up diseases. The disease with which fluoridation is concerned is dental caries, a disease of the mouth.

The 1968 Act also specifies what is meant by the adminstering of a medicine. If one takes one substance, mixes it with another, and administers that to an animal or a human being, that substance is a medicinal product. The Government should also consider that it cost £1·5 million to discover that they were ultra vires with regard to the Water (Scotland) Act 1946. Throughout Britain, we employ local authority engineers to treat the water to make it wholesome. We do not employ those engineers to treat the people who drink the water. That is an important fact. We do not want the civil liberties of individuals to be breached. I hope that my dear old ladies will be happy that I raised that matter on their behalf.

I have been asked by disabled people to draw attention to all the Acts that have been passed by Parliament over many years, especially the Chronically Sick and Disabled Persons Act 1970. Local authorities, including Strathclyde region, have not fully implemented the required survey. About one third of all chronically sick and disabled people are still suffering because central Government will not give local authorities the money to implement those provisions.

Another piece of important legislation recently passed was the Disabled Persons (Services, Consultation and Representation) Act 1986, which, in relation to funding from central Government, is another farce. The Government have told local authorities not to implement it to keep costs down. They have offered little financial help and the finance that has been made available does not meet the needs in Britain, in Scotland or in Strathclyde.

Finally, high unemployment is a waste of talent, energy and creative productivity. Thousands of Glaswegians are unemployed while our oil, shores and land fall into the hands of the greedy merchants of the temple. The £58 billion of North sea oil revenue has been thrown down the drain in payments to keep people unemployed. We look

[Mr. Jimmy Wray]

for better for our unemployed. We look for jobs and apprenticeships, not for the slave and cheap labour of the YTS and MSC schemes. We look for investment. We want the Government to bring back the £109 billion that has been invested abroad, using cheap labour to get high interest rates. The Government can bring back that money.

We do not have to go far to know what an unjust world this is. Down at the Embankment, only a few yards from here, one can see people lying in cardboard boxes in the tunnels. The Government are uncaring and have no compassion. It is time that they got themselves together and started to implement policies to help the poor and unemployed. The quicker the Government do that, the better for the poor.

5.12 pm

Sir Dudley Smith (Warwick and Leamington): This afternoon I feel a little like a man who has been doing the football pools without success for many years, but whose number suddenly comes up. In the 25 years that I have been a Member of the House I have never followed a maiden speaker. Today, however, I find myself following two, and that is quite something.

I begin by congratulating the hon. Member for Glasgow, Provan (Mr. Wray). In the modern idiom, he was controversial, although there is nothing bad about that, because nowadays most maiden speeches are controversial. However, from the hon. Gentleman's delivery it is obvious that he is a robust speaker. I disagree with practically everything that he said, but I was interested to hear his comments about the "rotten, corrupt capitalist system". I am sure that he will be extraordinarily entertaining on the rotten and corrupt Socialist system although now is not the time to go into that, I should like to hear him speak on that topic.

I agree with the hon. Gentleman about fluoridation, as I am sure does my hon. and learned Friend the Member for Burton (Mr. Lawrence), who is present. With my hon. and learned Friend, I have long been a campaigner in the House to try to stop fluoridation. We have not been very successful, but we have voted against it consistently. I hope that we can welcome the hon. Member for Provan to the ranks of those who, irrespective of party, oppose this indoctrination of water, which we believe to be harmful.

The hon. Gentleman paid a gracious tribute to his predecessor, Hugh Brown, whom many of us knew as a man of charm and a hard worker. He was well liked by hon. Members of all parties. If the hon. Gentleman does as well for his constituents as Hugh Brown did, he will do very well indeed.

As I am the first speaker after two maiden speakers, I should like to congratulate also my hon. Friend the Member for Battersea (Mr. Bowis), whom all Conservative Members are delighted to see with us. His election was something of a surprise, as Battersea was one of the seats that we were not quite sure of winning. I enjoyed his confident tour de force of that area, which many of us know because of its close proximity to Westminster. My hon. Friend's speech reflected the success of that area, of many areas in the country and of our party. He is here because people are doing well and showing energy and enterprise. He is a modern and young product of that enterprise, and long may he be so. I appreciate that there are problems in Scotland, and elsewhere. They will be cured, and the thrust of this nation is forward, as we saw in the election.

I am glad that my hon. Friend the Member for Battersea had the good sense to pay a tribute to his predecessor, Alf Dubs. He was a hard worker, and an industrious member of the Opposition Front Bench and he will certainly be missed by Opposition Members. Perhaps one of these days he will be back, but not, I hope, representing my hon. Friend's seat.

All hon. Members congratulate those maiden speakers, and indeed all other maiden speakers because we know what a trial it is. My hon. Friend the Member for Battersea, the hon. Member for Provan and the hon. Member for Argyll and Bute (Mrs. Michie) made their maiden speeches with commendable confidence and we look forward to hearing from them in the future.

In this general debate on the Adjournment I should like to say a few things about one aspect of democracy. There are many who take democracy in our country for granted. We are rightly jealous of our democracy and fight strongly against those who try to undermine and subvert it. Sensibly, we have strict rules about our democratic electoral process which need to be observed faithfully and properly. Personation, for example, is a serious and punishable offence. That ballot is secret and polling stations are run with scrupulous fairness and independence. Casting one's vote at a polling station is relatively straightforward. However, there is one area in which our electoral and democratic rules are beginning to fray a little at the edges at the moment. It is time to stop the rot, and to do so now.

The main thrust of my argument relates to postal voting and its management. At the recent election, postal voting was something of a shambles despite the previous Government's praiseworthy efforts to extend it to include holidaymakers for the first time. The flaws and the bumbling incompetence of the Home Office officials who designed the new obstacle course of postal voting have already been exposed efficiently by my hon. Friend the Member for Ealing, Acton (Sir G. Young) in his recent devastating Adjournment debate.

To obtain a postal or proxy vote, one practically needed a law degree and experience in picking one's way through tricky legal documents. It is laughable to think what must have happened when the postal vote forms arrived at many council residential homes, or indeed at any residential home. I had a letter from a constituent this morning who, on the eve of polling day, called on his mother, only to discover that she had done nothing about the postal vote form. Those forms had been handed out, but no one had given any help or instructions as to what the old people should do to exercise their franchise.

Indeed, even people outside such homes and with plenty of intelligence who managed to survive one or two hurdles would always encounter a further one that would bring them down in their attempt to obtain a postal vote. In some respects, that endeavour almost took on the aspect of a competition for prizes, in which the organisers were trying to trip up the contestants. At the end of the postal vote form, one almost expected to see, "In case there is a tie, please describe in less than 10 words why you believe in democracy," or something like that.

I have discovered that people in quite important walks of life foundered along the way and were unable to get their postal votes accepted. As a result, thousands of votes

were lost to all parties. Many postal votes were never returned, many others were returned but were ineffectual, and others were spoilt.

I suggest to my right hon. Friend the Leader of the House that the whole postal voting system must be put right and a simple system initiated in time for the next general election. That is in the interests of all political parties and of our democratic process. We must safeguard the rights of as high a percentage as possible of those entitled to vote who come into these special categories; for example, the disabled, those who are going on holiday, those who are away from home because they have moved house and those who are away on business or for work purposes. I refuse to believe that in this advanced, electronic, computerised age we should retain a creaky, almost Victorian system of hit or miss, depending on whether one happens to fill in the form correctly.

In addition to the shambles of officialdom, I am worried about the attitude of the Post Office and the way it carries out its tasks. Every four to five years, when a general election comes round, the Government must instruct the Post Office at the highest level that it must provide extra supervision and pay extra attention to the handling of all communications in relation to that election. These are not merely ordinary items of mail which are processed daily. They are items which must be handled with care and expedition. I estimate that I lost well over 1,000 votes because of those who were unable to register on time, those who applied too late and those who were cheated of their franchise by officialdom. I am sure that that experience was shared by many other hon. Members. It goes without saying that in a marginal seat this could be utterly crucial to the outcome of the election.

In future, we cannot allow the Home Office to erect hurdles against us which are insurmountable by many people. We cannot leave to chance or a supposition of good will or efficiency that the Post Office will deliver poll cards, election literature and, most important, the growing number of postal votes that we shall have in years to come. Postal votes must reach their destination as quickly as possible and be transmitted back again.

In my constituency, postal votes were issued on the appropriate day. Some people were at home, literally sitting on their cases, waiting to go on holiday, knowing that their postal vote was to arrive the next morning, only to discover that there was a 24-hour delay because a sackful of postal votes had been put on one side and had not been dealt with by the Post Office. I would have thought that that was an electoral offence.

The electoral returning officer in my area made strong protests and I received an apology from the district head postmaster of the area that I represent. Two or three consitituents have alleged that their postal votes were issued by the returning officer, but never reached them. As a consequence, those people were disfranchised. One constituent wrote to me and said that he was now old and disabled and that he had voted in every general election since 1935. He regarded it as his democratic right and duty. This was the first time that he lost the opportunity to vote, because the Post Office did not deliver his postal vote.

These are serious matters, and in some cases they can influence the outcome of the contest. Whether or not they do, it is the right of every person of sound mind above the qualifying age to cast his or her vote at an election. It is extremely important that the Home Office takes these matters on board and acts positively to reform the system and for the Government of the day to say at election times to the Post Office, "It is your duty to provide the utmost supervision to ensure that all election communications are handled efficiently, dispatched on time and returned to the returning officer ready for counting when the election takes place." If we do that, we shall make a small but significant advance.

5.25 pm

Mr. John Fraser (Norwood): I have some sympathy with the hon. Member for Warwick and Leamington (Sir D. Smith) about filling in postal vote application forms. I found it almost as difficult as booking tickets for the National Theatre. The sooner we revise those forms, the better.

I, too, congratulate my hon. Friend the Member for Glasgow, Provan (Mr. Wray) and the hon. Member for Battersea (Mr. Bowis) on their maiden speeches. My hon. Friend succeeds an hon. Member whose reputation for hard work, sincerity and robust speech was well recognised in the House. Clearly, my hon. Friend comes to the House with intense feelings about poverty, inequality and unemployment, and I hope that we shall often hear from him in future. He endorsed the people of Scotland's strong condemnation of Government policies.

I must be careful about congratulating non-Labour Members, because when it fell to me to congratulate the hon. Member for Greenwich (Mrs. Barnes) shortly before the general election my remarks found their way into a pre-election leaflet that was circulated in the Greenwich constituency and I had to account to Ms. Deidre Wood for what I had said in the House.

When I grew up in Battersea, it was pronounced "Ba'ersea" and Arding and Hobbs was pronounced "Harding and 'obbs". The hon. Gentleman finds himself in the House because the people of Battersea do not suffer unemployment to the same degree as the people of Provan. He spoke with fluency and sincerity and recognised the problems, two of which, housing and education, are dear to my heart. He may live to regret the Government's proposals for them, because he will find that the policy of the London borough of Wandsworth, which the Government intend to emulate, is a policy of rehabilitating buildings rather than the lives, hopes and ambitions of people.

It is no solution to the problems of inner-city London and of high council flats simply to remove the people facing the problems and to replace them with others on a high income who want an address close to the City of London. The same is true of schools. The hon. Gentleman may well find that if the better organised, articulate parents have a chance to take their schools out of the state system, the sink schools, which have a larger proportion of deprived children and face the inequities of the inner city, will not be improved, but their problems will be intensified.

I cannot conclude my opening remarks without mentioning the loss of my friend Alf Dubs, a man with a king-sized conscience for those who suffer any sort of oppression. He will be sorely missed and I hope that he will soon be returned to the House. It is no exaggeration to say that there were people in Battersea with tears in their eyes the day after the election, because they owed so much to his sincerity and campaigning.

Alf took a great interest in immigration and I believe that the House should not adjourn for the summer recess

[Mr. John Fraser]

until there has been a ministerial statement about the conditions of a constituent of mine, Donald Michael Brown, who is liable to arrest and removal from the United Kingdom without any right of appeal, without any trial and without any statutory or judicial way of dealing with the problem. His wife, Katherine Brown, was born in the United Kingdom and her rights are also affected.

The history of the matter is very simple. Mrs. Brown was born here, but went on holiday to Jamaica and married Donald Michael Brown there. He applied to the United Kingdom high commission in Kingston for entry to the United Kingdom as a husband. However, there is an immigration rule that is an intellectual assault. It states that a person cannot come to this country if the primary purpose of the marriage is to gain entry to Britain. According to the immigration rules, the primary purpose of a marriage can be absolutely genuine, namely, that the couple have fallen in love and want a permanent relationship but the couple may be caught because at the same time the primary purpose of the marriage might be to come to the United Kingdom. How can there be two primary purposes for a marriage? That is an intellectual assault.

The rule effectively states that if an overseas male marries and wants to come to Britain, he cannot do so. However, if he marries and proves to the Home Office that he does not want to come here, he can come here. That is the rule in a nutshell. That is the rule that caught my constituent.

My constituent married in Jamaica in March 1986. It might help matters if I give the Home Office reference number. There is a system that ensures that we can get replies to these matters in Adjournment debates. The matter is now being dealt with by the Minister of State, and the Home Office reference number is B439046. The temporary admission number is TN/RLE/2375/86. I hope that that will make it easier for the Leader of the House.

Mr. Brown was refused permission to come here in May 1986. Mrs. Brown has a problem. Her mother has heart disease. My constituent has a council flat of her own and she is self-supporting. However, her mother suffers from a severe heart condition. Therefore, Mrs. Brown had to return to the United Kingdom some time in May or June 1986. Her husband came here on a visit in December 1986. It is true that he did not tell the Home Office that he was coming here to see his wife. I expect that in dictatorships all over the world when, someone wants to be near a relative or to get into a country to be united with his family, that person would tell lies about the reasons for wanting to join a husband or wife. I am sure that that happened in Germany before the war, and I am sure that it continues to happen. I do not hold it against my constituent that he did not tell the entire truth when he tried to get into Britain to be with his wife. He got into Britain by gaining temporary admission, and that is why he is liable to arrest and removal without a trial or appeal.

Mr. Brown's wife is now expecting a baby to be born in October. All pleas for Mr. Brown to be allowed to stay with his wife have been turned down. The wife, who has rights in these matters, faces a great dilemma. In parentheses, if my female constituent had been a man, because she was established in the United Kingdom on 1 January 1973—if the sexes were reversed—she would have an absolute right to be joined with her spouse. However, because of the way in which the rules are drafted, she does not have an absolute right for her husband to join her because she is a woman. She faces a cruel dilemma. What is she to do?

If the husband is removed to Jamaica, she must make a choice. Should she go to Jamaica and give up her home here? She has adequate accommodation. Should she give up her home in Britain and abandon her mother, who is suffering from heart disease, who is in and out of hospital and who lives only a few doors away because the local authority has shown good sense by housing them closely together? Should she abandon her home and her mother on the one hand, or her husband on the other? Should she go to Jamaica with her child, where the child may have fewer prospects than in the United Kingdom? What is she to do?

When we consider the question of primary purpose, we realise that the immigration rule is nonsense. The rule is sexist, because it distinguishes between males and females. It creates a cruel dilemma of choice for a pregnant wife in a genuine marriage with genuine conflicting family responsibilities. That rule should be changed.

There is a form of unofficial prerogative of mercy, although that is not a royal prerogative of mercy. At all times, the Home Secretary or the Minister of State can say that the rules are working in a cruel, harsh and unconscionable way and that he will put to one side the harsh operation of that rule. I ask the Home Secretary, through the Leader of the House, to consider that this is one of those cases where the prerogative of mercy should be used and my constituent Mr. Brown should be allowed to remain with his pregnant wife, who is expecting the birth of her baby in a few months' time.

I have another reason why I believe that the House should not adjourn just yet, and this has nothing to do with immigration. It was reported in the papers today that the Home Secretary is about to release 5,000 criminals from prison back into society. Crime is one of the worst problems in my constituency. It is not all that easy to get into prison in London, because the courts are, on the whole, very reluctant to send people to prison. Now, however, 5,000 non-violent offenders are to be released. I accept that they are non-violent and that they are burglars, pickpockets, car thieves and people who have been convicted of graffiti, criminal damage and other offences. The cases of those people have been considered in detail in the courts and they are about to be released by the Home Secretary back into society before they have served out their sentences.

As a recompense for the Government's inability to deal with matters of law and order properly, I hope that anyone who is burgled or loses his car as a result of the reconviction of any one of these released people during the time when they would otherwise have been in prison will take advantage of an extension to the criminal injuries compensation scheme. There must be some recompense for the incompetence that the Government are visiting upon the victims, who may include my constituents. It is an extraordinary comment on the so-called party of law and order that the Government are emptying the gaols of some 5,000 people to make room—as this is not an amnesty—for another 5,000.

My main plea is for mercy for my two constituents who face a grievous family dilemma. I hope that at the end of the debate the Leader of the House will not redeem but will start to make his reputation by bringing mercy to this case.

5.37 pm

Mr. Graham Riddick (Colne Valley): I am grateful for the opportunity to make my maiden speech. I am happy to follow the tradition of the House by paying tribute to my predecessor, Richard Wainwright. He was nothing if not persistent. He fought and lost three elections in Colne Valley before gaining the seat for the Liberal party in 1966. When he lost the seat in the 1970 general election, that, I believe, was the only seat to be gained by the Labour party that year. However, he regained the seat for the Liberals in 1974 and held it until his retirement at the general election. Richard Wainwright was, I believe, a respected Member of the House and a good constituency Member who was always on hand to help constituents with their problems, however small. He was ever present in the constituency and he was very approachable. It is my intention to follow his example in that respect.

Colne Valley has a rich and interesting political history. In 1923, it provided the country's first ever Socialist Chancellor of the Exchequer in Philip Snowden. Another Labour man, Victor Grayson, who was Member of Parliament for Colne Valley in the first decade of this century, disappeared in somewhat mysterious circumstances. That is an example that I do not intend to follow. I hope that I shall not be too controversial if I state that a former Prime Minister, Lord Wilson, was born in Milnsbridge in my constituency.

In this interesting political jigsaw puzzle that is the Colne Valley there has been one vital piece missing—in its 102-year history Colne Valley had never had a Conservative Member of Parliament. That was the case until four and a half weeks ago, and I am delighted to be the piece that completes the jigsaw. Indeed, it is worth pondering why, if there is such an appalling north-south divide — as Opposition Members contend — the good people of Colne Valley should see fit to elect their first ever Conservative Member of Parliament after so long.

I hope that I shall be allowed to indulge just a little in eulogising my beautiful constituency. Although they might not realise it, part of my constituency will be well known to many people both inside and outside the House, for as they enjoy the antics of Compo, Clegg and Foggy in the TV series "Last of the Summer Wine", they also enjoy the attractive scenery of Holmfirth and the surrounding Holme valley in my constituency where that series is filmed.

I do not imagine that many constituencies can boast that no fewer than five packs of hounds reside in their boundaries, yet that is the case in Colne Valley, with the Holme Valley beagles, the Colne Valley beagles, the Pennine hunt, the Rockwood hunt and the Colne Valley mink hounds. Indeed, I am delighted to pay tribute to the field sports followers in my constituency who gave me enormous support during the election because they saw that the Conservative party was the only party that posed no threat whatever to their traditional pastime.

Colne Valley takes in some of the suburbs of Huddersfield, such as Lindley and Crosland moor, which will tell those people who sometimes mistakenly associate Colne Valley with Nelson and Colne in Lancashire that Colne Valley is in the very heart—some would say it is the very heart—of west Yorkshire.

With its textiles tradition, Colne Valley was one of the major engine rooms of the industrial revolution. Sadly, the last 25 years have seen the textiles industry decline, and the industrial Colne Valley has declined with it. Happily, however, I can report that this area, along with many other parts of Yorkshire, is being revitalised by the entrepreneurial efforts of many local people. Recent reports from the regional CBI and the local Kirklees chamber of commerce have demonstrated growing confidence among the business community.

Unemployment in my constituency has fallen by nearly 900 over the last year. These improvements have been brought about by the Government's economic policies that have led to low inflation, improved productivity, more responsible trade unionism and greater support for small businesses.

There is one major obstacle that stands in the way of increased economic progress in my area and, indeed, in many other parts of the country. I refer to the problems caused to industry by local councils and the planners. As firms increase their business, in many cases they need to expand their existing premises or to find additional premises. As a result, they come into contact with the local council, and only too often find that their problems have only just begun. There are so many hurdles to overcome —from the highways department to the water authority, from the planners to the tree planters. If one's building is listed, one's problems are compounded. After all that, one's proposal must then win the approval of the elected councillors.

A number of local business men have come to me with problems put in their way by the local Kirklees council. Let me give an example. John Crowther plc of Milnsbridge has turned itself round from being a loss-maker to what is now a thriving business, employing 400 people and exporting nearly 50 per cent. of its output. Crowthers wants to pull down an empty, derelict mill called Union Mills and in its place build some single-storey units that will create jobs for local people. That mill is an eyesore and is now dangerous because of its dilapidated condition. It is a mess. If one wants confirmation of that one only has to ask my right hon. and learned Friend the Foreign Secretary who visited the mill with me last Friday. Yet the council has just refused to recommend demolition. There is no justification for the loss of jobs that would otherwise have been created.

On Friday I also visited a small printing firm, L W Graphics in Longwood. That firm wanted to expand, found the ideal premises 12 months ago, put forward a planning application and was turned down — not on environmental or traffic grounds but because the application went against the local plan which says that change of use of existing buildings for office purposes can only be permitted if inside the town centre. That was despite the fact that the premises had been used for commerical purposes for more than 20 years. What a crying shame that those few extra jobs were never created because of an unnecessary and petty bureaucratic restriction. I could quote many similar stories of how the rules and regulations of Kirklees council have hindered and, indeed, blocked the development and progress of industry in my constituency.

As this is my maiden speech, I would not dream of suggesting anything controversial, such as that these obstacles are an indication of the innate hostility of certain Labour councillors to private enterprise. My experience is that business men are very good at saying what they can do, what can be done, why a new product can be made and sold and why new jobs can be created but that council

[Mr. Graham Riddick]

officials are very good at saying why something cannot be done. It is my belief that had today's planning controls existed 150 years ago, the industrial revolution would never have taken place.

The Government will have to look at planning controls again. In my view, some local councils are abusing them, and in so doing are hampering the Government's efforts to revitalise the private sector of industry. Of course, we must have controls. We must protect the green belt and the best examples of our architectural heritage. But the pendulum has swung too far, and thousands of jobs that could have been created have been lost for ever. I am sure that the examples I have quoted are merely the tip of the iceberg.

In Yorkshire and my constituency scores of budding entrepreneurs are ready and able to create the jobs of the future. They have the courage, enterprise and ideas to create that employment, but many of them do not have the patience, know-how or mind of a bureaucrat to overcome the frustrations of local government red tape. This Government must free them so that they can go out and create the extra wealth, prosperity and jobs that we all so desperately want to see.

5.50 pm

Mr. Brian Wilson (Cunninghame, North): I succeed in the House the former hon. Member for Cunninghame, North, who was before that the hon. Member for Bute and North Ayrshire, Mr. John Corrie. I am pleased to pay tribute to the diligence of Mr. Corrie's efforts over the years and to wish him well, whether in his retirement from politics or in his temporary absence from them.

My constituency is, in many ways, Scotland in microcosm. It is a mixture of the industrial and the rural. It is a constituency of great beauty; sadly, it is also a constituency of greatly wasted resources and talents. We live in a society which can apparently afford to dispense with the labour of 30 per cent. of my male constituents, with the unique deep-water facility at Hunterston and with the skills that have been built up over generations among the steelworkers of the Garnock valley.

I do not intend to take the House on a Cook's tour of my constituency. I shall quote only one statistic—from a document published last month during the election campaign. It is a careers report from the Ardrossan office of Strathclyde regional council's careers service, which states that of 174 school leavers, at Christmas fully 50 per cent. had failed to find any form of employment, and that 66 of those who had were on youth training schemes. Only 13 were in permanent employment. Of the other 50 per cent., the report states:

"Their prospects are bleak. There are no jobs and no YTS vacancies for them."

It is into this real world that the Government intend to introduce the venal concept of conscription into jobs and schemes that do not exist in order to fulfil the myth that this is a land flowing with opportunity for all.

I intend to concentrate my remarks on the subject of the poll tax, otherwise known as the community charge. I feel that, after two years of debate on the matter, we in Scotland have something to teach the rest of the United Kingdom. Let me say to Conservative Members that, with respect, it is a lesson to which they might do well to listen. The Conservative party has learnt certain lessons in Scotland about what happens once the realities of the poll tax, as opposed to the glittering package of alleged reform, become known to the public at large. In a more musical and romantic age, the events of 11 June might have been commemorated with a couple of pipe tunes: I suggest that "Lament for the Earl of Ancram" and John McKay's "Farewell to the Isles" might not have been inappropriate memorials to the debate on the community charge.

The community charge, or poll tax, was born out of blue-rinsed funk and panic among Scottish Conservatives who saw electoral disaster staring them in the face some two years ago. At the end of the day, they have the community charge on the statute book. However, they have also had the electoral disaster. The idea was conceived that if the 20-odd per cent. of Scottish people who vote Conservative were bribed with a shameless transfer of wealth from those who have least to those who have most, those people would dutifully salivate their way to the polling booths to thank the Conservative Government for their generosity, and would return Conservative Members to those constituencies. That idea was based on a misconception about the quality of the human spirit. It was based on the assumption that everyone — or at least everyone who had previously voted Conservative — voted on the basis of shameless, naked greed, without the slightest regard for the conditions of the society that surrounded them.

Fortunately, that calculation did not prove justified. In my constituency, and in many constituencies with a larger middle-class electorate which was supposedly to benefit from the scheme, electors in their droves rejected the poll tax precisely because they realised the unfairness of it—although it was to benefit marginally, or even by a substantial amount, their own wallets. I hope that I have enough faith in human nature in the south, in Wales and in other parts of the United Kingdom that the same calculations will be made by the electorate there in a few years' time. Those people may decide that they are going to benefit, but they will, I trust, also decide that they do not wish to benefit at the expense of old-age pensioners, the disabled and the poorest families in the land. For it is those people who will have to pay the tax, so that the wealthiest in the land may be subsidised and live in even greater comfort.

I can give this transfer of wealth a simple title: the Dulwich factor. I can think — hypothetically — of a wealthy retired couple in Dulwich who will benefit from the tax by, let us say, £2,000. As long as that is an abstraction which will not greatly affect others in Dulwich, it may not affect their behaviour, electoral or otherwise. But when the people of Dulwich realise that for that wealthy couple to benefit someone else must pay £2,000, they will become curious about the workings of the new tax. And when they realise that the people who will pay the £2,000 to subsidise the wealthy couple are not an abstraction but indeed themselves, they will become not only curious, but extremely angry. That "Dulwich factor" has already applied in Scotland, and I confidently predict that it will begin to apply in the rest of the United Kingdom.

The poll tax as it is proposed is a shameless transfer of wealth. It presupposes, or rather makes the hypothetical assumption, that everyone in our society can afford to pay equally, irrespective of means. To add insult to injury, even the weakest in the land — even the frailest pair of pensioners in my constituency who exist on supplementary

benefit pension and are at present exempted from paying rates—must initially find £2·60 a week from their pitiful pensions. Why? So that the wealthiest people in my constituency, and in society as a whole, may make massive savings.

I trust that, when people are confronted with the unfairness of the system, and then see it applied to the disabled and all the other categories of poor people in our society, they will reject the tax. When the Scottish poll tax measure was debated in the other place, the Government made a concession in respect of the mentally handicapped. They discovered a new category of person: the severely mentally handicapped. The Government decided, in all their generosity and majesty, to exempt the severely mentally handicapped, but not the merely mentally handicapped. In what kind of society do we live when the merely mentally handicapped — and all the physically handicapped — are to be taxed, so that the Dulwich factor may apply, and the wealthiest in the land are given a shameless handout?

My main objection is not on the financial argument or the venality argument, but on democratic grounds. I was interested to hear the hon. Member for Warwick and Leamington (Sir D. Smith) wringing his hands over the state of the electoral register and the iniquities of the postal vote system — and quite right, too, although I would remind him, as a Member for an Ayrshire constituency, that if the electoral register had not been so disastrously bad in our part of the world, the Secretary of State for Defence would have been packing his Red Box and never returning to the House.

On the democratic argument, my hon. Friend the Member for Glasgow, Provan (Mr. Wray) was absolutely right. The poll tax will take hundreds of thousands—indeed, millions—of people off the electoral register. If the head of a household of limited means is asked how many adults are living in the household, and the price of honesty is another £350, £500 or £750 per head, it will be in his interests to minimise the number of adults living in the household. We shall be back to the means test days, when inspectors came to the door and asked how many adults were living in the house. Suddenly, young people were away, staying with aunties, and people were hiding under beds and in cupboards. The price of being caught in one's own home will be the payment of hundreds of pounds more by people who cannot afford it. I do not know whether the advice of the right hon. Member for Chingford (Mr. Tebbit) to get on one's bike has been accepted in reality, but it will be accepted in theory because parents will say, "No, the kids are not here; they are in London"—or Manchester or Liverpool—"looking for work."

Another aspect of this tax is that it will destroy and disrupt family life. To admit that members of the family are living at home will lead to families paying more tax. That will be the result of this family-loving Conservative Government's policies. Many people will be taken off the electoral register. In this year of grace, 1987, is it respectable for a Conservative Government to seek to diminish the electoral register by removing vast numbers of people from it? Almost by definition, they are the least able to afford the tax and therefore, almost by definition, they are the least likely to vote for the Conservative party. Even according to the Conservative party's diluted concept of democracy, is it in the interests of that democracy to proceed with this tax?

I ask you, Mr. Deputy Speaker, to take note of my forecast that by the end of the debates on this tax it will be abandoned because the suburban peasants who vote for the Conservative party will revolt. In Scotland, this tax was acceptable only to the 20-odd per cent. who previously voted for the Tory party. In England and Wales, the Conservative party has to avoid seriously offending 50 per cent. of the electorate if it is to make the tax a vote winner. On the basis of the Scottish experience, I confidently predict that the Government cannot do it, that they will not do it, that sooner or later they will have to retreat in bad order, and that the poll tax will disappear.

That brings me to a very important point: what is to happen to the poll tax in Scotland? In the first few days after the general election and in whatever may be the opposite of the first flush of success, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind) clung to the idea that the poll tax must be implemented because it is to be legislated for in England and Wales. According to his curious logic, it would be nonsensical to implement the poll tax in one part of the United Kingdom but not to implement it in the remainder. I hope those words are firmly on record so that when the poll tax is abandoned in England and Wales it will also be abandoned in Scotland.

Under no circumstances must the poll tax be implemented in Scotland before it is implemented in the rest of the United Kingdom. If there is an undemocratic or anti-democratic attempt to impose the poll tax in Scotland before it is imposed in the rest of the United Kingdom, there will be abstention on a massive scale. There will be non-registration and non-payment on a massive scale. There will be a unity of purpose in Scotland that will flummox and bewilder those who sit on the Conservative Benches.

I have been very disappointed, though not surprised, by the reaction of Conservative Members to the outcome of the election in Scotland on 11 June. If they had had any grace, sense, or long-term vision, they would have reacted sensitively to their disastrous election result on 11 June. There has been no such generosity of spirit. Now, the ludicrous idea is that Scottish local government will be legislated for by a Committee that does not include a Scottish Office Minister. Those on the Government Benches sneer and say that because of the Union we, too, are lumbered with the status quo.

I have always supported the Union, but I do so only if it can be used as an instrument of progress. I do not want the world or this little island to be further divided up. But if the Conservative party believes that the union can survive when it is seen as the guarantor of mass unemployment and mass poverty in Scotland, if it thinks that the Union can be used as an instrument of interminable repression, it has another think coming to it. The Act of Union is written on parchment, not on tablets of stone. If the right hon. Member for Finchley (Mrs. Thatcher) wants a place in the history books, let her reflect that the Falklands war will come to be regarded as a minor skirmish compared with the stigma that she will incur if, by her intransigence towards the people of Scotland, she succeeds in becoming the instrument of the destruction, after 280 years, of the Union.

6.5 pm

Sir Geoffrey Finsberg (Hampstead and Highgate): In 17 years, Mr. Deputy Speaker, I have never before had the

[Sir Geoffrey Finsberg]

opportunity to compliment an hon. Member on a maiden speech. I compliment the hon. Member for Cunninghame, North (Mr. Wilson) on his maiden speech. When perusing "The Oxford English Dictionary" it might be difficult to reconcile the term "non-controversial" with what he said. None the less, it was a powerful speech and it came from the heart. I look forward to hearing him speak on many other occasions, when his comments can be subjected to critical examination.

I was glad that the hon. Gentleman paid tribute to my old friend, John Corrie, who was a first-class Member of the House. We all look forward to his speedy return. Similarly, I compliment my hon. Friend the Member for Colne Valley (Mr. Riddick) on a very good maiden speech. I welcome the tribute that he paid to Richard Wainwright, who, with me, was a trustee of the parliamentary pension fund. He was a very distinguished and very hard working Member who looked after the interests of all hon. Members and tried to improve their pension arrangements.

I shall refer briefly to three issues. First, I support my hon. Friend the Member for Warwick and Leamington (Sir D. Smith), who referred to the muck-up by the Home Office of the postal voting arrangements. I welcome very much the attitude of my hon. Friend the Parliamentary Under-Secretary of State for the Home Department who said that he would examine with a very flexible mind many of the points that had been made. I hope that changes will swiftly be made.

Secondly, the community charge legislation is to be welcomed and the sooner it is in force the better.

Thirdly, I wish to refer to the postal services in north-west London. My right hon. Friend the Leader of the House should note that one of the purposes of this Adjournment motion debate is not to indulge in the rhetoric of major political issues, but to refer to matters that are of particular concern to our constituents. I have no knowledge of hordes of people who are anxious to read a work of fiction by a man named Peter Wright.

It is appalling that when he wrote to me the district postmaster in north-west London said that he understood and recognised that a change in the population had resulted in a substantially increased volume of mail, and that in order that particular addresses should not always have their first and only delivery, in many cases, at 12 noon, he was arranging to stagger deliveries, so that on one day their mail would be delivered at 8.30 am and on the next day it would arrive at noon. He is making everybody share the misery.

I do not criticise the postmen, who are doing a first-class job, but the management—and perhaps the union leadership—ought to realise that if there is an increase in the volume of mail their duty is to provide a service so that those who pay 18p and 13p for the delivery of their letters are provided with a proper service. The sooner that that is realised in north-west London, the better. I hope that my right hon. Friend wil convey those remarks to the chairman of the Post Office.

Last Friday my secretary posted two letters to me, not merely with the correct London postal district, but with the correct postal code. The small envelope, which was posted at 8·15 pm on Friday, arrived at my home in London NW2 on Saturday morning. That was the second letter that she had sent to me and it apologised for omitting to tell me something in the first letter. The first letter did not arrive on Saturday, even though it was posted some three hours earlier, at 5·15 pm, again with the correct London postal district and postal code. Might it be that it was too large for the Post Office?

I ask my right hon. Friend the Leader of the House to take up this matter, because the larger envelope, which is supplied to us, is being delivered late, yet the smaller envelope is getting through. The Post Office must be told that this is not satisfactory to the House of Commons. As a result of the larger letter arriving late, the letters that I could have signed and posted on Saturday to arrive at my constituents' homes on Monday will not arrive until tomorrow, because I could not post them until today.

The last matter that I want to ask my right hon. Friend is whether, before the House rises for the recess, he will tell my right hon. Friend the Secretary of State for the Environment that I am becoming tired of waiting for him to take over, under the provisions of the Housing Act 1980, the functions of the London borough of Camden in respect of its right-to-buy applications. There are hundreds of cases, not scores, where Camden is in breach of its statutory duty under that Act. It is denying hundreds of my constituents their right to cease paying rent and buy their own homes. I am aware that the power exists in the Act, because I was one of the Ministers who was responsible for that legislation.

The time has long passed when Camden should be allowed to thumb its nose at the Government and the law of the land. Behind the scenes its officers are saying, "Don't worry, we know how not to provide the information". The council is refusing to fill vacancies months after they have been created, and over and over again the ordinary people are suffering. The ordinary people showed what they felt on 11 June, because the overwhelming support that I received in my constituency came from council estates where people are sick and tired of the inactivity of Camden in dealing with this matter.

Those are the points that I wish to raise with my right hon. Friend. I hope that they will be dealt with before we rise for a well-deserved summer recess.

6.12 pm

Mr. Tom Cox (Tooting): I have listened to the five maiden speeches that have been made. One of the joys of being an hon. Member is that when one hears new Members making their maiden speeches one learns something about the charms and problems of the area that they represent. I am sure sure that all hon. Members will listen with great interest to their future speeches.

I should like to congratulate warmly my two hon. Friends on their maiden speeches. My hon. Friend the Member for Glasgow, Provan (Mr. Wray) clearly outlined why we have this enormous north-south divide. He outlined the problems that his constituents face and why in the election on 11 June there was an overwhelming vote of support for the Labour party in Scotland.

My hon. Friend the Member for Cunninghame, North (Mr. Wilson) made an outstanding speech. He spoke with great confidence and sincerity on an issue that will, without doubt, dominate the House in the coming months. The comments that he made and illustrations that he gave about the effects of the poll tax in Scotland will be of interest to every hon. Member who has not suffered from the effects of it but who has deep concerns as to its effect

The issue that I should like to raise is the conditions under which men and women are kept in custody in police cells. I must tell the Leader of the House that at the present time 355 men and women are being kept in police custody because our prisons are overcrowded. If those men and women were receiving the same rights as unconvicted prisoners who are on remand in prison, there would be no need for me to speak in the debate. The conditions under which men and women are being kept are an utter disgrace in this day and age.

The rights of the Home Office to hold men and women in such conditions come from the Imprisonment (Temporary Provisions) Act 1980. I stress the word "temporary" because when that measure was introduced in 1980 a firm assurance was given by the Home Secretary, now the noble Lord Whitelaw, that those provisions would be temporary. In 1982 only 42 people were kept in police cells, but in June 1987 there were 355.

The former Home Secretary, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan), made a statement that was issued by the Home Office on 2 July 1983. It said:

"The Home Secretary, Mr. Leon Brittan, said today . . . he was determined to ensure that the use of police cells to hold prisoners is eliminated before the end of this year."

In a written answer the former Parliamentary Under-Secretary for the Home Department, the hon. and learned Member for Putney (Mr. Mellor), said:

"I am conscious that it is not always possible to ensure that prisoners held in police custody receive all the entitlements that would apply if they were in prison custody and I am aware that there have been particular difficulties in relation to visits and exercise."—[*Official Report*, 8 May 1985; Vol. 78, c. 407.]

How true that is today, yet that statement was made over two years ago.

Sadly, the position for men and women who are being held in police cells has worsened since then. I have some comments that were made by Sue Richley, in April of this year. She is the deputy chairman of the bench at South Western magistrates' court, which is a major court in the south of London. Although it is not in my constituency, it is in the borough of which I am one of the Members. I shall not quote all that she said, but these are some of the matters to which she referred. She described the conditions that she had seen and referred to the conditions at the court in Lavender Hill and in similar cells that she had visited elsewhere in London. She said:

"These court cells were made for people to be kept in for no more than four hours while they were waiting to appear in court. Some are being held for weeks and many for several days.

There is no proper bed, just a kind of bench that pulls out from the wall on which the"

police officers

"put an old mattress . . .

There is no room for a chair or table or any furniture . . .

There are washing facilities but they are very poor . . .

There is nowhere for"

people

"to put their belongings. They just keep everything stored up in lots of plastic bags."

Those comments were made by a magistrate in April 1987. Wandsworth prison is in my constituency. Over the years I have visited that prison on many occasions, so I have a fair idea of what conditions should be like for people who are being held in prison. Prison standing order 8A clearly says:

"An unconvicted prisoner will be afforded immediate and ample facilities for communicating with his relatives, friends and legal advisers."

As well, he has the right to daily changes of clothes and the right to have food brought in from outside by relatives or friends. That is all denied to the men and women kept in police custody.

Two of my constituents have been held in custody for four months. The wife was shunted around—the only description that I can give—for weeks from police cell to police cell. She is now held in Holloway prison. Likewise, her husband was shunted around and he is now held in police cells in Northamptonshire. His home is in my constituency in Wandsworth. When his relatives sought to visit him, they were denied access and told that visits were not allowed.

Last week I took up this matter with the Parliamentary Under-Secretary of State for the Home Department, the hon. Member for Grantham (Mr. Hogg). As a result of pressure, my constituent is now allowed visits once a week. For more than three months that husband and wife have been denied access to each other. They are convicted of no offence. They are in custody on remand, but that proves nothing. We all know that vast numbers of people are remanded in custody and are often acquitted and discharged. I have two letters which the Leader of the House might like to see. The husband is now on a hunger strike, protesting at the refusal by the authorities to allow him to see his wife. It is an utter disgrace that such conditions are imposed on people who have not been convicted of any offence.

Time does not permit me to outline what I think should be done. I happen to know a bit about prisons, and I disagree with the comments of my hon. Friend the Member for Norwood (Mr. Fraser). The tragedy is that far too many people are in prison. A great many should never have been put in prison. They may need some form of care, but not prison. So long as they are in police custody, constituents such as mine will suffer the basic denial of what are their rights even though they are held in custody. If my constituents were held in prison they could enjoy all those rights that are clearly stated in prison rule books.

I beg the Leader of the House to take up this matter with the Home Office. I have quoted the comments in 1983 of the former Home Secretary the right hon. and learned Member for Richmond, Yorks. The position has worsened since then. There are people living in the most degarding conditions that one can imagine. They are denied access to relatives and friends. My constituents, who have been married for many years and have children, are denied their rights. This is an utter outrage and I beg the Leader of the House to do something about it, and as soon as possible, not only for my constituents, but for the many men and women also suffering under these conditions.

6.23 pm

Mr. Ian Taylor (Esher): I rise with some trepidation, as this is my maiden speech, and with some confusion about what maiden speeches should be. I have sat through this debate and many others in the short time since I became a Member thinking that maiden speeches should be uncontroversial and related to a subject pertaining to one's constituency. But it seems that that message has not got through to several Labour Members. I sat through one maiden speech this afternoon by a Labour Member feeling considerable resentment about his arrogant assumption

[Mr. Ian Taylor]

that he had a monopoly on care. Some of us have become Members because we care about people. We care deeply about the people in our constituencies. We shall not take from Labour Members in what are supposed to be uncontroversial speeches assumptions that we lack care and that they have a monopoly on it. As the hon. Gentleman who made that assumption is not here, I hope that he will read *Hansard* to find the depth of my feeling and, I am sure, that of many of my hon. Friends on the matter. I am sure that you will be relieved to know, Mr. Deputy Speaker, that that is the last controversial matter to which I shall refer.

I have the great honour of standing in the House as the Member for Esher. That seat has been the subject of two previous maiden speeches since the war. The last was by my predecessor, Sir Carol Mather, in 1970. He spent 17 happy years here working hard for his constituents, the last 11 as a Whip. Before entering the House Carol Mather spent 22 years serving in the Welsh Guards and, sadly, was one of the declining number of hon. Members who had a Military Cross for the services he rendered for this country in the last war. He was a heroic man. Sometimes that was not always noticed because of his quiet disposition. His service as a liaison officer to Montgomery, his capture and subsequent escape and many other incidents during the war are a tribute to him. The constituents of Esher were proud to have him as their Member for 17 years, during which he assiduously looked after their interests, never failing to take up a case and always being particularly interested in the concerns which they brought to him. As I said, this is a proud moment for me to make my first speech as his successor.

It is also a proud moment for me to mention Esher. Not everyone necessarily knows of the joys of Esher. If one drives down the A3, even perhaps slightly faster than the official speed limit, one may not necessarily notice the beauty of the countryside which lies on either side. On the section of the M25 that abuts onto the A3 to the east, one may be going too fast, finding too much other traffic or hearing too much road noise—a matter to which I draw the attention of the House—to notice the green fields and the quiet tranquility of the area. I urge those hon. Members who adopt that fast practice to see some of the lovely villages that comprise the constituency, including Thames Ditton, Claygate, Ripley, East Horsley — villages of great distinction—and perhaps to shop in Cobham, which has an ancient mill site of interest. I commend some of the fine houses in the constituency, many now looked after by the National Trust. I urge a visit to Claremont, a house with tragic associations, with the death of Lord Clive and the premature death in childbirth of Princess Charlotte. It has a more appealing interest as well in the sense that it is connected with Vanbrugh, Kent and Capability Brown—a worthy tribute to their work, especially in the gardens which are well worth the time spent away from the A3.

There are many other facets of the constituency which I should draw to the attention of the House, perhaps most notably the Royal Horticultural Society gardens at Wisley —a fine example of the way in which we in Britain can not only talk about gardens but grow them. As perhaps the world's worst gardener, I look with complete admiration at everything on display at Wisley.

Another aspect of my constituency that is worthy of note is the great voluntary spirit, which is part of the way of life of this country of ours. People join together to do things that the Government do not do and should not be looked to to do because they are so much better done by the community. One example of which the people of Esher are justifiably proud is the Princess Alice hospice, put together through voluntary donations and of great service to those who, sadly, need its help.

The constituency that I represent houses 62,500 electors or thereabouts who reside in parts of the boroughs of Elmbridge and Guildford. It is bounded by the river Thames, and the river Mole and the river Wey also play their part. As I said, I urge hon. Members to come and look for themselves. If they do, they will be greatly impressed by the wonderful commons, fields and farmland which make up a rural setting in close proximity to London. That is the matter to which I wish to refer today.

In an age of economic growth it is vital that we should remember how important it is to preserve the environment and thus the quality of life. If we fail in that duty now, it will be too late to try to recover the environment for the generations who come after us. The green belt around London—of course, it applies to other cities, too, but I am speaking particularly of the area that I represent—enables people to travel and find countryside rapidly. That is not possible in many other countries that I have visited. The green belt was brought in by statutory instrument in 1955 and the provisions strengthened in circular 14/84. People living in and near the areas that it affects have reason to be eternally grateful for it. There is every justification for continuing the green belt, partly because it enhances the quality of life to which I referred. We need to stop villages coalescing into one great concrete jungle and to prevent complete over-building in the south-east, which would prevent us from enjoying environmental pleasures and which would result in overcrowding and overuse of facilities and roads. Far from representing bad planning the green belt restrictions represent extremely good planning. They encourage industries to locate in other parts of the country—which many hon. Members would welcome—rather than trying to develop the green fields of the south-east. The green belt is critical for other reasons. It is one of those great environmental developments which have awakened the better spirit of people in the south-east and made them go out and work for themselves in their residents' associations and so on, to protect themselves from possible encroachment.

The green belt is a vital matter of Government concern. The green belt and threats to it lie at the very heart of the relationship between central and local government — whether the interests of the locality should take precedent. I was delighted by the statement of the Government in the previous Parliament to the effect that they would resist further encroachments into the green belt. I am especially mindful of the statement by my hon. Friend the Member for Bristol, West (Mr. Waldegrave) in his previous incarnation. He made it quite clear to property developers who wished to build large and unwanted shopping complexes on green belt land that they would have to suffer the full costs of any application for appeal against local objections because there would be a presumption against such schemes. I have in mind the Elmbridge mall scheme in Esher, which many of us fervently hope will not go ahead. It is unwanted and unnecessary and will be of no advantage to the local environment. I hope that

Ministers' statements will be further developed into a coherent policy. That would be a good theme for the Government to pursue in this, the European Year of the Environment.

In its 1984 report the Select Committee on the Environment said that the green belt should be sacrosanct. I endorse that view and I have already stated the reasons why. Many of my constituents are very concerned about the confusing signals which are coming from the Government and which arise out of the current process of planning appeals. There are many occasions when coherent local objections to a scheme seem to be overridden when the developer has gone to appeal, the inspector has reported and the Secretary of State has made a decision. It is important in a democratic society that we realise that this gives rise to immense frustration at local level. Where there is clearly stated local opposition to a scheme, we must ensure that there does not appear to be an imposition of a different decision from above. If the Secretary of State for the Environment has no alternative — because the statute leaves him no alternative — the Government should seriously consider whether the statutes are correct or whether they need further review. During the lifetime of this Parliament I shall push hard to make sure that the statutes say what my constituents feel they should say — that is, to give prime responsibility for such matters to local interests.

Borough councils have a major responsibility to ensure that the green belt that we are protecting is kept in good condition and does not become scrubland or run down. They have a duty to plant and maintain trees and to maintain and improve common land. They must look for sensible and sympathetic alternative uses of farm buildings so that the farmers do not have to break up their farmland into small units, which is a subject of great concern. National Government have a responsibility in this respect also. We need to consider rural planning policies in view of the development pressure and movement of people and industries in the south-east. If developers could not hope to override local interests by going to appeal to the Secretary of State, that could reduce the speculative purchase of land by developers who think that, if they keep trying, ultimately they will win.

Many property developers are ingenious men with a great deal of willpower. If they were told that there would never be an opportunity for them to have land banks in the green belt — because they would never be given the right to develop them — they might turn their ingenuity, enthusiasm and financial acumen to some of our inner-city areas and derelict land. That happens to be a crucial and highly welcome plank of this Government's policies. It is a major part of the Queen's Speech. For the Government to establish this central platform for their current legislation, it is vital for them never to reduce the controls on the green belt and to ensure that, by removing hope from the developers, they also remove some of the pressure which is causing people so much concern.

This matter goes to the heart of some of our debates, and especially the debate between central and local government. I commend the green belt issue to the House. It has a wide interest for those of us who fervently believe in the environmental matters which are so important to our way of life and our quality of life. It will be a major part of our forthcoming debates on issues which may, at first sight, not appear to be directly relevant to it.

6.40 pm

Mrs. Margaret Ewing (Moray). It falls to me to congratulate the hon. Member for Esher (Mr. Taylor) on his maiden speech. He showed us that he has an encyclopaedic knowledge of his constituency and did a fine job as an advocate of tourism in the area. He also paid a fine tribute to his predecessor in the House.

I shall speak only briefly because of the limited time available to me. My remarks are addressed essentially to the Government, but they also have implications for members of the official Opposition. How will the Government and the official Opposition respond to the fact that the Government have no mandate to rule in Scotland? I remind the House that, of the 72 Members of Parliament from Scotland, 62 sit on the Opposition Benches and only 10 on the Government Benches. Despite consistent pressure since the State Opening of Parliament and throughout the debate on the Loyal Address, there has been no positive response from the Government on how they will handle Scottish affairs or respond to the election results north of the border.

The issue has been exercising the minds of people not only in the House but in the media in Scotland. The issues have not only been mentioned by Opposition Members. There has been pressure from the right hon. Member for Old Bexley and Sidcup (Mr. Heath), who said:

"It is commonly said that we must remain a united kingdom . . . The parrot cry that we must just have a united kingdom bears no relationship to the reality of modern times."—[*Official Report*, 2 July 1987; Vol. 118, c. 666.]

The right hon. Member for Shropshire, North (Mr. Biffen) said:

"I have to say that I do not easily entertain the prospect of going through this Parliament assuming that we shall continue the present basis for Scottish affairs without consideration."—[*Official Report*, 30 June 1987; Vol. 118, c. 398.]

Both right hon. Members urged that attention be paid to the Scottish dimension.

Added to this, last week the Government found themselves in a dilemma when looking for Members to serve on the Select Committee on Scottish Affairs. Three of the five Conservative Members who were available to serve on that Committee refused to do so. That may have left the Government in a dilemma, but it has left Scotland with a major problem. The work of Ministers should come under effective scrutiny from Back-Bench Members. If we do not have a Select Committee on Scottish Affairs because Government Members refuse to serve on it, there are plenty of Opposition Members prepared to serve on such a Committee to ensure that legislation is subjected to the scrutiny that it needs. It is not as though there were not enough issues for the Select Committee to discuss. We must consider the Government of Scotland itself; the prospect of nuclear dumping; the future of Ravenscraig; the prospect of many of our industries being taken over; the dilemma of the whisky industry in the wake of the Guinness takeover; the problems of agriculture and fishing; and, not least, the poll tax.

It would be wrong for the House to adjourn until the Government gave us clear guidance on how they will respond to the election results in Scotland. It is not good enough to ask Scottish Members to return to their constituencies during the recess unable to say, "We will ensure that these issues are raised in the House through the appropriate channels." The Government seem to be unwilling to establish a Select Committee.

[Mrs. Margaret Ewing]

The official Opposition in Scotland also have a major responsibility. The hon. Member for Glasgow, Garscadden (Mr. Dewar) leads a band of 50. The people of Scotland have given a mandate to the Labour party, and we ask the Labour party to take a clear initiative on this. Or, as is predicted in some newspapers in Scotland, will it be no action yet again from the Labour party, but only oratory? The hon. Member for Garscadden may laugh, but the Labour party is looking constantly over its shoulder at the concept of independence as propounded by the Scottish National party. The Labour party in Scotland has already had eight years to deliver the Scottish people from the Government's economic policies, but they have failed signally to do so. Another four years of similarly inept opposition will be rejected by the people of Scotland at the next general election. The Labour party is equally on trial.

6.46 pm

Mr. Alan Williams (Swansea, West): This is my first opportunity to tell the new Leader of the House how glad I am to see him in that role and how much I hope that he will enjoy it. He more than anyone will appreciate the difficulty of following the right hon. Member for Shropshire, North (Mr. Biffen), who was held in genuine affection by hon. Members on both sides of the House and whose humour and eloquence of phrase dominated much of the previous Parliament.

Today we have heard a series of excellent maiden speeches. The debate lends itself to such speeches, and all the hon. Members who spoke today did great credit to themselves and to their constituents.

The hon. Member for Argyll and Bute (Mrs. Michie) was fortunate to be the first to be put out of her misery. Although I was not in the Chamber to hear her speech —I was attending a meeting—I understand that she can preserve for her memoirs a unique commendation from my right hon. Friend the Member for Chesterfield (Mr. Benn), who described her speech as formidable. Although my right hon. Friend is a controversial figure in the House, he is also recognised as a master of the parliamentary arts, and such a comment from him must mean that the hon. Lady's speech was well worth listening to.

The hon. Member for Battersea (Mr. Bowis) made an extremely articulate and good maiden speech. He was extremely gracious in his remarks about a friend whom we were sorry to see leaving the House. As he said, Alf Dubs is an extremely nice man of great diligence who looked after his constituents assiduously. The hon. Gentleman claimed that Battersea was the original yuppie land. It is the normal tradition in the House to try to find something nice to say about one's constituency! But I enjoyed the hon. Gentleman's contribution and look forward to hearing from him again.

My hon. Friend the Member for Glasgow, Provan (Mr. Wray) made a wide-ranging maiden speech which was a mixture of humour and conviction. He paid tribute to a dear friend of mine and of yours, Mr. Deputy Speaker, Hugh Brown entered the House at the same time as we did, and the House will miss him sorely. My hon. Friend's speech was hardly non-controversial, but, as we heard about the problems of his constituency, we understood why he thought he needed to speak in that way. He mentioned the problems of the poll tax. I share his incredulity that, having drawn the correct conclusion that the present tax system is wrong, the Government decided to put in its place something that is unfairer and more difficult to defend.

My hon. Friend the Member for Provan mentioned fluoridation. That issue gave rise to some strange coalitions across the Floor of the House during the previous Parliament. I remember the many bitter opponents of fluoridation fighting well into the night on the issue. I wish that we had had an extra ally and an extra vote then. It is interesting that fluoridation was considered outside the context of the possible privatisation of the water system. One is bound to wonder how the decision making that is left to the water authorities at the moment will be handled and whether the indemnification that has been given to the public bodies will still exist for private organisations.

The hon. Member for Colne Valley (Mr. Riddick) made a maiden speech in which he referred to Richard Wainwright, his predecessor as a respected Member. That certainly is the case. Richard and I were both made Privy Councillors on the same day and I have always felt great friendship and affection for him. I was glad to hear the hon. Member speak of him as he did. I understand that the constituency has never had a Conservative Member of Parliament. That is one record that I am rather sorry to see broken, as the hon. Gentleman will appreciate. As far as I can gather from his speech, it seems that his constituents spend half their lives in support of hounds pursuing all the poor wretched animals in his constituency. He made an impassioned plea for blood sports, although, after listening to the later part of his speech, I could not help thinking that he wanted to replace the fox with the planners.

My hon. Friend the Member for Cunninghame, North (Mr. Wilson) made a singularly articulate speech. It was controversial but very effective and very powerful. He spoke with as little affection of the poll tax as did my hon. Friend the Member for Provan. The hon. Member for Esher (Mr. Taylor) spoke with pride of his membership of the House. I say quite genuinely that I hope it is a pride that he carries however long he stays in the House. I think the Leader of the House would say the same as myself. I have been here 23 years and whenever I walk into the Chamber I think that it is a unique privilege and a unique honour. Having a marginal seat, I am always delighted when I am re-elected, to my incredulity, at successive elections. What he said was appreciated on all sides of the House. He made an impassioned plea for the preservation of the green belt, which I am sure will strike many a reflective chord in his constituency. I am glad to see that we have someone who intends to set out to become the terror of the developers in the new Parliament.

The hon. Member for Moray (Mrs. Ewing) is, if she will excuse the phrase, a recycled Member. It is good to see her back and to hear her speak again. I think she will not be offended if I say that I almost recognised some of her phrases. I am quite sure that she will be as combative and active as she was when she was previously here. I look forward to her further speeches.

The hon. Member for Warwick and Leamington (Sir D. Smith) referred to the voting shambles. It certainly sounded that, and it merits a proper investigation. It is interesting to note that there is another form of disfranchisement that has also inadvertently taken place. A consequence of the bed and breakfast legislation,

unintended as it was, is that a lot of youngsters are moving around so frequently that there is now a virtual disfranchised army of should-be young voters. It is a quite serious problem that I expect every hon. Member has encountered. My hon. Friend the Member for Norwood (Mr. Fraser) made a very effective constituency speech. His indictment of the attitude of the Home Office on immigration, when he said that if one can prove that one does not want to come here it is willing to let one in, was effectively made.

My right hon. Friend the Member for Chesterfield (Mr. Benn) referred to the issue that we discussed earlier today—the Wright book and the way in which it has been handled by the Government. The Leader of the House knows that a feeling I have had for a long time and which I have repeated frequently is that it is a matter of great disbelief to me that here in this mother of Parliaments we can have a Prime Minister, Law Officers and even Government Back Benchers who are utterly disinterested that there was an attempt to organise a coup to overthrow an elected Government. I find that bewildering and more than slightly worrying.

I was deeply disturbed to hear earlier today that the Librarian of the House has been told that he must not hold a copy of the Wright book. We hope to pursue that further because the Librarian takes his instructions from the Speaker via the appropriate committee, and purely through that route. The Committee and the Chairman do not exist. As the Speaker was unaware of any such instruction having been given, we want to know who told the Librarian that he is not to hold a copy of a book which any of our constituents travelling to America will be able to buy and probably bring back, but which Members of Parliament are to be denied the opportunity to read.

Despite all the arguments that my hon. Friends put forward for our not going on recess in a fortnight's time, I am very much looking forward to that opportunity.

6.55 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): We have had a wide-ranging debate, in which many points have been raised, and I will do my best briefly to answer as many as I can. If there are any specific points that I do not answer, I will certainly write to the hon. Member who raised the point.

As this is the first Adjournment debate for a number of years that has not been led either in person or in proxy by the right hon. Member for Bethnal Green and Stepney (Mr. Shore), it would be wrong of me not to say how much Government Members appreciated his courtesy. He is a formidable parliamentary orator. He had a distinguished Front Bench career over 20 years and we will miss him from the Front Bench. However, I have no doubt that he will make his presence felt in many ways in the years to come.

As the right hon. Member for Swansea, West (Mr. Williams) said, we have had six maiden speeches—three from the Government side and three from the Opposition side. I am sure that all who made their maiden speeches today can be well pleased. They made vigorous and forceful speeches. There was nothing stereotyped about any of them. Each hon. Member spoke from his or her constituency point of view about things they felt very concerned about. Their constituencies can be proud of the way that they have started their parliamentary careers.

We heard first the hon. Member for Argyll and Bute (Mrs. Michie). She made her constituency sound very attractive to me. I have to sail my boat to where I want to go on holiday, and from where my boat is situated at present the 88 days of the summer recess will not get me around to Argyll. However, I am tempted to do it in two stints—this year and next year.

My hon. Friend the Member for Battersea (Mr. Bowis) made a very effective speech. I have known my hon. Friend for many years and I am delighted to see him in the House. I know that he will make many more speeches. The hon. Member for Glasgow, Provan (Mr. Wray) spoke well and with sincerity about things that he feels passionately about. Having been the Chief Whip when the Fluoridation Bill went through, I hope that he does not take it amiss that I am glad that he was not around in those days to cause us additional problems.

My hon. Friend the Member for Colne Valley (Mr. Riddick) certainly made a very effective speech about the opportunities and problems in his constituency. He spoke about the difficulties that many of his constituents and businesses have with planning controls. I am delighted that he found time in his speech to make a reference to field sports.

The hon. Member for Cunninghame, North (Mr. Wilson) made an impassioned and effective speech. We shall certainly listen to his future contributions with added respect.

The predecessor of my hon. Friend the Member for Esher (Mr. Taylor), Sir Carol Mather, and I spent many years together and, I might add, many nights together in the Whips Office. He is one of my dearest friends. My hon. Friend made an effective speech, in which he talked about the problems of the process and the interaction of central and local government and of the problems of the green belt. I look forward to more contributions from him in the future.

The right hon. Member for Chesterfield (Mr. Benn) raised the subject of the Peter Wright book, as did the right hon. Member for Swansea, West. It is wrong to say that the Government do not take this matter extremely seriously. I advise anybody who has any doubts about that to look at the comprehensive statement made by my right hon. Friend the Prime Minister on 6 May 1987. That set out in great detail the position the Government have taken and what has been done in the way of investigating the claims. I do not want to add any more than that except to say that it is not true to say it was not dealt with carefully and with a great deal of trouble. However, I should remind the House that in the New South Wales proceedings the Government are seeking to uphold the lifelong duty of confidentiality that is owed by all members of the security services, present or former, to preserve the confidentiality in respect of matters arising from their work, unless authorised to publish. That is an important principle and I believe that the Government are right to do everything in their power to seek to uphold it.

Mr. Alan Williams: If it is so important to uphold that principle in Australia, why is it not important to uphold the same principle in the United States?

Mr. Wakeham: The Government's legal advisers will advise on what to do. It is not for me to comment any further on the matter except to say that the Government will take all steps possible to preserve that principle.

[Mr. Wakeham]

The question as to whether the book should be put in the Library is a matter for Mr. Speaker and not the Government. It must ultimately be for the House to decide these matters if there is any difficulty.

Mr. Winnick: Is it possible for the Leader of the House to use his good offices to try to ensure that there is a statement on the position arising from the fact that the book is being published in America and will be freely available for anyone who comes in from the United States? Could we have a statement this week on that aspect?

Mr. Wakeham: I will look at that matter, but I cannot give the hon. Gentleman any encouragement to think that there will be a further statement from the Government this week on that aspect.

My hon. Friends the Members for Warwick and Leamington (Sir D. Smith) and for Hampstead and Highgate (Sir G. Finsberg) raised the matter of postal voting. I know that the Home Secretary is concerned about that. I know that he is looking into it and I will see that the points raised are referred to him.

I know that the hon. Member for Norwood (Mr. Fraser) is in contact with the Home Secretary. I heard his speech and I recognise the careful and sincere way in which he put the points of his constituents. I can do no more than say that I will refer his remarks and the way in which he made them to the Home Secretary to see whether anything can be done to assist his constituents.

My hon. Friend the Member for Hampstead and Highgate raised other matters concerning the size of envelopes and the postal service. I shall refer the matter of the postal service generally to my right hon. and noble Friend the Secretary of State for Trade and Industry and I will see that the chairman of the Post Office knows about it. I feel that I should look into the matter of envelopes for the House of Commons myself and I shall certainly see what can be done. I shall refer the disturbing information about Camden and the difficulties my hon. Friend's constituents have over the right to buy to my right hon. Friend the Secretary of State for the Environment.

The hon. Member for Tooting (Mr. Cox) showed a great knowledge of the problems of his constituents. He clearly knows a great deal about the way in which the police service and custody should be organised in this country. What he said caused me some concern. He has courteously sent me correspondence so that I can see that the Home Secretary has the matters immediately in hand and will write to him to give him any information he can.

Question put:—

The House divided: Ayes 215, Noes 22.

Division No. 15] **[7.04 pm**

AYES

Alexander, Richard
Alton, David
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, Dr John G.
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowis, John
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Mont'g)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Dover, Den
Durant, Tony
Fairbairn, Nicholas
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip
Goodson-Wickes, Dr Charles
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hayward, Robert
Hicks, Mrs Maureen *(Wolv' NE)*
Hind, Kenneth
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Howells, Geraint
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Jack, Michael
Janman, Timothy
Jessel, Toby
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
MacKay, Andrew *(E Berkshire)*
Maclean, David
Madel, David
Malins, Humfrey
Mans, Keith
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Michie, Mrs Ray *(Arg'l & Bute)*
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon C. *(Devizes)*
Moss, Malcolm
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Paice, James
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Sackville, Hon Tom
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Jim *(Dorset W)*
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*

Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side North)*
Wallace, James
Waller, Gary
Watts, John
Wells, Bowen
Wheeler, John
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs. Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Richard Ryder.

NOES

Benn, Rt Hon Tony
Campbell-Savours, D. N.
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Cox, Tom
Davies, Ron *(Caerphilly)*
Duffy, A. E. P.
Ewing, Mrs Margaret *(Moray)*
Fyfe, Mrs Maria
Hardy, Peter
Livingstone, Ken
Macdonald, Calum
McTaggart, Bob
Madden, Max
Mahon, Mrs Alice
Mullin, Chris
Nellist, Dave
Pike, Peter
Ross, Ernie *(Dundee W)*
Skinner, Dennis
Thompson, Jack *(Wansbeck)*
Wall, Pat

Tellers for the Noes:
Mr. Bob Cryer and
Mr. Harry Barnes.

Question accordingly agreed to.

Resolved,

That this House, at its rising on Friday 24th July, do adjourn until Wednesday 21st October.

Orders of the Day

Consolidated Fund (Appropriation) Bill

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith pursuant to Standing Order No. 54(1) (Consolidated Fund Bills), and agreed to.*

Bill accordingly read a Second time.

Question, That the Bill be now read the Third time, *put and agreed to.*

Bill accordingly read the Third time, and passed.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Benyon.]*

British Broadcasting Corporation

7.16 pm

Mr. Peter Temple-Morris (Leominster): It is an honour and a pleasure to introduce the debate upon the Consolidated Fund (Appropriation) Bill. Although I have done so once before, far more frequently during my parliamentary career I have laboured on during the watches of the night. Therefore, it is a fair reward for a "Consolidated Funder" that, on occasions, he gets to speak at 7.16 pm. I shall speak on a subject about which I care very much and in which I have absolutely no interest whatsoever to declare other than a strong belief in the British Broadcasting Corporation and — perhaps even more important—a strong belief in its capacity to play a formidable role in the British interest abroad. The importance of satellite television in general and satellite television news in particular is recognised in all parts of the House. In a few moments, I shall refer to certain early-day motions that were tabled only a few months ago during the final stages of the last Parliament.

Satellite television news is a fact of life. All concerned with it recognise it to be the way of the future. Various concerns in various countries are rapidly expanding into satellite television, whereas we are patiently waiting. We have to, because the BBC has no option but to approach the Government in the matter. It is not a matter of going cap in hand; it is an approach that has to be made. Although other countries are expanding satellite television, we are patiently waiting for a Government decision.

The Foreign and Commonwealth Office has been considering the matter. I appreciate that it is complicated and that policy questions are involved. That is one of the reasons I raise the matter now. I hope that it will be an additional spur to my hon. Friend the Under-Secretary of State for Foreign and Commonwealth Affairs and his right hon. and hon. colleagues to consider matters that are important to the national interest with all due speed. My hon. Friend's Department has been aware of the matter since November 1986. As the months go by — one cannot help but think that a year will soon pass — matters get more and more difficult for BBC external services as others are beginning, continuing and developing satellite television. It is no excuse for Government to say — as my hon. Friend says, it is not for me to anticipate his contribution — that they want details on this or that. So far, since the submission of the matter in November 1986, the Foreign and

[Mr. Peter Temple-Morris]

Commonwealth Office having known of the matter for many months before that, there has been no reaction other than to ask for details.

The demand for a decision, as I have said, is within the knowledge, and I hope has the support, of the House. Two early-day motions were tabled—of course, I had a lot to do with them—in the last stages of the last Parliament in only April of this year. Both those motions were interlinked and together give a measure of Back-Bench support—not just Conservative Back-Bench support—for a decision on this matter.

Early-day motion 846 was tabled during the previous Parliament with my right hon. Friend the Member for Blackpool, South (Sir P. Blaker), myself and others as principal signatories. It stressed the urgency of the overall situation. It made no mention of the BBC, but drew the Government's attention to the fast expansion that was taking place in satellite television. It urged the Government to declare support for a United Kingdom programme of satellite television news. I repeat that that motion made no mention of the BBC. It was a totall Conservative motion, put down on 3 April 1987, and by 15 May, when the House was already up and we were about to fight the general election, it had gathered 145 signatues. Those 145 Conservative signatures represented more than half of those on the Conservative Benches who can sign early-day motions. I ask the Minister to take note of that.

Early-day motion 852 was put down by me and was an all-party motion. It was tabled several days after the previous motion, but by 15 May it had gathered 224 signatories from all parts of the House. If we include an amendment, which was not unfriendly, that motion had 230 supporters in all. It was a BBC motion and it overtly urged the Government to allow the BBC to proceed with satellite television news as soon as possible. In other words, it urged the Government to make up their mind. Of the 224 signatories to that motion, it is perhaps educative for my hon. Friend if I put it on record that there were 118 Conservative signatures, 90 Labour signatures, 12 alliance signatures and four others.

If this matter is raised again, it is important for my hon. Friend to realise the support from all sides of the House for a decision on this matter. The 118 Conservative supporters represented almost all the 145 who had signed the motion that made no mention of the BBC. I sent out letters to exactly the same people who had signed the first motion, asking for their support for early-day motion 852, and only 27 declined overtly to support the BBC. There is a lesson for us from those early-day motions.

The present situation is that satellite television and satellite television news is a fact of life. Equally, it is also a fact that a formidable American lead has been built up. Such a lead is not automatically attractive to everybody, not least the Third world, that would, perhaps, like something a little different and a little more balanced. Let me run through those who are engaged in satellite television news. Cable News Network, CNN, is marketing its 24-hour news service all over the world. Columbia Broadcasting System is marketing its evening news in Europe. National Broadcasting Company is selling its "Today" programme to Australia and is marketing its news programme on European cable. Independent Television News—this debate is not, in any way, an occasion to criticise ITN—is in Europe via Superchannel.

Good luck to ITN, but my message to the Front Bench is to let the BBC in as well. It is wrong that the BBC should be kept out because of its structure and charter. However, I applaud ITN's efforts and the fact that it is marketing a European news programme on the Superchannel. That programme is directed for a commercial return. An important point to bear in mind is that ITN, in common with others, is not making much money at the moment. However, it is investing in the future and it is a commercial future. Indeed, for everyone concerned except for the BBC it is a commercial venture.

ITN has linked hands with the mighty American Broadcasting Corporation to form World Television News and is planning a 24-hour cable satellite news service. Again, that will be a commerical undertaking. Those are commercial undertakings, but another important category we should not forget is Government — offered free services. Among our European partners, the French are already seriously considering that option with regard to Francophone countries. Bearing in mind France's track record on cultural diplomacy and its expenditure on such matters, I have no doubt that the Frenoh will pursue that option. The United States Information Agency has a free service in operation on the Worldnet service for news on television via satellite. That news is available to anyone, anywhere, who can take satellite television. However, an important point to consider is that there is a third category, a unique category—the BBC.

Although the BBC may be dependent upon Government for its finances, the whole essence of the BBC is that it is independent of Government when it comes to its broadcasts. It is a unique category, so it should be treated with all due respect and consideration.

The importance of satellite television has been recognised. It is vital for international communication, commerce and information. In many respects, information equals influence. I happen to believe—I trust that it is not a jingoistic, nationalistic comment to make—that this country has an influence for good. That influence should be displayed across the world, if only the Minister and his Department would allow the BBC to exert that influence.

With regard to the development of satellite television there is a demand—it will become apparent—for the BBC to enter this area. Although the BBC is not in the game at the moment, and although it has not seriously marketed a project, there have already been many favourable approaches. ITN is already in the game, quite rightly so; it can go out and sell something. It has taken every opportunity, via the newspapers, to inform us of the progress it has made. However, the BBC has its hands firmly tied behind its back. The BBC could sign up 10 countries tomorrow. Indeed, 20 other countries have made it clear that they would want the service, but they would be unable to pay in whole or in part for the service.

That problem brings us to the realm of public service broadcasting in the international context. The BBC will, if it is allowed, quickly expand. There is an enormous potential for the BBC within the Third world, where the news service is much wanted. I believe—I do not want to embarrass my hon. Friend; indeed, I am sure that he

will smile—that there is considerable support for what I am saying within his Department. I trust that I am not being too optimistic about that.

There are difficulties—piracy, censorship and so on—but we must make a start. We must endeavour to create the demand. We already have examples to prove that that demand is there. I was amused by the German example. East Germany, and in particular East Berlin, can get West German television. When the East German Government considered their position, such was the demand from the rest of East Germany to receive West German television that the Government had to make arrangements to supply that service throughout East Germany. Therefore, virtually all that country receives the television broadcasts from the Federal Republic.

We have encouraging signs from the Soviet Union thanks to Mr. Gorbachev and what he is endeavouring to do under the policy of so-called openness. It is no accident that, as part of that policy, Western leaders have been allowed to appear on Soviet television. That development is extremely relevant when we discuss satellite television news. Those Western leaders have been allowed to say exactly what they want, including my right hon. Friend the Prime Minister. Before my right hon. Friend went to Moscow, the BBC Russian service was unjammed. Shortly after my right hon. Friend returned from Moscow, the Voice of America was unjammed. I am not attempting to suggest that the Voice of America is a blinding example of neutrality, but it is now being transmitted into the Soviet Union.

The possibilities are enormous. The future is beyond the satellite and the take-up of satellites by national networks and cable. The future will be the age of the dish. I have seen a few dishes and I appreciate what they are like. I have seen them sitting on top of the odd school. However, in general, such dishes are for the rich and the ingenious. It is surprising how many people, even now, are endeavouring to make them and the number who, within a short period and in various countries, will make them. It is no accident that the USIA, with its Worldnet publications that are associated with the service, is publicising how to "do it yourself" and make a dish. Of course, that body wants people in many different countries to have dishes and to listen in.

The impact of satellite for the future is being seriously considered in the Eastern bloc and in many Communist countries. I believe that there was an article in *Pravda* quite recently that went into this in some detail, so seriously does the Soviet Union take this matter.

A matter of vital concern are the qualifications that the BBC needs to participate. Hon. Members are aware of many of the arguments and I intend to run through them reasonably swiftly. Lord Reith began external broadcasting on the radio 55 years ago, so the BBC has 55 years' experience of external international broadcasting. Incidentally, as my hon. Friend knows, Lord Reith could not get the money either. However, he was able to raid his own funds to get the money, but that cannot be done now because of the structure. The licence fee cannot be raided.

I hesitate to say it, and I hope that it is not now true, but the Government then—I hope not now—did not have the imagination to appreciate what we now realise was one of the most remarkable feats of external broadcasting in the world. The external services give the BBC's efforts credibility and their audience has been built up to 125 million. When travelling, we have all encountered people hurrying out of rooms and from under the so-called palm tree to listen to it.

That credibility has been achieved at the price of discomfort from time to time. I give one relevant example, about which one or two people, inside and outside Government, have been concerned. Many people say that the Iran revolution was brought on by the BBC's external services. I think that I am entitled—with, as the Minister knows, an Iranian wife who had a considerable stake in the ancient regime there and whose family had to flee that country because of the revolution—to make it clear to the House that those accusations against the BBC are untrue. The BBC spoke the truth. Enormous pressure was put on it. In my humble way, I, with my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths), was asked by the then Iranian embassy to go over the scripts at the BBC. We did that. However, my hon. Friend, with his previous journalistic experience, and I, with knowledge of Iran, could not find anything wrong. I might add that I did more than reading scripts, because I followed the matter in some detail for many months. It is wrong to think that, because the BBC speaks the truth, it should be accused of bringing somebody down. How much worse it would have been had the BBC not spoken the truth, but the Government in Iran had fallen anyway—as, I am sad to say, was probable.

As for the BBC's qualifications and readiness, it has the appropriate structure in place. It has the experience that it has gained in radio. It has more foreign correspondents than any other organisation engaged in this enterprise. As I have said, it also has tradition and credibility. It has the news resources and the backing of Television Centre, with all its expertise.

On cost and timing, I hope my hon. Friends will sympathise and agree that the sort of money that we are discussing will hardly break the bank. I advise my hon. Friend that it is not a question of the BBC coming cap in hand or demanding more and more money or saying that, because it is part of the public sector, we, the great strong Government, cannot give it the money for which it asks. Satellite television will involve considerable returns and considerable profits will increasingly be available. I dare say that from time to time one would have to sort out the balance between the BBC's public service element and the profitable activities that will be available to it. The capital costs will be £1·4 million, and £7·8 million per annum will be required to run it on the basis of a five-day service with all possible economies. Obviously, a seven-day service would be more expensive: indeed, one could spend more money on the whole thing if one wished.

We should remember that at the moment nobody is making money out of satellite television but at least the private sector is offering a loss leader and is considering the future. However, the hands of the BBC are tied firmly behind its back in its efforts to get in on the same thing. The income offset at the end of the second year is estimated to be about £2 million, which will increase as developments are made. Satellite television can be on the air in six months and fully operational in one year.

I refer now to the BBC's overall position and to the arguments against it. The BBC is different, if not unique—I have used that word before—because it is not a commercial operation. It is a public corporation and must

[Mr. Peter Temple-Morris]

conduct itself according to its charter, which does not permit it to put up venture capital or to do anything that its competitors in this area—rightly—can do.

As hon. Members know, the BBC's external services are funded somewhat differently from the BBC overall. They are funded by Her Majesty's Government through the Foreign and Commonwealth Office. There is no way in which the BBC's external services can touch the licence fee. Therefore, by their creation and existence, they become dependent on the Government. They need Government consent even to borrow. I do not suggest that they should borrow money for what I see as a public service broadcasting operation in the interests of the country.

We are grateful to my hon. Friend for the level of BBC external funding and I am sure that he will tell us how generous the Government have been to the BBC's external services. We are all looking forward to hearing the facts and figures. The level of external funding for the BBC is about £114 million. The overall increases, about which my hon. Friend will tell us, have been extremely welcome and, as he knows, much is capital expenditure for the audibility programme. However, my recent experiences suggest that the BBC's external services could be a little more audible still. Many things are more audible than the BBC's external services as anybody knows who has struggled to receive them. Similarly, anybody who has visited Bush House knows that it is not a plush operation, and nobody pretends that it is.

I remind my hon. Friend of something that happened in, I believe, November 1983. The increases in expenditure have become broadly acceptable—there have been no rebellions in the Chamber in the shape of votes—but they were achieved after one of the biggest Conservative Back-Bench revolts on foreign affairs, when no fewer than 60 of my hon. Friends, including every officer of the Back-Bench Foreign and Commonwealth Committee, either abstained or voted against the Government. It was miraculous to see the effect that that had. I warn my hon. Friend that there could be similar goings-on unless, with his usual sensitive responsiveness, he urges the Foreign Secretary to take action on this matter, in conjunction with the Prime Minister.

As I have mentioned, the BBC is not a Government information service. Unlike USIA, and Voice of America, the BBC is vigorously independent; that is why it is trusted. The BBC represents the concept of public service broadcasting. We accept the BBC nationally. Although it has had its critics from time to time, the nation does accept that it embodies the concept of public service broadcasting. Thus, the fundamental argument is that it is utterly wrong to prevent the BBC from doing what it is best created, suited and fitted to do internationally on a public service basis, provided that one can sustain its qualifications—which, in my view, are easy to sustain. There is also the fact that it has an obvious role internationally.

I said that I would mention a few of the general policy arguments against the BBC. Her Majesty's Government must consider these as part of their policy considerations. This is a vital area for the future status and role of the United Kingdom and will approximate what radio has achieved with the switching on of short-wave sets and so on. It is the Government's duty to act in our best interests. We would all agree with that. We have a unique international asset in the BBC. Moreover, any course of governmental action other than to allow the BBC to go ahead with what it has been created to do would throw that considerable national asset away. With that background to the decision, I shall deal with one or two of the policy options and considerations.

One argument, particularly from those who do not like the BBC, is: "Leave it all to the private sector and free enterprise. We do not like the BBC, so stuff it and let ITN proceed." The name ITN would be a bit of a mystery in the middle of some desert, for all the distinguished luminaries who broadcast on it. While such a course may save taxpayers' money, it would throw away our best national asset and limit the United Kingdom in this important area to an ultimately commercial approach.

The second argument, which is often raised by independent television companies, is, "It is unfair to create subsidised competition for ITN and the private sector." It is fair to say that the whole existence of the BBC has been and is subsidised. It already competes with ITV and ITN here and all over the world, subsidised or unsubsidised. Surely the overriding argument must be for the maximum use of available credibility in the national interest.

The third argument is, "If there is Government money going, let's have a jolly good tender. Everyone can come galloping along and tender, including the BBC, and then doubtless we in the private sector can outbid it and will have all this lovely Government money which otherwise would go to the BBC." That is somewhat unnecessary, because ITN is already proceeding with its allies in this area and has money to lose from the private sector. We can all clap at that and wish it good luck. That argument also ignores the concept of public service broadcasting for those who most need the news. We have a clear duty in both their and our national interests to transmit news to those who cannot always pay for it.

Some people say, "Let's have a joint effort with ITN and the BBC." That is wholly impracticable. They already compete all over the world, ITN is already proceeding with this and there is the whole question of editorial control and advertising. Such a suggestion is not on; it is a general nightmare.

The final position at the end of the day is that we need a decision soon. We have the BBC and we must use it. This matter is crying out for action and Ministers are placed by us to deliver action. That is why many of my hon. Friends and many hon. Members feel so strongly about this. I do not suggest for a moment that the motives behind Government decisions are anything but altruistic, but if any dogma were to creep into this decision the country would not forgive the Government and many people, rightly, would take a dim view.

Fundamentally, we accept public service broadcasting nationally and it is utterly wrong to prevent it from performing its obvious international role. The BBC has no option but to come to the Government for assistance and it is doing so. It needs to get started in a vital industry of the future. It is about time the Minister recognised the qualifications and arguments and let the BBC get on with it.

7.44 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The evidence of the BBC external services to the fourth Foreign Affairs Select Committee on cultural diplomacy included a complaint that in the past the external services

had been in receipt of nothing more than avuncular pats-on-the-shoulder commendation during debates in this House. Nobody who reads the speech just made by the hon. Member for Leominster (Mr. Temple-Morris) can accuse him of that. I agree with much of what he said. He made a powerful case for the BBC fairly, properly, and in a forthright manner. He laid the question about the future of the BBC TV service fairly and squarely at the Foreign and Commonwealth Office door. I hope that the Minister will provide an answer.

Perhaps we are not addressing the question to the proper Minister, but I hope that we shall have an early decision from the Foreign and Commonwealth Office. I suspect that, in his heart of hearts, the Minister is sympathetic to the BBC case and has the same hopes and aspirations as the hon. Member for Leominster and that the real sticking point will in reality arrive when the new Chief Secretary to the Treasury and other Treasury Ministers consider the financial implications of the proposal. I hope that will not be the case in this urgent, important decision. If the Treasury uses its usual cost-benefit analysis procedures, it will follow the wrong path in assessing what the external services of the BBC can provide in terms of satellite televised news systems and the work that it already does on radio.

With the forbearance of the House I shall rehearse the arguments for the existing radio external services. I would hate to think that in these times of financial constraints —and I do not deny that they are real—the money that is required for the televised news service should be supplied at the expense of any existing radio programmes produced by the BBC external services. There is an argument for further development of the radio system already provided by the external services and the valuable monitoring services at Caversham and elsewhere.

There may well be 730 million television sets in the world, but there are 1,600 million transistor radio sets and we must not ignore that audience. The needs of the radio service are as urgent as ever, and there is plenty of potential for developing the technical services. I am worried that large parts of the eastern USSR, Latin America and North America still find it difficult to hear the existing radio services broadcast by the BBC. To increase the audibility of such broadcasts will cost money, but it would be money well spent if it was decided to devote resources in that direction.

The number of hours that are broadcast by radio through the external services has decreased since the second world war from 850 to 732 hours per week and the number of countries to which we broadcast has decreased from 45 to 37. Since the war there has been a decrease both in the number of hours of broadcasting each week and in the languages covered. I regret that. The most recent cut, in 1981-82, which reduced the number of languages from 40 to 37, was regrettable and bad in terms of cost effectiveness as it saved only about £1·5 million.

There is a genuine case to be made for starting up a language service to Korea and for extending the Pashto and Tamil services, the Arabic service in north Africa and the Spanish service in Latin America. A real argument can be made on any kind of objective analysis for extending the present external services. Also, there is a real need to extend our present radio and TV communications to Third-world countries in the southern hemisphere.

The Minister will be aware that I have a particular interest in overseas development. Three billion of the world's population of 5 billion live in Third-world countries. By and large they are poor, a high proportion of them are young people, and most of them believe that they are exploited by the north. That amounts to a potentially explosive situation over the middle to longer term whether regarding international trade, the development of the world economy or in any other area of international relations. The World Service as presently constituted must be extended. We all have stories of the influence of the radio service. The World Service has a proven record, and the hon. Member for Leominster articulated that record eloquently and properly. He described the generous ways in which the BBC considers problems faced by Third-world countries. The news and information services in many of those countries are severely hobbled in many ways by their Governments or by technical constraints.

I know that the Minister is familiar with the arguments about UNESCO, as one of his first duties was to try to sort out the problems. I understand that there are real problems, but I do not share the Government's views about UNESCO. However, the UNESCO ideas about the new world information order were a symptom of the fact that there is real and rooted prejudice in some of our sister western countries' broadcasting services which are monopolising the airwaves in the Third world. That is not generally a criticism made of the BBC external services which have a reputation for independence and a programming policy that is substantially and positively development oriented.

We must not ignore the work carried out by the external radio services in the Pacific basin, India, Brazil, or any of the other vastly important areas. I am wholeheartedly in favour of the arguments deployed by the hon. Member for Leominister, but I do not want that argument to proceed or that service to develop at the expense of the continuing development of the radio services provided by the BBC's external services.

I want now to consider the television proposal. I fully support the argument that has been deployed, but I do not want to reiterate what has been said. I believe that the proposal is no new development, although in technical terms the hardware and transmitters that will be necessary are new. I consider the argument more in terms of simply maintaining the BBC's position in international broadcasting. There is a great deal of expansion taking place in many different areas within transnational television and satellite broadcasting, as the hon. Member for Leominister has said. If the BBC does not enter and become fully involved in that area or make the most of the unique BBC qualities and experience it possesses, it will be substantially left behind. That would be deeply regrettable.

Rather than considering the television proposal as breaking new ground or as a new revolutionary proposal, I believe that the least the Government can do is to enable the BBC to continue to add its own to this new field and to thrive and prosper. We would expect the USA and USSR to devote resources to broadcasting. However, we must consider the resources that Japan, Germany and other competitors are spending in this area of broadcasting. The public service ethic which the BBC would bring to producing an international televised news service is of fundamental importance. Every day that the decision to proceed is delayed is lost time and that time will be difficult to recover.

[Mr. Archy Kirkwood]

I am obliged to say that, having studied the background, the Government give me the impression that they do not appreciate fully the value of the asset available to them in the BBC's external services. If they did, I do not believe that they would hesitate further, but would forthwith approve the scheme for the new BBC external services satellite television. At the estimated cost, in my opinion it is cheap at the price.

7.55 pm

Mr. Cyril D. Townsend (Bexleyheath): One of the paradoxes of Parliament is that we spend so long debating trivia and so little time debating essentials. Tonight we are discussing the projection of our country throughout the world over the next 20 or 50 years. If we begin to consider all that can flow from that, we can sense how vital the issue is.

Lord Carrington, when he was Foreign Secretary, said:

"Let me begin on a note upon which there will be no disagreement in any quarter of the House: that is, the support and admiration of all of us—and of course I include Her Majesty's Government — for the work of the External Services of the BBC. There is nobody who does not recognise the excellence of what they do. Certainly so far as I am concerned, I believe them to be an important arm of Government foreign policy. Indeed, I think we have got to look at the whole of our defence and foreign policy as one, and external broadcasting has a most important part to play in the influence that Britain can exert throughout the world" —[*Official Report, House of Lords*, 30 July 1981; Vol. 423, c. 811.]

As my hon. Friend the Minister knows, I believe that the attitude of Government in recent years towards the BBC external services has been amateurish and appalling. Governments have been like the small boy who is used to going to a filling station and getting a free watch. When he is handed a valuable heirloom, he just does not appreciate the difference. If hon. Members think that that is a bit strong, we must remember what Lord Carrington said on television when he left the Government in 1983:

"When I was Foreign Secretary, I was told I had to save money on the overseas service of the BBC. I think that was really totally counter-productive and the money saved was trivial compared to the amount of damage done. I think the time has now come, really, when the Treasury and the Government ought to look at cutting out a function in Government rather than cheese-paring on the things that are essential and have to be done."

It is my case, and it was the case of my hon. Friend the Member for Leominster (Mr. Temple-Morris), that the television services must be provided in the interests not simply of the best external broadcasting system in the world, but of our country.

Why is the BBC so good? It is so good partly because throughout the world vast numbers of people speak English, and perhaps even more want to speak English. Secondly, at the time of the second world war, the BBC established a superiority for telling the truth that it carries with it today. That is the difference. Our competitors in eastern Europe and the United States and Canada lack that essential history. That is why, although their broadcasting services are listened to, they are not considered to be in the same category as the BBC's external services.

Mr. Tim Rathbone (Lewes): Integrity.

Mr. Townsend: As my hon. Friend says, it has integrity. That is the key.

I had the privilege last Thursday of watching the ITN service go out from Wells street. That was a superb and very professional half hour and it does the company great credit. I do not believe for a moment that there is no role for the BBC external services as well as ITN.

We are like visitors to a new continent. We see a vast hinterland, the mountains, the rivers and the forests. We are just starting on a vast adventure. Who would like to forecast in 10 years' time, let alone in 100 years' time, the future of world television broadcasting? It would be a crying shame if the BBC, with all its expertise and use of languages, were not leading the way.

I end with another quotation, this time from, of all people, Colonel Gaddafi. He said:

"All the Arab radios rave from dawn till noon but nobody listens to them because everyone switches on London."

I want them not only to switch on London and listen, but to switch on London and look.

8 pm

Mr. Norman Buchan (Paisley, South): I congratulate you, Madam Deputy Speaker — I think that is the correct term——

Mr. Deputy Speaker (Miss Betty Boothroyd): Just call me Madam.

Mr. Buchan: I was trying to avoid that.

I came into the Chamber by accident. One of the problems of this House is that things can go on in the Chamber and we who are working diligently elsewhere hardly know that it is happening. I missed the announcement of this opening debate, but I have come here to congratulate the hon. Member for Leominister (Mr. Temple-Morris) on raising it.

It is an important matter, not least because it occurs at a time when much of the future of broadcasting in general — quite apart from the external services aspect — has been brought into question by the Peacock report, the Green Paper on radio and things that, regrettably, are being said by the Government. That puts into jeopardy much of the best kind of broadcasting that the hon. Member for Leominster described. I am delighted that at least Conservative Back Benchers still use the phrase "public service broadcasting". On that there will be no dispute between us, at any rate in relation to external services.

That is my first reason for supporting the hon. Gentleman. Given the rush to follow the misguided view of the Peacock report, it would be criminal to strip away any other areas of broadcasting that should be undertaken by public service broadcasting, should be undertaken only by such broadcasting and would be best undertaken only by such broadcasting.

Secondly, we are now entering a phase in which diplomacy is not merely of the old-fashioned kind. Among other things, it now consists of trying to have an understanding of our own country best known abroad. However, along with cuts in broadcasting there have been cuts in relation to the British Council. We have never understood the importance of the British Council or the fact that it matters that Ian McKellan and others perform "Coriolanus" on the steps of Acropolis in Athens. That sometimes means more than the diplomacy that is carried out formally.

I question the quotations from Lord Carrington to which the hon. Member for Bexleyheath (Mr. Townsend)

referred. As I see it, the function of the external services is not necessarily to project the views of the Foreign and Commonwealth Office. It is to do what the BBC has been famous for doing for the past 50 years: to give a reasonably objective – it cannot be any more than that because none of us is totally objective – picture of world events emanating from London.

I remember the horror that occurred two years ago when the Government intervened in the "Real Lives" programme. There was interference by the Government to prevent a programme from being shown. That had a shattering effect in various parts of the world, which had accepted the freedom and independence of the BBC. It was because of that recognition of its freedom and independence that, paradoxically, most of its valuable work was done for Britain. Therefore, I do not accept the argument that it is a projection of the diplomacy of foreign affairs.

The "Real Lives" incident had that serious effect and some of us have had to fight back to restore the position, which was not helped by the Government's intervention over Zircon. Nevertheless, for the past 50 years, of all world broadcasting organisations the BBC has been the most acceptable and recognised throughout the world. It has done a major job on behalf of this country precisely because of its relative objectivity.

My third reason for supporting the BBC is that it is proper that it should have the imprimatur of public service broadcasting, because if anything is in doubt it is the question of over-commercialised, so-called independent, satellite broadcasting. I have seen some of it emanating from America. If one goes to any of the poorer West Indian islands and sees what comes from the American independent broadcasters in the form of news—I think particularly of the all-day news stations—one will get an idea of the cultural shock that it is to those poorer West Indian islands, because it is seen as the normal interpretation of world events as observed through American eyes.

The Government will have to be persuaded. They do not like public service. They think that public expenditure is a bad thing, unless it is for frigates and so on. But in relation to other things, we must deal with a deep, ideological malaise on the Government Front Bench.

I have no doubt that we shall get good words from the Minister. He can do little else but give what I call a "lying in state ceremonial" type of speech and tell us how excellent our external services have been. However, we might not get the final commitment. Normal lying in state ceremonial ends with a commitment when the poor guy goes into a hole, but rarely do we get any commitment or action in respect of public expenditure from the Government Front Bench.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): I assure the hon. Gentleman that it is no part of my job tonight to bury the external services.

Mr. Buchan: I was making a complicated metaphor in relation to any commitment that might be made. Perhaps it was too subtle for the Government Front Bench. At any rate, we would welcome that commitment. I think that my own Front Bench will oppose the report. It had better. We wish the hon. Member for Leominster well and hope that this is the beginning of a successful campaign to have this brought about.

8.6 pm

Mr. Tim Rathbone (Lewes): I wish to add a few quick words in support of my hon. Friend the Member for Leominster (Mr. Temple-Morris). One point that he did not make was that he has had many years of experience in the Inter-Parliamentary Union. He knows the effect of British broadcasting overseas, and he speaks with that sort of knowledge when supporting the spread of the BBC's established performance in radio broadcasting to satellite broadcasting.

My hon. Friend said that the BBC had experience in broadcasting. That statement of fact is unarguable. But equally important is the fact that the BBC has built up a constituency of overseas listeners who are waiting to become BBC overseas viewers. If we do not grab that opportunity, we shall be missing an opportunity for the BBC.

As for budgets, in spite of the increases to which my hon. Friend the Member for Leominster drew attention, and which I am sure the Under-Secretary will cite, the BBC overseas service has been badly done by in recent years, and it is just as well that that point is made. The small increase in budget for the added influence that we could have had in terms of listenership, audibility and reach throughout the world would have been as nothing compared with, for example, the cost of running embassies in some parts of the world where the presence of the BBC is even more important.

Mr. Cyril D. Townsend: Or buying a tank.

Mr. Rathbone: Or buying a tank, as my hon. Friend the Member for Bexleyheath (Mr. Townsend) says.

The BBC makes a marvellous contribution to the world in terms of information which is unbiased and trustworthy, and in terms of entertainment which spreads British culture throughout the world. It also does so in terms of learning, not only direct learning – I hope that there will be room for that in a televised BBC overseas service – but indirect learning. I hope that we shall hear the most positive speech that the Under-Secretary has ever given, or is ever likely to give, in support of my hon. Friend the Member for Leominster.

8.10 pm

Sir Brandon Rhys Williams (Kensington): I am glad to have a brief opportunity of joining the debate in order to congratulate the hon. Member for Leominster (Mr. Temple-Morris), who raised the subject, and also to say again something that I have been saying for a number of years. I think that it deserves to be considered in the context of the proposal to put the BBC overseas services, or at any rate the news services, on to television.

I do not think it would be sufficient for the BBC simply to put out a daily news programme. The news should be seen in the broader context of regular, informed television programmes on the historical, political, commercial and cultural trends that explain the significance of the news. The BBC has already firmly established that practice on the sound wavelengths, and the move to television would be a natural extension of all the excellent work that has been done over many years.

If the facility to provide news programmes were expanded so that there was a full daily service of supporting programmes, the cost could be considered as being spread over 24 hours. We could include other matter

[Sir Brandon Rhys Williams]

that would also attract the very willing support of the taxpayer. We ought to make a full programme that builds on what we already have, and what the country already does extremely well. The BBC already provides a world language tuition service, which I believe is followed extensively in the far east, Latin America and elsewhere. The BBC is expert in providing that service, which is a well understood and accepted part of what the BBC does. At the same time, in this country we have established the technique of a broadcast university through the Open University. That is a most important extension of the use of television into the educational and higher educational spheres.

What a very good thing it would be if the BBC now proceeded to establish a world university of the air as part of Britain's service to the world. That would only be building on what we are already doing. The cost would be small, but the influence could be of tremendous benefit to mankind. I hope that my right hon. and hon. Friends will consider the idea seriously at last: I have been recommending it for many years. In the meantime, other countries have been getting the idea and catching up with the BBC. Possibly they will pass it before long in providing that type of service and Britain will once again be left behind.

We owe it to the Third world to carry on the colonial tradition of helping people to understand our civilisation in Britain by giving regular historical, technological, constitutional and other programmes to supplement the sometimes very meagre resources in Third world countries for higher education. Many of our ex-colonial territories, for instance, have educational establishments which we may have founded in the past, or which other colonial countries may have founded in their colonial territories but which are not able to provide a sufficient stimulus in those countries now because they have not the teachers or the facilities to keep up to date with the subjects that they are trying to impart. What a bonus it would provide if the BBC were able to supplement the local facilities by means of a regular, established television service to bring all those subjects up to date.

The proposal would, if implemented, be supported by British publishers, who already have a worldwide market for technical books which are widely used in education and are influential in producing engineers, doctors, chemists and others who look to Britain for the ideas that they have already begun to absorb in the course of their education. That is a lifelong influence, which we should not throw away. British publishers of technical books would welcome the opportunity to follow up television courses, regularly given free to humanity, with printed supporting tuition, which would be an extension of the educational service that they are already seeking to provide.

We should not make this service merely an English language service. It should be a European Community project. Films of an educational character, once made, could easily be dubbed into French and Spanish. That would enormously extend the range and utility of the satellites which would continuously transmit news programmes all over the world. How easy it should be, surely, for us to collaborate with other European Community countries and make the concept part of our contribution to the Lome convention. I have often thought that we should be prouder than we are of the Lome convention, which is one of the most substantial contributions that the European Community has made to the external world since the Treaty of Rome.

Our own former colonial dependencies and associated territories are not the only ones that we have to consider. As members of the European Community, we should consider our responsibilites to the French, the Spanish and the Portuguese speaking territories, who have looked to Europe for education and inspiration in the past. We should be willing to give them 20th and 21st century technical assistance by the modern method of regular television broadcasting.

I was encouraged by the written answer to a question that I tabled recently. On 29 June my hon. Friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs said:

"We are aware of the potential opportunities offered by satellite broadcasting. We are considering these carefully. There is currently no provision in the grants in aid of the BBC external services for a world university of the air project. We shall consider whether this could be pursued under EC sponsorship."—[*Official Report*, 29 June 1987; Vol. 118, c. 238.]

I was encouraged by that reply. Although I should like to think that money was beginning to flow in this direction, at least in an exploratory way, it seems to me that the idea has planted itself in the Foreign Office, and I hope that it will grow into something of great importance.

As a Member of the European Parliament for many years, I have discussed this idea with parliamentary colleagues in Strasbourg. I believe that it would be enthusiastically supported by other EEC countries and that that support would assist the BBC to reach the widest possible audience. I am glad that the Foreign Office is already aware of the matter, but I hope that this debate will stimulate a surge of activity, and will also enable my hon. Friend the Under-Secretary of State to get money from the Treasury to follow this important initiative. I should like it to be carried forward, not just for the sake of Britain's honour, but in the national interest. As a great exporting power, we cannot simply sink out of sight and let the Japanese, the Americans or any others take our place.

8.17 pm

Mr. Robert G. Hughes (Harrow, West): I am grateful to my hon. Friend the Member for Leominister (Mr. Temple-Morris) for initiating this debate. Until a few weeks ago, I worked for BBC television news. During my time there, I worked on one of the pilot programmes for the television news project, which hon. Members may have seen. Although I worked for the BBC, that does not necessarily mean that I always agree with what it is seeking to push, as the BBC will discover in the future. On this occasion, however, I do agree.

In the brief time available, I want to try to answer a couple of questions. First, do we need a world television news service? I believe that we do. Television will supplant radio more and more throughout the world, largely because of fast-moving technology that will bring satellite television to homes not only in the West, but in the East and the Third world, because of the cost savings brought to national television systems. It will be easier for people to receive television programmes in their homes, beamed from anywhere else in the world.

The reputation of the BBC is paramount throughout the world. In many countries to which I have travelled on

behalf of the BBC it is trusted as an organisation that tells the truth. The BBC is relied on by all other journalists. They listen to the BBC World Service on their short wave radios. Its name is already established. We need to use that name to put forward our views throughout the world.

The name "ITN" can be a bit of a mystery. It is no criticism of ITN to say that occasionally it hijacks the name "BBC" to gain entry to other parts of the world by mumbling, "We're from British television." When the BBC then goes along it is told, "You're already here." I am not surprised that ITN tries that trick. Whatever people may choose to believe, only the BBC could provide a television equivalent to the World Service.

If we were discussing only a new service on television, I should not say that the BBC ought to run it, but running a world service is different. A world service implies reputation. It involves the use of the BBC's resources throughout the world — its correspondents and its contacts with other television broadcasting organisations. That service could be run most cost effectively by the BBC. It has the capacity, and already it has most of the capital equipment. National television stations in other parts of the world will buy BBC products, but they will not buy the products of other organisations.

If the BBC were given the small amount of money that is needed to start up the service, it would be prepared to beam its services to those parts of the world where a profit could not be guaranteed. We need a useful world service. That is why I distinguish it from an ordinary news service. In the foreseeable future, usefulness will be in inverse proportion to the profitability that is likely to be achieved. Usefulness will not be achieved by Superchannel, WTN, CNN, Worldnet or any of the other organisations.

Technically, it is easier to receive pictures in this country from eastern Europe, because of the method of broadcasting and the use of satellites. Were it to be beamed to them by satellite, it would be easier for people in parts of eastern Europe to receive the World Service. That idea could be pursued with profit by the BBC technical experts. The other organisations in this market will never provide a world service that gives the British view, and that advances, through the strength of their advocacy not through what they say, British interests. A very small amount of money, compared with the amount that is already provided for the World Service, would enable the Government and the country to ensure that the money is well spent. If no money is provided, we shall never know whether we made the wrong decision. If we make the wrong decision, we shall pay for it in later years when radio becomes obsolescent or even obsolete.

8.23 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): It is a pleasure, Madam Deputy Speaker, to see you in the Chair.

I, too, congratulate the hon. Member for Leominster (Mr. Temple-Morris) on raising this issue on the Consolidated Fund Bill and on having come first in the ballot. Usually I have to get up in the early hours of the morning to reply to Consolidated Fund debates. I congratulate him also on his continuing campaign and his persistence on this issue. It has been noticed and commended by many Opposition Members as well as by Conservative Members.

The hon. Gentleman did not know whether he should declare an interest. Nor do I know whether I should do so. As a spokesman on foreign affairs, I have broadcast from time to time on the World Service and I hope to do so again, particularly if there are pictures.

I have just returned from Washington where I observed and tried to influence a little the Iran-Contra hearings. If any proof were needed of the power of television, the way in which Colonel Oliver North, by his acting ability, coupled with his being somewhat elastic with the truth, has manipulated a relatively pliant and uncritical media shows once again how powerful that media is. It is astonishing that a self-confessed liar, who admits to law breaking, who shares the responsibility for the deaths of hundreds and the misery of thousands in central America, can manipulate the media in America in such a way as to make him into a hero. It was sad and worrying to witness that. It says a good deal about the lack of critical coverage and analysis by the media in the United States. Mr. Rupert Murdoch also understands the power of the visual media. He is now avidly buying up local stations in the United States so as to ensure that a fourth United States network comes under his control.

The kind of service that we are debating is already operating in America. With pictures, Voice of America is powerful. However, it is organised on the basis of cultural imperialism rather than cultural diplomacy. France and other Governments are considering such a service. Hon. Members have already referred to the fact that Britain is being left behind. ITN is already said to be providing such a service on behalf of Britain, through Superchannel news. I am not against that—quite the reverse. I welcome it. A plurality of British output is surely good. However, without being unduly critical of the ITN coverage, it is not tailor made. Its distribution around the world is limited. It does not provide special material and there is only one contact outside Europe, which I understand is Japan.

The BBC service is vital for a number of reasons. I shall refer to three of them. First, I refer to its experience with the World Service. It has experience of 55 years of sound broadcasting; it has 120 million listeners around the world; it still has a worldwide reputation for accuracy and impartiality, despite the efforts of the right hon. Member for Chingford (Mr. Tebbit).

Secondly, I refer to the wide coverage of BBC news. Ten networks around the world have already agreed to take BBC programmes, and 20 more will possibly do so. BBC will have a much wider distribution than ITN.

Thirdly, I refer to the BBC's unrivalled foreign news-gathering service. It has 26 full-time correspondents around the world and 100 overseas stringers. Furthermore, the Foreign Office makes great use of the BBC's well respected monitoring service. The BBC will provide special programmes. It will not just recycle existing material.

Those are three strong reasons — but there are many others — why the Opposition believe that the go-ahead should be given as quickly as possible. The BBC has conducted market research and has established that there is a demand. That demand should be satisfied.

Unlike commercial television, the BBC is unable to put up the risk capital. Therefore, it has asked the Foreign Office for the money that is needed to set up this service. It requires £1·4 million of capital, and the running cost will be £7 million or £8 million. That is not a lot, as Conservative Members have said. I am sure that the hon. Member for Bexleyheath (Mr. Townsend) will know only too well that that figure is equivalent to the cost of two or

[Mr. George Foulkes]

three days of fortress Falklands. The Foreign Office is dragging its feet while our competitors are marching on. Will the Minister tell us what is delaying his decision? On 15 January 1987 in an article in *The Times* the political reporter said:

"The Foreign Office . . .is considering"

these proposals,

"but has said that there will be no rapid answer."

We are used to that sort of reply from the Foreign Office. However, that was January and it is now July. Time is marching on and we are losing out further. Conservative Members have asked whether it is dogma that is holding this matter up or whether the Government have an aversion towards public service broadcasting. Is it cost-cutting or vindictiveness against the BBC? I hope that those are not the case.

The excellent report of the Select Committee points out how little as a country we spend on cultural diplomacy. That does not merely relate to the BBC, but to the British Council, which is doing an excellent job and which has had its budget cut by 21 per cent. in real terms. Germany spends twice as much as us on cultural diplomacy and France spends three times as much.

The paradox, dilemma and peculiarity of the comparison was pointed out well in an editorial on Friday by Martin Jackson, in "Broadcast". He said:

"Curious isn't it, that a Prime Minister so wedded to the trappings of national virility—both in her Common Market and defence policies"—

I shall not comment on either of those policies—

"should acquiesce in muting Britain's influence in the world."

That is curious because this is the sort of positive influence that we should be encouraging. Britain's values, which are shared by all hon. Members, of freedom and democracy should be encouraged and spread around the world. We should allow the BBC, with its high reputation, to continue its tradition of independent broadcasting into television. Television news from the BBC that is relayed around the world will be a vital and important part of our cultural diplomacy.

The Opposition wholeheartedly and enthusiastically support the hon. Member for Leominster and every hon. Member who has spoken in this debate. We hope that the Government will agree to give the BBC the necessary funding and we hope that they will do so sooner rather than later.

8.32 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): It is a great pleasure, Madam Deputy Speaker, to be speaking in front of you. I hope that I shall not be misunderstood if I say that we will be meeting later during the night, because I have some six debates to answer during the next few hours.

I thank my hon. Friend the Member for Leominster (Mr. Temple-Morris) for raising this important topic. I was aware, before I came to the debate, of the high regard that the House has for the BBC external services, and if I did not know I can be under no illusion now. It is right that the future development of such a valuable national asset should be a matter of national interest and national debate.

I listened extremely carefully to the detailed points that have been made by hon. Members. My hon. Friend the Member for Kensington (Sir B. Rhys Williams) made his latest salvo in what has been a long, hard-fought campaign by him in his true tradition. I am delighted that he found my answer to his question encouraging.

We currently face some important challenges and decisions with regard to external broadcasting. Most of the debate has concentrated on the proposal for a world television service, but that is one of a number of new avenues that have been opened by the rapid advance of broadcasting technology. We have already invested heavily in modern technology to improve the audibility of the BBC's external radio services. All the evidence that we have—this is an important point—suggests that short wave radio will continue for the foreseeable future to be the major international broadcasting medium, which is a point that was made by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). Currently there are some 1,600 million receivers worldwide, and that number is likely to continue to grow.

Mr. Cyril D. Townsend: Will my hon. Friend give way?

Mr. Eggar: I shall not give way, because I have a lot to get through.

It is not only the technology that changes, because the needs of the BBC's international audience develop in tune with sociological and political changes in the countries in which the people live and to which the programmes are broadcast. A particular case in point is our broadcasts to the Soviet Union. We welcome the decision to cease jamming the BBC's broadcasts, and we hope and expect that this decision will be implemented consistently, although it is a pity that it has not been extended to the BBC's Polish service. Unhindered access to a large Soviet audience is a new and qualitatively different challenge for the external services, with far-reaching implications for the kind of programmes and the hours and times at which they are broadcast. It is true that in the developing world audiences' needs change rapidly as education and development progresses. The activities of other broadcasters must be taken into account. I am thinking, for example, of the massive increase in commercial broadcasting in some parts of the world.

The Government are in no doubt that the BBC external services are a precious resource that brings great benefits to Britain. They enjoy a high international reputation for the quality, accuracy and impartiality of their broadcasting. That can only enhance Britain's image. In their news coverage it is the task of the external services to broadcast a balanced British view of national and international developments, including an accurate and effective representation of British life. In that they enjoy editorial independence.

It is the Government's task, in close co-operation with the BBC, to ensure that the funds that we invest in external broadcasting are used to maximum effect. We must ensure value for money in the technology that we employ. We must discuss how to respond with the necessary flexibility to the challenges of a rapidly changing world. We therefore maintain a close and continuing dialogue with the BBC external services to set the geographical priorities for broadcasting and the hours broadcast in each language. In doing this we must consider the requirements of the BBC external services within the framework of the total Foreign and Commonwealth Office budget and to assess them against overall foreign policy priorities. We bear the responsibility for ensuring that the taxpayer's

money is spent economically, efficiently and effectively. That is why we believe that it is right for the National Audit Office to have access to the external services to carry out its examinations. Following the Perry report, we attach considerable importance to securing agreement on the revised financial memorandum, which had been proposed by that report.

A glance at the figures for the funding of the BBC external services shows why we take this responsibility so seriously. The BBC's present broadcasting output stands at over 732 hours per week, which is the highest level since the 1950s. To achieve this level we have increased grants-in-aid in real terms by over 50 per cent. in the past eight years. About half of this has gone to support increases in running costs. The remainder has funded a programme of capital expenditure, which was begun in 1981, to improve audibility. In 1979-80 the BBC external services accounted for 12 per cent. of the total Foreign and Commonwealth Office diplomatic wing expenditure. The figure is now 17 per cent.

I hope that that figure, when put in context, gives an answer to my hon. Friend the Member for Lewes (Mr. Rathbone) who cast aspersions on the way in which the Foreign and Commonwealth Office spends money on the BBC in contra-distinction to our true diplomatic effort and our embassies. We must take an overall view, and it is fair to say that the BBC external services have done well over the past five years, in what has been a time of constrained spending.

Mr. Buchan: Why was that policy necessary?

Mr. Eggar: I hope that the hon. Gentleman will forgive me, but I am trying to discuss world television news. We are studying the whole matter of Government involvement. It is a deceptively simply proposition which raises a number of extremely difficult issues. Broadcasting by satellite is neither simple nor inexpensive. It is estimated to be 10 times as expensive as broadcasting by traditional means.

The broadcasting of television programmes is not merely a logical extension of radio broadcasting. We need, for instance, in the context of television broadcasting, to examine again the audiences whom we are trying to reach and how we shall reach them. In many areas of the developing world radio is likely to remain the sole means of communication for the foreseeable future. I need hardly say, in addition, that in closed societies, especially in the Eastern bloc, which are a priority for external broadcasting, it is no simple matter for them to acquire, erect and use a satellite television receiving dish. It is, of course, far easier for authorities to spot a dish than to spot a short-wave radio receiver.

Furthermore, the technology is changing almost from day to day. We must be sure that any investment will be a sound use of taxpayers' money. That is why we are conducting a thorough analysis of all the issues raised by satellite broadcasting. We hope to consider the whole proposal and the Government's role in it from production of a programme to delivery to the potential audience.

Mr. Charles Kennedy (Ross, Cromarty and Skye): When will we know?

Mr. Eggar: We are already engaged in exploratory discussions with the BBC and others interested in this idea. Partly as a result of those discussions the BBC is, I understand, renewing and changing its original proposals. I hope to be able to study its revised plan shortly. I have a feeling, from listening to my hon. Friend the Member for Leominster, that he may know rather more about the proposal that will soon land on my desk than I do.

We should not, of course, ignore the fact that British broadcasters are already present on the international scene. Many hon. Members have referred to the ITN's World News, which is transmitted by Superchannel and is available to a potential audience of more than 8 million homes in 15 European countries. It is available also in hotels and by individual satellite receiving dishes in a number of other countries. Furthermore, I understand that, since the beginning of this month, it is available in Japan. I am told that there are other possible opportunities.

Mr. Foulkes: Will the Minister answer one question? He said in a fairly waffly comment that the plan would be considered "shortly" — that famous ministerial word. Both sides of the House are anxious to know when he expects to announce a decision about the request, whether it is revised or not, by the BBC for financial assistance. When does the hon. Gentleman expect that announcement to be made?

Mr. Eggar: Discussions have been continuing since we received the first BBC proposal in November 1986. I understand that the BBC is shortly to send me a further revised proposal. I do not know when it will arrive. I assure hon. Members that as soon as it arrives we will be able to continue our evaluation of the various options open. I am not in a position to give a definite time for announcing a decision, because I am not even aware of the precise proposal that the BBC, and other interested bodies —that is an important addition—will put forward.

The Government are faced with an important and extremely complex decision. It involves a number of separate issues, especially the need to identify audiences and to ensure that any product that is in any way assisted by public money can reach the appropriate audience, otherwise it simply is not justifiable to put in public money at the first stage. For instance, we must consider how people can receive a product which is in any way financed by British taxpayers' money if they do not have access to a satellite dish. We must know exactly what the markets are and decide whether we can justify any kind of public subsidy to transmit that product into the homes in those areas. I am unwilling to be pinned down to a time, but I assure hon. Members that this issue is receiving considerable attention and priority. It will continue to do so. I look forward to receiving the BBC's further proposals.

Local Government Finance

8.45 pm

Mr. Richard Caborn (Sheffield, Central): It is nice to see you in the Chair, Madam Deputy Speaker. I hope that you will continue to show the fairness that we saw when you were a Committee Chairman, that you will allow Back Benchers to intervene from time to time and that you will control Front Benchers. I thank you also for allowing a three-hour debate on the important subject of local government finance. The number of applications for this debate clearly shows the interest and concern of many hon. Members.

Mr. Michael Fallon (Darlington): Where are they?

Mr. Caborn: I have no doubt that they will come in from the Tea Room and other places in the Palace in the not-too-distant future.

The concern about this subject can be broken down into three main aspects. The first is the difficulty faced by many local authorities in meeting their daily commitments on behalf of the communities they represent, especially in the main conurbations where many of the problems of housing, social services, education and deprivation are evident and, some would say, reaching crisis proportions. Local government and public representatives have to meet and cope with those problems in difficult financial circumstances.

The second matter concerns the introduction of the new community charge, which was clearly outlined in the Gracious Speech only a few days ago. No doubt many hon. Members will try to catch your eye, Madam Deputy Speaker, to speak in more detail on that than I have time to do.

The third aspect is the way in which, over the past eight years, the Government have manipulated the financial arrangements, along with other local government legislation, in a manner which is best described in the words of the *Financial Times*:

"the Government have no coherent strategy or philosophy for the future of Local Government in Britain."

At worst, it can be called deliberate financial strangulation and drip-feeding of poison into local government, led by the Government Front Bench, aided and abetted by the gutter press, especially the tabloids. They have attacked local government with unfounded allegations, although facts never stood in the way of a good story in the tabloids. Unfortunately, the worst venom has been reserved for our local authorities. The present financial constraints do not even allow many local authorities to carry out their minimum obligations. About 42 Bills passed in the last few Sessions tried to strangle local authorities.

That attitude forced even the Audit Commission to conclude

"the position of Local Government in many of the areas has become impossible."

Many people inside and outside the House are asking: is the problem just hatred of local government, as fostered by the Prime Minister and the Secretary of State for the Environment, or is it that the impossibility to which the Audit Commission referred is deliberately designed to limit the role of local government and place that limited role to the Government's advantage or to create the conditions for local government's abolition?

Tragically, over the past eight years, democratic trade union rights have been removed and a tier of local government abolished. We must question the conditions imposed by the Government, particularly on local authority finance. Are the Government trying eventually to abolish or greatly curtail local authority control? Are they trying to build the centralised administration that many of us fear? The Gracious Speech implied that education could become far more centralised. I suggest that the Government are taking us towards that type of administration. That was underlined clearly in an article in the *Sunday Telegraph* on 5 July:

"Meanwhile, Mrs. Thatcher has ordered ministers to take the offensive over the controversial community charge and over the inner city programme. The aim will be to lay the blame for squalid housing and urban deprivation at the door of the Left-wing councils which, ministers say, care more about extremist politics than people."

That is not the idea that is even now emanating from the Palace. The Palace is trying to bring communities together. However, it is clear that, to the Prime Minister, confrontation with local government is the order of the day. During the election campaign, the Prime Minister declared that she intended her third term to see the removal of Socialism from the face of the United Kingdom. Her vindictive approach to local government could be seen in that context. She wants to limit the role of local authorities because she knows of the strong role that Socialism maintains in our major inner-city areas in the north. She sees local authorities as a legitimate target.

It is true that the Government are now putting forward proposals to assist the inner-city areas. If they are not trying completely to resurrect the industrial base, at least the Government are attempting to rebuild the inner cities and provide safety valves to alleviate what could be a major problem in the future. However, all the proposals are bypassing democratically elected local councils and disregarding the views of people who have spent years in the localities, who have been put where they are by the ballot box and who know the feelings of the people they represent. Unfortunately, the Government want to try to bypass the democratic process.

The Government's cynical approach to local government has not gone down particularly well with Conservative Back Benchers. That was highlighted by the statement of the previous Leader of the House, who was quoted in an exclusive interview in the *Sunday Telegraph* on 5 July as saying that the Prime Minister now acted more like Stalin. I think she could probably teach the Soviet Union a lot about centralism.

Last Friday, the hon. Member for Harrow, East (Mr. Dykes) said, in reply to the remarks of one of his hon. Friends who was rather enthusiastic about the removal of Socialism from the face of the United Kingdom:

"We cannot say that our mission in history is to eliminate Socialism; that is a function of the will of the people."

He said that people would only reach the same conclusion as the Conservative party if

"we produce attractive policies that appeal to the whole electorate. Our national share of the vote did not increase last time; it fell slightly. The workings of the electoral system gave us another big majority in the House, but we know that people do not agree with our policies. We must persuade them. We cannot simply bash them on the head and insist that they accept our policies." [*Official Report*, 10 July 1987, Vol. 119, c. 654.]

Unfortunately, we are getting used to the style of government that bashes people on the head. However, many Conservative Back Benchers are even now

challenging that type of Government, and the dogma of the Government Front Bench, particularly towards local government, is becoming unacceptable to them.

What is the case against the Government's financial manipulation during the past eight years? We have a whole new jargon written into local government vocabulary, which includes financial targets, rate capping, precepts and the rest. Ironically, the constraints implicit in that vocabulary have not applied to central Government. Between 1980-1981 and 1985-1986, central Government expenditure increased by 51 per cent., while local authority spend over the same period increased by 32 per cent. That clearly shows that the criteria apply to local government but not to central Government.

Since the Government took power in 1979, we have seen two major developments in local government finance. As I said, there has been an increase of some 32 per cent. overall since 1980-81, but capital expenditure has gone down by a staggering 44 per cent. in real terms. Current expenditure is expected to remain virtually static in real terms over the rest of the planned period to the 1990s, but capital expenditure is expected to continue to fall over the same period. Current expenditure is rising by an average of 2 per cent. to 3 per cent. per annum in real terms and net capital spending is falling by 6 per cent. to 7 per cent. per year in real terms.

A closer look at the details of local authority current expenditure in England shows that the Government have succeeded in changing the distribution of that spend. Spending on social security, housing benefits and law and order are now taking a significantly larger share of spending than in 1979-80. Education, the local environment, transport and housing consume a much smaller proportion of the total than in 1979-80.

The cut in capital expenditure goes to the heart of the problems of our inner cities. If it is not defused, the time bomb planted in our inner cities over the past eight years could reverberate well beyond those areas. It is rather ironic that, while we have been called upon to improve our infrastructure — in transport, energy and education — central Government have been cutting the very means that would make it possible.

I shall take Sheffield as an example to illustrate what I have said. In 1981-82 the housing capital account had an allocation of £19·2 million; in 1987-88 the allocation is £17·3 million—a reduction of over 10 per cent. That is before allowances have been made for inflation. The increase in the retail price index over that period was 36·6 per cent. For education, capital expenditure was £3·2 million in 1981-82, which has now been reduced to £2·6 million. That comes after a report at the end of a two-year study conducted by Her Majesty's inspectors, which came out in favour of Sheffield education authority's services, expenditure and curriculum, and gave a glowing report. We had favourable press releases and comment even from the Department of Education and Science. But although the report said that we managed our financial affairs to the benefit of the pupils and the service in general, there has been a 20 per cent. cut during that period—again before allowing for inflation.

Community services have also borne the brunt of the cuts, especially in the inner cities. There is an average of 30 per cent. unemployment in Sheffield, Central and of about 50 per cent. in the inner city. But our community services budget has been cut by about 40 per cent., again before taking inflation into consideration. Some may argue that revenue expenditure has increased. In 1981-82, 51 per cent. of Sheffield city council's expenditure was financed through central Government grants — specific or supplementary grants and the block grant. For 1987-88, the proportion has fallen to 48 per cent. The city council's expenditure increased in cash terms by 36 per cent. between 1981-82 and 1987-88, because the city council took over responsibility for the metropolitan county council services in 1986-87. That expenditure increased to 52 per cent., and the ratepayers are having to foot the bill for the reduction in the percentage that used to come from central Government.

The Secretary of State's ignorance was shown on 1 July, when he attacked my hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett). He said:

> "There can never be enough public money to do everything through municipal ownership, nationalisation and services provided by highly unionised public sector services. It is inherently inefficient, and, worse, the necessary level of rates drives businesses and business men alike away." [*Official Report*, 1 July 1987; Vol. 118, c. 534.]

I do not know where the Secretary of State got his brief from, or whether he occasionally goes off his brief, but we should consider the spend on the private sector in Sheffield in 1984-85. Sheffield's total budget for that year was £262 million. Of that, slightly less than £100 million — 38 per cent. — was spent in the private sector or on agencies outside the control of the local authority. The false picture has been painted that all the revenue that goes to a local authority is designated within that authority. That is totally untrue. The private sector, especially builders and architects, have said that the cuts experienced during the past eight years and the strangulation of local government have had a major impact not only on the viability of their businesses but on their survival. The Secretary of State should know better than to make such statements.

The Government, aided and abetted by the gutter press, in their attempt to limit the role of local authorities, have painted a picture of irresponsible councillors of all parties. They have said that local government does not serve the community, but then they come up with the poll tax. On 29 June this year, the Secretary of State said that the rates bill for the average household in Sheffield will increase from £371 to £496 — an increase of 33·7 per cent. The Minister will know that that is only half the story. Much of the increase will fall on those who can least afford it. If the Bills introducing the poll tax go through the House — they may be opposed by some senior Conservative Members — they will represent another blow to those who can least afford it.

If the Government continue to attack under-resourced local government, they will be in breach of the consensus that has been accepted for many years: that local people who are democratically elected should have a say in how the money is spent. Crude though it may be, we have used the rating system for the redistribution of wealth generally. More than that, we have used it to develop the infrastructure of the more deprived areas so that we can attract industry. That consensus has now clearly been broken. Many Conservative Members and outside agencies, in documents such as "Faith in the City", have said

Mr. Tony Favell (Stockport): Will the hon. Gentleman give way?

Mr. Caborn: I will give way in a moment.

[Mr. Caborn]

It has been pointed out in documents drawn up by many institutions outside the House that we are building that time bomb. Unless the Government start taking note of what people in various localities are saying, not only will they break that consensus but there will be major problems for the inner cities.

Mr. Favell: Will the hon. Gentleman say a word about the unified business rate and how that will affect Sheffield? Will it not reduce the charge to businesses substantially and is not unemployment the major problem facing Sheffield? Would not a reduction in overheads of businesses be welcome to Sheffield?

Mr. Caborn: Obviously a reduction in charges would be of some assistance to any business. It depends how one accepts responsibility within a community. When the Government destroyed the cheap fares policy that was supposed to be a massive burden on ratepayers, the removal of that redistribution of wealth fell heavily upon industry. Where the net reduction in the family budget was about £10, people put in for wage increases to combat it.

If the hon. Member for Stockport (Mr. Favell) speaks to business men in the centre of Sheffield who have lost a tremendous amount of business because people cannot afford to travel there, he will find that business activity has reduced considerably. If he talks to industrialists about high interest rates, the high value of the pound and energy costs over the eight years of the Government, he will find that rates pale into insignificance in terms of a vibrant manufacturing base in the city of Sheffield. Any industrialist will tell him that they will always moan about the rates, but that the real cause of the decimation of the industrial base is clearly the economic policy that has been pursued by the Government, which has strangled that manufacturing base with high interest rates, an over-valued pound and energy costs.

I hope that the Government will take on board what has been said not just by Opposition Members but by Conservative Members — that if they do not start treating local government in a manner more befitting the type of civilised society in which we live, they will reap the consequences.

9.7 pm

Mr. Michael Fallon (Darlington): The House is indebted to the hon. Member for Sheffield, Central (Mr. Caborn) for giving us such an early opportunity to debate local government finance. I suspect that it will not be the last opportunity and that we shall debate the subject again and again over the next few months. If we continue to do so in the atmosphere of calm authority that you, Madam Deputy Speaker, bring to our proceedings, we shall all be very grateful.

No new tax or charge will be popular. It is no surprise, therefore, that the Opposition have latched on to the proposed local government finance reforms as a key part of their political attack on the Government. Nor is it any surprise that some of my hon. Friends have expressed, and may express during this debate, occasional reservations about some of the details of the reforms that have been proposed. Many criticisms have been made and will be made about the community charge. Almost all of the criticisms that I have heard so far can be answered.

First, it has been suggested that the new community charge is not to be based on the ability to pay. Of course, rates were not based on the ability to pay and many of those who will benefit under the community charge — single people, pensioners and single-parent families — were unable, in many cases, to pay a high rates burden but will be able to afford the lower sum that the community charge represents and will be grateful for the reduction.

Secondly, it is suggested that the community charge will benefit the better off. That seems a rather curious argument. The community charge applies to working couples on good salaries and it may well be that in certain areas—we could call this the Dulwich argument — their community charge, if two of them are earning, will be less than their existing rate demand or less than that of others who are not in such fortunate circumstances, who are not earning as much, but who happen to be living in the same borough. However, it is a false argument. The community charge will account for only 25 per cent. of local government finance. Another 25 per cent. will come from the business rate, but, more importantly, the remaining 50 per cent. will continue to come from central Government. Those who keep saying that the community charge will help the better off have not taken that on board. That is a crucial point. Those who pay higher rates of income tax will be making their contribution to that 50 per cent. of local government finance. In fact, they will be paying twice as much towards local government in their income tax as they will through the community charge.

The Dulwich argument is not simply false but is rather curious coming from the Opposition. They are saying that some people who are better off will be paying a little more towards their public services. Where have we heard that before? We heard that from the Labour party throughout the election campaign. The Labour party was appealing to the sense of community and sense of obligation among those who were better equipped to pay. I find it rather odd that the Labour Members should now style themselves as the defenders of the prosperous bourgeoisie, and are concerned that its pockets should not be pinched further by the community charge when they were suggesting just a month and a half ago that those same people would be quite happy to pay a little more. Indeed, some of the people who are now complaining about the community charge are the very people who told us two months ago, perhaps on the doorstep, that they did not need the tax cuts that the Chancellor provided in his March Budget. They said that they did not need the extra £100 or £200 a year, but they are now squealing across the suburbs and the home counties at the prospect of paying an extra £50 in a year through the community charge.

The third criticism that I do not understand is that the community charge will not help the north. It is true that in some areas of the north, particularly in Yorkshire and the north-west that happen to have that fatal combination of historically low rateable values and high spending Labour councils, the individual may be paying more through the community charge than he pays at present in rates. However, that ignores the other central reform in our proposals, the reform of the non-domestic rate and the introduction of the national non-domestic rate. Of course, that would lead to substantial reductions in the business rates burden. I can speak only from the point of view of my own region. It is already estimated that business rates will fall by about 40 per cent. in places such as Newcastle, Middlesbrough and other towns in the north-east.

It is also calculated that the total benefit to the north—even as the Opposition style their geographic north will be about £700 million a year. That is a considerable sum. It is three times what the Government are spending on their regional aid budget at the moment, and it should not be ignored by anybody who believes in the urgent necessity of regenerating the economy of the north.

Fourthly, it was suggested by the hon. Member for Sheffield, Central, who introduced the debate and has already fled from the Chamber, that somehow the reform is centralist and that it will undermine local democracy. That is one of the weaker arguments to be mounted against the community charge. I suspect that, as time goes on and we debate the proposal, we shall hear less of such an argument. The strongest argument for the community charge is that it will strengthen local accountability because it will directly improve the responsibility of local government.

Of course, if council rates continue to be high until the introduction of the community charge, and if councils continue to be high spenders and ignore central Government advice on spending targets, as they have done for four or five years, the community charge may be high. Councils may find that electors will pay even more than they pay at the moment. But it will not be for the Government or for my right hon. Friend the Secretary of State to make the decision. The decision to enforce a higher community charge will be for local councils. They will have to account for it in due time. Indeed, if they consistently impose a community charge that is higher than the national average, it will be transparent to their local electors in a way in which present rate levels, caught up in the complexity of grant-related expenditure—GRE and all the other synonyms of local government finance which have baffled the House for the past four or five years—are not. For high spending local authorities, the logic of the community charge is absolute, and for them there will be no hiding place. Fifthly, I cannot accept the criticism that the community charge may be unfair. No system of local government could be more unfair than our present rating system. No account is taken of ability to pay, of the extent to which people use local services, or of the need to involve a much larger number of people in local democracy. No account is taken of the need to redress a situation in which 35 million people use local services but 20 million people do not pay rates. We must remove the absurdity in some central urban areas such as in Manchester, where only one in four adults pay any rates. That is not only absurd in principle but pretty tough on the man who pays rates.

I have already said that I believe that almost all criticisms of the community charge that I have heard can be answered. Indeed, I have no doubt that those criticisms will be answered admirably and efficiently by my hon. Friend the Minister when he replies.

However, I have heard one criticism from outside the House to which I believe my hon. Friend should address himself if he has time. The criticism is that this sensible reform of local government finance is not, at the moment, being linked to any reform of local government structure. My hon. Friend should bear in mind the consequences of the reform that he will be promoting. Once we have a local government that is locally responsible and truly accountable to its electors, I believe that it will make no sense to continue with the two-tier structure of local government. We should reconsider, as recommended years ago by Redcliffe-Maud, single-tier, all-purpose authorities responding to local demand in a much more effective way than at present.

Such is my single note of reservation. I hope that my hon. Friend can satisfy my question. There will be many more debates on this subject. I hope that when criticisms are made of the community charge they will be better founded in fact and based on a better grasp of what the Government are seeking to do.

9.21 pm

Mr. Menzies Campbell (Fife, North-East): I hope that it will not be thought presumptious or unduly prococious of the part of a maiden speaker to offer you, Madam Deputy Speaker, my congratulations on your new appointment. May I express the wish of those on the Liberal Benches that you enjoy your appointment and occupy the Chair for a long time to come.

I am grateful for the opportunity afforded to me to make a maiden speech in this House. I do so attended with all the apprehensions to which maiden speakers are traditionally subject. In the spirit of that tradition, I wish to begin by referring to my predecessor, Barry Henderson.

Barry Henderson served the constituency of Fife, North-East sincerely and conscientiously during the time he was its Member of Parliament. To me he was a courteous opponent, and he was gracious and generous in defeat. However, none of those qualities, admirable in themselves, was sufficient protection against the condemnation by the electors of Fife, North-East of the party of which he was such a loyal supporter. Some of the condemnation was especially reserved for the community charge, or the poll tax as it is colloquially described north of the border.

I trust that we on the Liberal Benches may be forgiven some small self-indulgence from the realisation that the constituency that returned Mr. Asquith for so many years has once more returned a Liberal Member of Parliament.

The House will be aware that within my constituency lies Scotland's oldest university, founded in 1411. That university has a long noble tradition of scholarship in the arts and sciences, in teaching and research. The maintenance of that tradition is becoming increasingly difficult in the present climate. Research, in particular, is an issue of considerable controversy within that university. It is universally recognised within the academic community that research for its intrinsic merit is an essential feature of a vigorous and healthy university. It must surely be accepted that scholarship should not lightly be sacrificed to commercialism. However, that is an inevitable consequence of Government policies towards universities.

Since 1980, St. Andrew's university has suffered a cut of 21 per cent. in real terms in University Grants Committee funding. It has survived only by the skilful management of its investments and by a robust programme of recruiting foreign students who pay full fees. Obviously, that programme has been acompanied by a reduction in opportunity for students from the United Kingdom. Indeed, it may not be long before that institution is staring deficit in the face. One may think that that is hardly conducive to the role that is required of it during the last part of the 20th century.

This debate is concerned with local government finance. Anyone who listens to those who are involved in local government on a day-to-day basis will readily accept

[Mr. Menzies Campbell]

that many of the difficulties that local government faces arise from the continuing reduction in central Government's support for local government. In Fife, North-East, for example, if the housing support grant stood today at the same level as in 1979, the rents for council houses would be £6 per week less. Until that reduction in central Government support is halted, the pressure on local authorities will continue to be acute and damaging. To suggest, as appears to have been suggested in the House a few moments ago, that the community charge will bring a solution to the many problems of local government financing seems to ignore the fact that the community charge, of itself, will create its own difficulties.

Of course, it is accepted that rates are universally discredited, although from time to time one feels that, as a means of raising local taxation, rates still enjoy some support from Labour Members. The replacement of one regressive tax by another is no solution. The community charge, or the poll tax, must be regressive and unfair; otherwise there would not be any need for rebates. If it were essentially a fair charge, there would not be any necessity to make allowances for those whose personal circumstances were such as to make them unable to pay. A tax that will benefit mostly those who earn over £350 per week is self-evidently unfair.

We argue, as we have argued for a long time, that the only fair system of raising local taxation is by a local income tax based on the ability to pay. If ability to pay is recognised as the proper measure for raising taxation on a national, United Kingdom-wide basis, why is it denied that the same basis should be applied to local taxation?

If the Government were to undertake to restore the level of central Government support to what it was in 1979 and to introduce a local income tax along the lines that we have argued, real progress could be made in the financing of local government. I look for that, but so far I have been disappointed.

9.27 pm

Mr. Tony Baldry (Banbury): It gives me great pleasure to follow the maiden speech of the hon. and learned Member for Fife, North-East (Mr. Campbell), who spoke with great clarity and coherence and who, I am sure, will make many more speeches in the House. I understand that he is an advocate, and I welcome him to the small band of lawyers in the House. As his hon. and learned Friend the Member for Montgomery (Mr. Carlile), who is seated on his left, and who is a leading member of the all-party group of barristers, will inform him, we are a much-misunderstood, misrepresented and maligned group of individuals.

I welcome the hon. Gentleman also as a representative of, among other institutions, St. Andrew's university. Some of my hon. Friends have, for a number of years, been trying to contain the influence of St. Andrew's university on the thinking of the Conservative party, but with not as much success as some of us would have liked. Therefore, for many reasons, we welcome the hon. and learned Gentleman into the House and look forward to hearing from him on future occasions.

I should like to make several straightforward points about the rating system and local government finance. First—this is an important point—no one will lament the passing of the present domestic rating system. It is an anachronistic system, which owes much to the old concept of the window tax and which is riddled with anomalies and unfairness. An elderly widow who is a pensioner may well, for example, be liable to pay exactly the same rates as her neighbours, where perhaps both husband and wife go out to work. That cannot be a fair system.

The present rating system gives every incentive to local councils, such as Oxfordshire, to be profligate and to write cheques on other people's bank accounts because on average only half of those who can vote must foot the bill for any extra spending. The present rating system gives no real incentive to local councils to be prudent as they have little accountability to those whose money they spend, often with gay abandon. Therefore, the arguments against the present rating system are many.

Secondly, if any hon. Member has any lingering support for the present rating system rather than opting for something new, such lingering support should evaporate when one considers the prospect of revaluation. The point which has not been taken on board by nearly enough people is that we could not carry on with the existing system without a revaluation, since the last was in 1973 and revaluation is part and parcel of the existing system.

In Scotland, only five years after the previous revaluation, the rateable value of an ordinary house increased from £171 to £726 and the rateable value of a modest flat increased from £405 to an incredible £1,289. Imagine what revaluation in England and Wales after 14 years would do. Inevitably, it would lead to serious disruption for many present ratepayers. Therefore, I do not believe that the present system has any friends or supporters either on the Opposition Benches or on these Benches.

Time and again during the general election campaign that was made clear on the doorsteps by many people who asked that at last the Conservatives should redeem their pledge to reform the rating system. Clearly the electors understood what the Conservatives were proposing in our manifesto which stated that we would

"legislate in the first session of the new Parliament . . . to replace rates with a fairer Community Charge."

Thirdly, the community charge has several clear advantages. It is straightforward; nearly every adult over 18 will be liable to pay an equal share; and there will be protection for weaker, poorer members of the community. Furthermore, the community charge will ensure both that those who spend the money will again be accountable to those who provide much of the money that is spent and that business, commerce and industry will no longer be prey to the unreasonable demands of unreasonable councils. It is an inherently fairer system as 69 per cent. of single pensioners and 83 per cent. of one-parent families will be better off.

Naturally, some critics will try to dream up as many obstacles and difficulties as possible, and I have no doubt that the difficulties they will seek to raise during the passage of the legislation will be legion, but the burden of proof is undoubtedly on them. If they do not believe that the present rating system is sustainable and they are opposed to the community charge, the burden of proof is clearly on them to come up with an alternative which combines fairness and accountablility by councillors to those who provide the money they spend.

So far, during the debate on the Gracious Speech and in press comments on the reform of the rating system, we

have not seen a shadow of a scintilla of any suggestion from any opponents to the community charge of any alternatives that they could devise. They will not be able to argue with any conviction that the community charge will weaken local democracy; it does exactly the reverse, because it strengthens local democracy by making those elected directly responsible to those who pay. After at least 15 years of debate and argument over the present iniquitous rating system, the Government have at last come up with a real viable alternative.

Fourthly, it is important that this point should be understood clearly by everyone—under the community charge, people living in counties such as Oxfordshire will pay more than they need to under the new system only if the county council refuses to cut spending. My right hon. Friend the Secretary of State for the Environment recently released figures that reflect what the position would have been if a community charge had been introduced this year instead of rates. The figures show that households in Oxfordshire with more than two people would end up paying more under the community charge system than under the rates system, but only—this point has been made time and time again—because of overspending and profligate spending by the county council. If the county council cut spending, the same household with the identical figures would pay £27 a year less under the new community charge than under the rates system.

We must get the message home to people that the figures clearly show that it is important that high-spending authorities such as Oxfordshire should start to identify sensible economies. It is also important that those of us who live in counties such as Oxfordshire should insist that such economies are made. There will be a real incentive for all of us living in Oxfordshire to insist that such counties begin to behave prudently and sensibly and stop writing cheques on other people's bank accounts. Nearly every adult in Oxfordshire will have a vested, direct and identifiable interest in ensuring that the county is prudent.

There are four simple points. First, the present rating system is discredited. Secondly, the community charge will be much fairer. Thirdly, the burden of proof is on those who oppose the community charge to come forward with another system, and we have seen none of that to date. Finally, under the community charge many people have the potential to be better off, but only if local authorities try to contain their spending and do not continue to pursue profligate spending policies, spending money on other people's bank accounts.

9.37 pm

Mr. Harry Barnes (Derbyshire, North-East): I thank you, Mr. Speaker, for allowing me to speak in this important debate. The debate affects all of my constituents who will be interested to learn the views of Conservative Members who have said that rich people tend not to live in large houses and poor people tend not to live in small houses. That means that under the present system they believe that things are inequitable.

I want to pay tribute to Ray Ellis, the former Member for Derbyshire, North-East. Ray would have been interested to be involved in this debate. He was a former councillor in south Yorkshire, and that county council has since been abolished. He served in this House for eight years and during that period he faced strong Government opposition. When I took over from Ray Ellis, I had hoped to be in an easier position, but I face the same level of strength on the Government Benches.

The Government must realise that the election result has not given them a mandate to ride roughshod over people's feelings. Strong feelings were expressed across both sides of the political divide during the election campaign and on no point were feelings running stronger than on the poll tax.

Ray Ellis was the fifth miner to represent Derbyshire, North-East, an area which has suffered boundary changes. The first miner was a Lib-Lab, elected in 1907, who joined the Labour party in 1910. For 68 years of the intervening 80 years the constituency was served by five mining Members from Derbyshire. Among them was Tom Swain, who was well known in the House and was a fighter on behalf of his constituents in more ways than one. I have broken that tradition in that I am not a miner, but I take over the commitment to fight on behalf of mining in my constituency.

Some mining is still left in north-east Derbyshire. There are three pits, one of which is at High Moor, where Ray Ellis was for a number of years an extremely effective union branch secretary with a sound reputation for negotiating on behalf of his members. The other two pits are at Renishaw Park and Ireland. Ireland is on the boundary of north-east Derbyshire and Chesterfield and is currently the subject of closure plans by the NCB.

The NCB has also produced a hit-list of further pits in the area, such as Markham, Bolsover, and Warsop. Renishaw Park also appears on that list. Such closures would seriously affect the future employment prospects of people in my constituency.

In the three constituencies of Bolsover, Derbyshire, North-East and Chesterfield, mining is still the leading employer, partly because of the growth in unemployment within the area. Even so, the mining industry has been contracting, although jobs have been contracting at a faster rate. It can therefore be seen that mining still has a prominence in the constituency, and it is my intention to argue on its behalf and for the maintenance of the pits in those areas, particularly as they all have workable coal reserves.

I shall also defend the mining industry because of my own background. My father, relatives and my wife's father were miners. During the past 21 years I have taught both Derbyshire and Yorkshire miners, although they have probably taught me much more. In fact, three Members of this House attended classes that I have taught, and they, too, are now teaching me much more than I ever taught them.

I probably learnt more about miners' interests during the academic year 1984-85. During that time I taught two classes of Yorkshire miners, who attended rigorously despite the fact that it was the most terrifying period that they had ever gone through. Indeed, one of those miners was later killed when he returned to his pit.

My election to this House indicates that many changes are taking place in north-east Derbyshire. It is no longer an area pockmarked with pits, as it was at one time. It now contains a commuter element which centres on Sheffield and Chesterfield, of which I was a part as a teacher. Derbyshire, North-East is a socially and politically divided constituency, although not on traditional north-south lines. There is a classic east-west divide, with a strong Labour feeling in the east and a strong Conservative

[Mr. Harry Barnes]

feeling in the west. Both views should be taken account of by the Government, because to some extent it is a replica of what we now find generally throughout the country. A wise Government do not ride roughshod over differing attitudes and opinions, but seek to reconcile such conflicting interests and attitudes.

The Government's poll tax is a striking example of the problem that now exists, because in north-east Derbyshire the east-enders of the constituency will be expected to subsidise the west-enders, and that will cause uproar.

The Government are seemingly intent on creating scenarios that repeat those that we have seen in the past in Derbyshire, North-East. The eastern part of my constituency includes Clay Cross; in the western part are commuter areas such as Dronfield and Wingerworth. Clay Cross fought the Housing Finance Act 1972 for reasons similar to those that people have put forward against the poll tax. The Housing Finance Act provided for people's rents to be increased to pay for subsidies for their neighbours, and to reduce the rate burden and generally to transfer funds to the Exchequer. The poorer people were expected to subsidise the richer. But that was mild in comparison to measures instigated by the Government since and in the poll tax that is now on the cards, including reduction in rate support grant, controls being operated centrally, and the destruction of the ability and right of people to provide and act for themselves and to control things democratically. Clay Cross and the other areas in Derbyshire, North-East are unlikely to be willing to sit back gently and allow that to occur.

Financial problems in the community affect such areas as Dronfield, which, like many western areas, also has its working-class wards. In one of those wards there is a problem that requires Government finance and assistance. There is a fire raging underground near an industrial estate at Callywhite lane in Dronfield. We are seeking a delegation from the district council, the town council, firms, trade unionists and others to seek Government assistance. According to a magistrate's decision last week, the council is expected to find £300,000 to put out the fire. In terms of grant penalties, that would be £342,000—the product of a 4p rate, in areas that can ill afford it. Clearly, there is a case here for help from central Government.

The Department of the Environment has at last agreed to meet the delegation, but only after I put before the House early-day motion No. 46, signed by several other hon. Members; after an oral and a written question were put forward; and after I had tried to raise the matter on the Adjournment. Now, because we are approaching the summer recess—which I voted against—that delegation may not be met until September. That is not adequate for my constituents. Serious dangers need to be dealt with, and North-East Derbyshire district council is beginning to require assistance, particularly financial assistance.

There is an embankment of 40 to 45 ft. with a stream at the bottom. At the top of the embankment, on car park land behind firms, the temperature is 40 deg C. on the ground. At the top of the embankment the soil temperature is 60 deg. At the bottom of the embankment it is 87 degrees. Three feet below the bottom of the embankment the temperature is 630 deg C. in various hot spots. The fire cannot be put out with water; water oxidises the soil. The fire is gathering momentum; because it is growing in area it is threatening other firms and gas supplies in the area. At stake in the immediate future are 300 jobs. If the district council puts up the rates and requires firms under the Public Health Act 1936 to provide the money, a number of those firms will go bankrupt. They will not be assisted by the poll tax, nor by the provision that is made for businesses; they will go by the board, and 300 jobs will have gone in an area of high unemployment. Even worse than that is the fact that the stream at the bottom of the embankment is within 100 yd of a BMX track. Children are not prevented from going to the stream; all that is provided is a warning notice. That must be acted on.

I return to Clay Cross. That struggle showed that to engage in hard battles against Government measures is not unpopular. In a recent by-election, a formerly debarred Clay Cross councillor was elected to the North-East Derbyshire district council with 85 per cent. of the votes. The Government believe that such a high vote is impossible, but that is the percentage that has to be gained to establish a closed shop.

The Clay Cross councillors did not intend to defy the law. They believed that under the Housing Finance Act 1972 a commissioner could be sent in to take over housing. It was only after they had been through the courts that it was decided that under the Local Government Act 1933 a surcharge should be levied on the councillors. Many of my constituents, particularly those in the mining community, are aware of the fact that, although the action that was taken then appeared to be quite clear and open, the law can apply differing interpretations. Many sacked miners in north-east Derbyshire, including many of those who helped me in my election campaign, believe that to be so.

The Government should not unduly burden people. Instead, they should seek to reconcile conflicting interests. I shall quote from a letter that has been written to me by somebody who lives in north-east Derbyshire. It is not a put-up job. The letter comes from a 10-year-old girl in Unstone Green, which is a deprived area. In her letter Claire Staines writes:

"Dear Mr. Barnes, I am just writing to say how glad I am that you won your election. Can you ask Mrs. Thatcher to let us have more books and equipment for our school, and when is she going to find a job for my Dad?"

What is being done through local government financial legislation to ensure that books are placed in Claire Staines' school and to ensure that her father is given the opportunity, because the community is prosperous, to work again? I do not think that anything is being done.

9.54 pm

Mr. Tony Favell (Stockport): It gives me great pleasure to follow the maiden speech of the hon. Member for Derbyshire, North-East (Mr. Barnes). I know his constituency well, and I spent many hours of my courtship there with my wife. I was a native of Sheffield, and one of the nicest areas to go to was north-east Derbyshire.

Occasionally I travel to Bolsover, where I am president of the Conservative Association, and where I like to keep an eye on the activities of the hon. Member for Bolsover (Mr. Skinner). It is a very pleasant area——

Mr. Dennis Skinner (Bolsover): Skinner's hole.

Mr. Favell: That is true. The hon. Member for Bolsover tells me that none of his predecessors lived in my house, but I have my doubts.

I am glad to be speaking this evening because the subject for debate was chosen by the hon. Member for Sheffield, Central (Mr. Caborn). I have connections with that area because I have been a ratepayer in that constituency for the past 20 years, and during that time I have seen the city steadily decline.

The hon. Gentleman said that there were problems with Sheffield's industrial base. Those problems have been largely self-inflicted by the Socialist council that has ruled the city for more than 40 years.

The hon. Gentleman mentioned the steel industry. When the Minister replies to the debate, he might comment on the fact that there is no major steel producer in Sheffield. Most of the steel producing in south Yorkshire is carried out in Rotherham. That is due to the fact that the rates in Rotherham are lower than those in Sheffield. Four years ago a manager of British Steel in Sheffield was complaining that it was costing him £1,000 per employee in rates per annum. It is no wonder that he has chosen to move to Rotherham rather than stay in Sheffield.

Mr. Allen McKay (Barnsley, West and Penistone): What the hon. Gentleman is saying is untrue. If he looks at the history of the steelworks and of Sheffield he will discover that the older parts of the steelworks disappeared. He will discover that due to the recession, not because of a lack of demand for steel, they disappeared. The Steel Peach and Tozer steelworks have always been in Rotherham. They did not move from Sheffield to Rotherham.

Mr. Favell: I am suggesting not that Steel Peach and Tozer has moved from Sheffield to Rotherham, but that it is still open, whereas all the major steel producing plants in Sheffield are shut.

Mr. McKay: The hon. Gentleman should get his facts right. The reason why Steel Peach and Tozer is there is Concast. The investment at Steel Peach and Tozer made it one of the best plants in Europe. The reason for Samuel Fox remaining at Stocksbridge is exactly the same.

Mr. Favell: The fact remains that there is no major steel producer in the city of steel, Sheffield. That is largely due to the fact that rates are higher in Sheffield than in Rotherham.

Why have industrial cities such as Sheffield been destroying their industrial and commercial base? It is because, as my hon. Friend the Member for Darlington (Mr. Fallon) said, only 18 million out of 35 million adults in this country pay rates. Of the 18 million who are liable to pay rates, only 12 million pay full rates. In places such as Sheffield, Manchester, Liverpool, Newcastle and Leicester the figure is lower because of housing benefit.

Rate rebates were introduced not that long ago because certain councils were spending more money than ratepayers could afford. It was a modest provision to start with, but now 40 per cent. of people receive rebates. That is obviously nonsense. They receive rebates because the cities and towns in which they live spend more money than the people can afford to pay for. The wonderful point about the community charge is that it will mean that the people receiving the services will largely be able to afford to pay for them. This returns democracy to the towns and the cities, and not before time.

If we continue with the present system, there is no doubt that it will destroy our industrial cities. The simple reason is that there are no votes in saving money. At the moment the votes are in spending money. Only a quarter of the people in Manchester, Liverpool, Sheffield, Newcastle—all our great industrial cities—pay rates. It is not in the interests of people for whom they vote to save money. The interest is only in spending money.

Three or four years ago I discussed the matter with Birmingham Members—it is interesting to see my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) here—and they said, "My goodness, the Conservative party will do well in Birmingham." I said, "No, it will not, because there are no votes in saving money." The Conservative group on Birmingham council was a low-spending group, but it was voted out because there were no votes in saving money, as the group found to its cost.

Not so long ago, before the introduction of rate rebates, Socialist councils tried to hold rates down, simply because the lads as well as those who indulged in commerce and industry had to pay rates. That no longer happens. In my view, having spent my whole working life in a northern industrial city, this long-awaited, long-sought reform will be their salvation. It is a sledgehammer, but we need one to crack the nuts. It is not before time. It is welcome and I heartily endorse it. I cannot wait to vote for it.

10.1 pm

Mr. Tam Dalyell (Linlithgow): I congratulate my hon. Friend the Member for Derbyshire, North-East (Mr. Barnes), who made his maiden speech today, on his felicitous references to our late friend and colleague Tom Swain and his successor Ray Ellis. I shall always remember Tom Swain with affection. He was a picturesque colleague and brave in what he said. Indeed, every hon. Member will remember how Tom Swain reacted when some kind of missile—he could not know what it was—was thrown down from the Strangers Gallery.

I pay tribute also to my Scottish colleague the hon. and learned Member for Fife, North-East (Mr. Campbell), who has been a personal friend of my family for many years. I should like to follow what he said about the poll tax.

My contribution is precise. It refers to an interview given on "The World This Weekend" on the Sunday before last by the director of finance for the Lothian region, David Chynowith, to Gordon Clough. Clough said:

"there's one group of people for whom the community charge will be a universal headache, the local authority finance directors who'll have to put the will of Parliament into practice. They'll have to reorganise their systems to assess and collect a tax, levied not on houses, which stay put, but on people, who don't. In Scotland, of course, they've already started work preparing for that day two years hence, when the rates overnight turn into the community charge."

Earlier today, in a remarkable speech, my hon. Friend the Member for Cunninghame, North (Mr. Wilson) made a point with characteristic embellishment. Michael Ancram lost his seat. The Secretary of State for Defence nearly lost his. Another Scottish Minister lost his. The basic reason was the immediacy of the poll tax. My hon. Friend the Member for Cunninghame, North said in his sparkling speech that there should be a piper's lament for the election results for Michael Ancram and the other Conservatives, including John MacKay. I pay tribute to

[Mr. Tam Dalyell]

John MacKay. He was a decent Minister in our personal dealings with him. The Scottish election result was as much about the poll tax as it was about anything.

David Chynowith is the director of finance for Lothian region. He is also the chairman of an ad hoc committee of Scottish finance directors who are grappling with gestation problems. He said that he had been recalling what some of the problems were:

"Well, the main difficulties at the moment are trying to analyse the various systems which we'll need to set up before 1989 . . . we've only got until April 1989 to get everything up and running and the first major job of course is that the assessor has to set up the community charge register and once he's done that, we've then got to sort out the means of collection from the very many more people that we'll have to collect for as compared to the domestic rate charge."

He was asked:

"What about the business of setting up a community charge register . . . That isn't exactly the same as it is the electoral register."

Chynowith replied:

"No, indeed it isn't and it's a running register as compared with the electoral register which is set on one day in the year. It has to be kept up-to-date continuously and must at all times record all the people who are aged over 18 and who are staying in this area."

Is the director of finance for Lothian region and the chairman of the ad hoc committee in Scotland right or wrong to say that the register has to be kept up to date continuously each month? Is that so, or is it not?

Clough then said:

"Well, that's to say it's got to be updated pretty well monthly has it, because you have to collect in 12 monthly instalments?"

Chynowith replied:

"That's correct. It has to be updated continuously, yes and so each month it must be correct for each of the residents in the area."

Will the Minister tell me whether that is right or wrong? He can get the information from his officials in the Box, because the Box had better have thought about these things. Is it true that the register has to be updated every month? Let it be put on the record that I give the Minister an opportunity to reply. The fact is that, like so many of the other things that I have seen in the last quarter of a century, the poll tax is ill thought out.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Hear, hear.

Mr. Dalyell: The hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark), whom I hold in the highest regard, has repeatedly asked these questions both publicly and privately—he does not say anything in private that he would not say in public. It is no good dismissing him. After all, he has run one of the major committees in Birmingham, so he just might know something about this. I give way to the hon. Gentleman.

Mr. Beaumont-Dark: I intend to make my small contribution when the hon. Member for Linlithgow (Mr. Dalyell) has finished.

Mr. Dalyell: Let me then warn the House that I think that it is correct that if the register is to work—we are not talking about equity here — there has to be an updating every month. If the Minister does not deny that, either he does not know the answer or I am right. It must be one or t'other.

Clough continues:

"So how is the assessor setting about this? Is he having to send out questionnaires to every household to say, who is going to be living in your house on April 5th 1989, who's over 18?"

I wish that the Minister had heard my hon. Friend in his maiden speech talking about aunties under the bed, because in the Dulwich question that he put so brilliantly my hon. Friend said exactly what would happen. My hon. Friend the Member for Glasgow, Provan (Mr. Wray) has gone on record time and again as saying that he now has 43,000 constituents but, by the time the poll tax is in operation, he will have only 10,000 because they will not register. How are people going to get them to register?

The director of finance answered:

"He will have to canvass every property in the area. It won't just be a postal canvas of course because there is not a complete response to any postal canvass one does and it will be necessary for him to employ staff to actually go around and knock on doors and stand on door steps, I'm afraid."

Clough said:

"What happens if someone who is initially registered on April 5th, let's say, decides to go away and live somewhere else . . . so he presumably doesn't . . . or he, she doesn't have to go on paying the community charge to Lothian but will presumably have to pay it somewhere else. Whose duty is it to tell whom about that?"

I suspect that the answer is a ministerial lemon, because the Minister does not know.

Mr. Donald Dewar (Glasgow, Garscadden): That is not untypical.

Mr. Dalyell: My hon. Friend says that that is not untypical, but my hon. Friend and I know a good deal more about this than the Minister does, because with us it has been far more immediate. This is how the Secretary of State for Defence, who without any question is a good constituency Member, nearly lost the seat that has been held by the Tory party since the first Reform Bill. That requires some explanation. Edinburgh, South has been held by the Tory party since the first Reform Bill. I confess that the university of Edinburgh came into it and that other factors were at work there, but Ministers must ask themselves what will happen to their colleagues in 1991. I have a great deal of experience in the House, and I know that as soon as we start lifting up stones, creepy crawly things come out. It is wise for Governments to understand what those creepy crawly things are.

Chynowith says:

"Well, it's the responsibility of every individual to notify the authority they're leaving and also the authority that they're going to. So every single person over the age of 18 will have that duty and responsibility to ensure that the community charge register is kept up-to-date."

Will every family Cunninghame, North do that? I do not think that I can promise to deliver it in Linlithgow.

Clough says:

"It wouldn't be, I think, having too gloomy a view of human nature to suggest that some people might get lost on the Way?"

What happens if someone's son is lost in the Sahara? Does he pay? That is the Dulwich factor again. I do not wish to embellish the Dulwich question, because it is the property of my hon. Friend the Member for Cunninghame, North. I remember my hon. Friend the Member for Garscadden telling me that the West Lothian question was like the Schleswig-Holstein question. The Schleswig-Holstein question became very interesting and that is what may happen with the Dulwich question.

Mr. Ralph Howell (Norfolk, North): I am interested in the hon. Gentleman's comments about creepy crawlies

that might come from under stones. Is it not true that, at the election, the creepy crawlies did not come out from under the stones and, therefore, the Labour party lost the election?

Mr. Dalyell: That is what I am trying to say. This is something that worries me greatly. One sees how blue the map is—with the exception of Oxford, East—south of a line that starts about 25 miles south of Derby. In Norfolk and East Anglia, there is only one red dot, for Norwich. I mourn greatly the loss of Ken Weetch in Ipswich. The hon. Member for Norfolk, North (Mr. Howell) can say that the Conservatives won the election in his area, but has it not occurred to him that, even with the huge Conservative majority of 102, there is not a single Conservative Member on the Greater Glasgow conurbation? Does that not create problems?

Mr. Howell *indicated dissent.*

Mr. Dalyell: The hon. Gentleman shakes his head. Thoughtful Conservatives might ask why it happened. What I am saying—not on the hustings—is that this has much to do with the fact that Scotland was being used as a guinea pig for the poll tax. That is a partial explanation for the remarkable discrepancies. If hon. Members were wise, they would challenge their Ministers on how this scheme would work. I do not think that the Minister has much of a clue, because he has not yet put his mind to it.

Chynowith says:

"I'm absolutely certain that they will because clearly if people move regularly, they may take the view that they'll wait for the local authority to catch up with them."

Where are all the local authority personnel going to come from for this? An enormous amount of staff are involved.

I will read into the record the question to which I received an answer today:

"Mr. Dalyell asked the Secretary of State for the Environment how many civil servants in all departments are currently involved in preparation for the implementation of the poll tax?

Mr. Michael Howard: 21 staff in the Department of the Environment, 10 in the Scottish Office and three in the Welsh Office are engaged full-time on all aspects of the reform of local government finance. A further 21 staff in the Department of the Environment and 36 staff in other central departments are involved, as part of their other duties, in contributing to this work."

Those 21 staff in the Department of the Environment had better be asked to bend their minds to the kind of question that the director of finance—the technical man, who is a careful accountant—is being asked.

Clough said:

"OK. So you've got to draw up a community charge register which is going to need extra staff. How many people are you going to have to take on, do you think, to do that?"

Chynowith said:

"Well I understand the assessor is estimating in Lothian that he'll need between 60 and 70 extra staff."

If 60 or 70 extra staff will be needed in Lothian, 120 to 140 staff will be needed in Strathclyde. How many one will need in the Western Isles I do not know. The physical cost of employing extra staff is very real. What kind of money will they be paid? Clough said:

"There is going to be . . . a difficulty isn't there, even in collecting the names because if people know that in admitting that there's going to be an 18 year old living in the house, they're going to have to pay whatever it might be . . . a great temptation not to register."

I ask the Minister to save time by reading carefully the maiden speech of my hon. Friend the Member for Cunninghame, North, because he put it more graphically than I could. He said that people will be disappearing under the bed. That may be a flight of poetic language.

Mr. Nicholas Bennett (Pembroke): The hon. Gentleman has advanced three arguments. The first is that it will be hard work for the finance officers. They would say that. I have never had any sympathy with local government officers who complain about changes in legislation because it means that they have to do more work, if it happens to be a better system. Secondly, he cast aspersions on the Scottish people by suggesting that there would be only 10,000 people left in one of his hon. Friend's constituencies. That suggests a very high rate of dishonesty among the Scottish people, which I am sure is not true. The third suggestion was that he was concerned about the Government losing seats. I am grateful to him for his concern about our electoral future, but when will he get to the main issue—equity? Is the community charge fair, because it increases the charge so that everybody who uses services pays towards their cost?

Mr. Dalyell: I am not casting any aspersions on the Scottish people. I am simply a little worldly wise. I know how people behave when asked to pay more money than they probably can pay in circumstances where the electoral register is not perfect. The hon. Member for Warwick and Leamington (Sir D. Smith) said how imperfect the electoral register was in his area. It means forming another register. The hon. Member for Pembroke (Mr. Bennett) dismissed the directors of finance, but when dealing with them and with actuaries I have learnt to be careful. One has to take them seriously. The man I am quoting is a careful accountant.

Chynowith added:

"Yes, I think there will be a temptation and especially for those people who . . . are itinerant, whose perhaps jobs change regularly or perhaps they're on the move . . . through their job and . . . I think that there will certainly be a great temptation on people not . . .to register."

Does the Minister accept that there will be this temptation?

Clough said:

"So are you then going to have to employ constantly people who will have right of entry to households to count the number of beds that have been slept in and whether they've got big shoes alongside them?"

Chynowith replied:

"We hope very much that we do not have to do that sort of thing. I don't think that the local authorities will relish that at all . . . it's not the sort of thing which we like to be doing.

CLOUGH: What about the problems of collection once you get that far?

CHYNOWITH: Yes, well, collection is going to be most difficult because we are going to be dealing with people who at the moment don't pay any form of domestic rates."

We now come to the question of equity. How does one justify, on the basis of equity, the fact that those who live in largish houses will be paying the same as those who are crowded into unsatisfactory houses?

Mr. Nicholas Bennett: Surely, we are talking about the charge for local authority services. Houses do not borrow books, go swimming or use the roads. It is the individuals within the houses that use the services. We are talking about a charge on the individual for the use of those local authority services.

Mr. Dalyell: If that is going to be the argument, we can go back to Wat Tyler. I take the hon. Gentleman at face value and say that, if that is his view of life, there will be great trouble in the country.

Mr. Brian Wilson (Cunninghame, North): Is my hon. Friend aware that the easy platitudes that we have heard from the hon. Member for Pembroke (Mr. Bennett) are exactly the same sort of things we were hearing a couple of years ago in Scotland from people who looked at the superficialities of the matter and found it attractive but who increasingly found that there was an awful lot more to it than met the eye? Is my hon. Friend aware that the Government accept that the collection cost of the new tax in Scotland will be £21 million a year? That is how much it will cost to carry out the extraordinary shoe-measuring exercise and the rest that has been described. On a pro rata basis one would be talking about £210 million a year for the whole of the United Kingdom.

Is my hon. Friend aware that the evasion rate that the Government now accept as likely is somewhere in the region of 15 per cent., but more sceptical people, such as myself, think it will be in the region of 20 per cent? Therefore, in spite of the silly snipes about the dishonesty of the Scottish people, it is not a victimless crime, if crime it is, because inexorably it means that the more people evade, the higher the tax is for those who remain. The figures that are being quoted as a per capita tax in England and Wales are bogusly low because they do not take account of the evasion factor of at least 20 per cent.

Mr. Nicholas Soames (Crawley): That is very succinct.

Mr. Dalyell: It was very much to the point. The House will learn to listen to my hon. Friend as I have for the past 10 years. He talks a great deal of sense and does not open his mouth without knowing what he is talking about.

My hon. Friend asked a question as to the origins of all this. I will explain the origins. The Prime Minister, like Henry Plantagenet in a fit of frustration, said, "Who will rid me of the rates?" There are junior Ministers who, like the knights who went to do away with St. Thomas à Becket at his own altar in Canterbury wanting to please the monarch, said, "We will get rid of the rates." One gets back to a sort of patronage system where there are junior Ministers—Michael Ancram was one—who were only too pleased to oblige. All I can say is that there are certain dangers in obliging monarchs who ask too much or ask that which is impossible, and Michael Ancram paid the price.

The Prime Minister made an unwise promise. She decided that the evidence to the Layfield committee on local income tax was overwhelming. She found that there was a refusal from the right hon. Member for Henley (Mr. Heseltine), who had more political nous and would not do it. The former Member of Parliament for Wanstead and Woodford, Mr. Patrick Jenkin, would not do it, but the present Secretary of State for the Environment, for reasons that fit in with his character, undertook to do it and then shuffled it off on other people.

If the Minister is dealing with the poll tax, he has been handed a poisoned chalice.

Chynowith said:

"They're fully rebated and they will be coming due to pay at least part of the community charge because everybody has to pay 20 per cent. at least and that in itself is a major headache because we're going to be trying to collect relatively small amounts of money— perhaps something of the order of £10 or less a month and a lot of these people just will not have the wherewithal to pay it."

That brings us to the viability of the cost of collection. What is the Government's answer to the sheer cost of trying to get 20 per cent. or relatively small sums of money from itinerant people? The matter is mind-boggling.

Clough said:

"But the people on supplementary benefit as I understand it can help in paying even that 20 per cent. out pay by going to the office and getting the money and then sending it on to you."

The director of finance replied:

"Yes indeed. As I understand it, there will be provision under the supplementary benefit regulations for a payment to be made to individuals which would cover the 20 per cent. but it's not at all clear how that is going to be done and we obviously the regulations have still to be made."

Clough said:

"You're having to put into . . . operation a very complicated bit of legislation. As you work on it are you finding that there are areas which you have to deal with which aren't actually spelt out in the Act?"

Ministers had better note the reply:

"Yes indeed. We think at the moment there is something around 90 different issues which will have to be settled by some form of statutory instrument and they will have to laid fairly soon because of course we've got to develop the systems that will make this thing work."

There are 90 different issues — 90 statutory instruments. Has anybody told Mr. Speaker or the Government business managers about that? I have it from my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) that we are to spend hours on each one. We shall not let anything go through. Ninety times 90 is 8,100 minutes of parliamentary time.

Mr. Bennett: That was a promise made before the shadow Cabinet election.

Mr. Dalyell: Promises may have been made, but somehow we have experience of the matter. I am the man who, for 47 days — some of my colleagues did not approve — kept the House going in 1978-79 on devolution. We know how it can be done. Some hon. Members can talk even longer than I can. The Government business managers should take the matter on board. They should bear in mind the remarks of my hon. Friends the Members for Garscadden and for Glasgow, Cathcart (Mr. Maxton).

Mr. Wilson: People will miss their trains.

Mr. Dalyell: Yes, there will be missed trains. If we are to talk about the Scottish people, they will expect us to miss our trains because of this matter. The Government can set the business down for Thursday nights. The night sleeper will be less frequented, because we shall be here.

Clough went on:

"That does suggest—and I'm not asking you to make a political comment but it does suggest—that the Act wasn't properly thought through."

Chynowith replied:

"Well, I wouldn't say that. No, I think in fact in drawing up the Act, the civil servants who drew it up were well aware that there were a lot of gaps in it and they have made provision for statutory instruments to be made subsequent to the passing of the Act. But clearly, it was rushed through and there were a lot of last amendments to it . . . clearly it was an Act which was difficult to draft and is going to be even more difficult to implement."

Let not the Government say that they have not been warned.

I wish to raise one other local authority issue. In my constituency there has been a proposition that the village of Torphichen should have the first AIDS hospice or

hostel in Europe. For 25 years I have always taken the view that it is not up to Members of Parliament to second-guess or try to overturn local authority decisions even though they may be decisions of local authorities that, as in my case, are not Labour-dominated. Local authorities have their place and must be treated with respect by hon. Members. Therefore, I do not wish to bother or concern the House with the direct issues of Torphichen.

I wish to ask the Minister — I do not expect an answer tonight, as that would be unreasonable—to what extent the Government are thinking about AIDS hospices and hostels? Such a development was one of the recommendations of the report of the Select Committee on Social Services. What is the Government's view — possibly this should be passed onto the Scottish Office, but other Government Departments should reflect upon it about placing AIDS hospices or hostels in small rural communities? I believe that a hospice is somewhere that the terminally ill can die with dignity and a hostel is where patients go with some hope of recovery. That recovery involves integration with the local community.

It is a delicate issue, and I leave it at that. Any reader of the Scottish press or viewer of television not only national television; the French and the West German television companies are also interested will be aware of its importance. It is something of a test case. I ask Ministers to reflect on the issues involved.

Local Government Finance

10.31 pm

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): There is no doubt that the Government have a mandate for change. There is also no doubt that for most people voting in the general election local government was an important issue. Many people are sick and tired of the present rating system.

A single person may live next door to a similar house where there are two, three or four income earners. That person may find that he pays exactly the same local tax — that is what rates are — as those four people. As a result, he feels hard done by.

There is no doubt that when it was first devised, the rating system was not intended to bear the huge and groaning burden that the present rating system must bear. It was devised to fill in potholes, to make sure that there was a road from one village to another and from one town to another, and to ensure that itinerants on the road were put into a home overnight and then moved on to another parish. Rates were meant to be a small burden on the community. However, as time has moved on the kind of sums that local government needs to raise have grown fast. The sums that local government spend today are between £26,000 million and £30,000 million. They are vast sums.

It is no good thinking that an outworn and overburdened system can bear such expenditure. There is a common feeling among people that the present system is unjust. There is no shadow of doubt but that the present system is unjust to many people. However, it is no good changing from one unjust system to another potentially unjust system or one that may be even more unjust. It is no good the hon. Member for Linlithgow (Mr. Dalyell) talking about Thomas à Becket or saying, "Who will rid me of this pestilent tax?", without suggesting some better tax to put in its place.

One Parliament after another in this country has fiddled around with local government, and nearly always to local government's disadvantage. We have had one local government Bill after another, in which I have had some hand since I have had the great honour of being a representative in this House. Has local government improved? The answer is that it has not. We have tried one system after another. We abolished one type of council and put in the great urban and district councils. We had a West Midlands metropolitan council, and what a disaster that was. We have now decided to do away with such councils. We must find a better, more efficient and just way in which to raise money for local government expenditure for the needs of our local people. It can, of course, be done by taxation or by VAT. However, the people who say that the few pay for the many have some justice in their argument. There must be some accountability, but, if one is to change the basis of local taxation, there must be that one essential justice that runs throughout this ancient country's history—the ability to pay. That ability to pay is missing from the poll tax as it will be. Let us be quite blunt; call it what one will, it is a poll tax.

Mr. Ralph Howell: Surely the ability to pay should be taken care of by the tax and benefit system. Why should there be two tax and benefit systems?

Mr. Beaumont-Dark: I am obliged to my hon. Friend. I shall come to that point. One could say that it should be done through national taxation. However, I am one of those people who, between the ages of 22 and 40 years, when I had the honour to come here was in local government. I believe in government, and I believe in it being local. I believe also that there should be a structure in government that accounts itself to local people and their needs. Therefore, there needs to be a local tax.

In a debate on one of the local government Bills, I suggested to Patrick Jenkin, the then Secretary of State for the Environment, that there was a need for change. I have not had any reason to change the system which I suggested back in 1983 and which I hope the Government will reconsider. It is quite simple. If we believe in a property-owning democracy as I do, that it is right to give between £2·5 million and £3 million of relief to people who own their own homes through mortgage tax relief, as I do, and that possibly the best investment that any person can make is in his own home—I believe that it is— then a property tax should form part of the basis of any form of collecting local revenue.

Therefore, I suggest that we need not to abolish the rating system, but to use the property tax in a rather different way. What we need to do — the Government could even do it—is to say that a property tax may not be increased by more than the rate of inflation without a Government edict. That would be fair. The same applies to the business rate. Because the business man is not represented directly by a local vote, he is represented by us. Therefore, the business rate should not be able to be increased by more than that same factor. In an inflation-proofed rating system that is above the rate support grant, one should get any extra expenditure from a poll tax. That poll tax should be based on nearly everybody except the most impecunious and poor. Everybody, except those people, should pay a poll tax, because it is right that everybody should be involved in, should bear some responsibility for and be willing to vote on what their local council does.

If the whole rating system is swept away and a poll tax is introduced, a vast and heavy burden will result. The system will not work, because it will not be just or based on the ability to pay. It is no good abolishing the whole of the property tax system; the problem will not go away. We are moving along the right lines in changing the system, but we must make it fairer and ensure that the tax can be borne by a greater number of people.

The Government will be out of their tiny mind if they think that they can abolish rates and transfer the burden without taking account of the ability to pay. As the Bill progresses, the Government will merely have to make one exception after another. I am told that London ratepayers cannot bear the full burden. Fine, we shall make an exception for them. Then there will be other exceptions. It is exceptions that make lousy legislation and bad, unjust laws.

Let us change the present system where it bears unfairly only on property owners and use all the benefits and systems of our modern society to ensure that the system is fairer than it is at present to a greater number of people. If we do this together we shall have a fairer system and more people will become involved in local government. Surely, that is what we want in the end.

It is no good any of us thinking that this is like a children's tea party, with everyone gaining. There is not a

present for everybody. Some people who have not previously had to pay local taxes will have to pay, and so they should. In the end we want people to feel that, even if they do not like the system, it is just, because a just society is more united and happier than an unjust one. If the Government push through their proposals, the system will not be just, people will not be happy, and it will not work.

10.42 pm

Mr. Allen McKay (Barnsley, West and Penistone): It is a pleasure to follow the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) because we have sat on many local government committees together and I hope that we shall sit together on many more. I shall read and analyse his speech carefully. Nobody would deny that the present rating system needs to be reviewed, but the Government's proposed rating system will be equally unfair, if not more so. The hon. Gentleman should note what happened in Scotland, because the poll tax had a great bearing on the election results there. There is great unrest about it throughout the country and among Conservative Members, and the Government should realise full well what is happening.

It is interesting to note that the hon. Member for Norfolk, North (Mr. Howell) intervened, because as a farmer he is one of the most privileged people in the country. Farmers do not pay rates. Every hon. Member present in the Chamber except the hon. Gentleman pays rates. His is a privileged position. But I shall not enter into the rates argument—I had that with my local branch of the National Farmers Union during the election. We agreed on many points regarding the necessity of rating and the problems of it for the farming community. The hon. Gentleman will know of those problems and somebody must pay for them.

Mr. Ralph Howell: I am sure that the hon. Gentleman recognises that if agricultural land was rated the price of food would have to rise considerably. That point must be accepted.

Mr. McKay: As well as land, we must consider buildings and other factors.

It would appear from some of the speeches made by Conservative Members today that no one will lose. We have heard about the old lady on her own and the young married couple who will not lose. We have also heard about industry and commerce, which will not lose. Who will pay, if no one is to lose? I am reminded of Paddy's donkey. Paddy had the bright idea that it was costing too much to feed his donkey. He decided that it would be more economical if he cut down on the donkey's food. He discovered that when the donkey reached the stage when it could do without food, it died. That is what will happen to local government. There will be so many cuts that eventually local government will be cut out altogether.

Mr. Bob Cryer (Bradford, South): I shall try to help my hon. Friend. Of course we could rate farmers. That would help local authorities, because they could get back some of the £500 million to £1 billion net payments that have been made to the Common Market, most of which is recycled into the pockets of farmers for growing useless cereals or for storing them. It would actually be an advantage to rate the large cereal farmers.

Mr. McKay: I have taken that point up with the National Farmers Union and my local farmers, with whom I have a very good relationship. We are paying the farmers twice, once for growing the cereals, and then by subsiding them to put the crops into intervention. That is a crazy system.

How did the position in local government arise? Committees and Governments of various political persuasions have tried to find an alternative to the domestic rate for many years. They have not found an alternative that is as cheap or as easy to collect as the present system. There is no doubt that Government Committees have shied away from alternatives which were not as cheap or as easy.

The Government have now found a different method, but it will not be as cheap or as easy to collect as the present system. For more than 350 years the rates have been the principal source of local revenue. It will take a very strong case to justify the loss of that experience or the costs that will be incurred. The Government have not made such a case and we need more time to examine the proposals. We need more time than the Government are prepared to allow. Clearly, when the House reassembles in the autumn there will be a major Bill on the community charge, and no doubt that Bill will be in Committee after the Christmas recess.

We all know that there is a case against the present system. The single elderly woman who lives in a large house on her own and who is paying an enormous rate is often quoted. That is what the rate rebate system was brought into being for. Conservative Members go on about people not paying rates and about people receiving rate rebates. The reason why they receive rate rebates is that they simply do not earn sufficient, particularly in low-wage areas. Indeed, if they are earning at all in my area, they are extremely lucky.

We could equally make a case for a childless couple, asking why they should pay towards the education bill when they have no children and are not likely to have any. People with their own transport may ask why they should pay towards a transport system when they do not use or need it. We could go on and on citing reasons why people should not pay rates. People have made the point forcefully.

The problems with the rates have arisen because of the reduction in grant from central Government to local government, which has dropped from 61 to about 46·5 per cent. — and that has caused tremendous problems for local government — and because of the industrial depression.

I think that Conservative Members have got it the wrong way round. They say that industry moved out of areas because of high rates, but those high rates were caused by industries becoming depressed. They closed down; they went bankrupt; they were not earning. The old rateable base disappeared. The few industries that were left took on the burden of the rates that all the industries used to share.

A combination of those two factors — the loss of grant from central Government to local government, and the depression of industry — caused a rate problem, particularly in northern areas. The Government tell local government to cut back on its rate spending, but who are the so-called high-spending authorities, and what are they

[Mr. McKay]

spending the money on? I do not want to hear about frivolous things such as newspapers. They take a very small percentage of what local authorities spend.

Local government has tried to take on the responsibilities abdicated by central Government. It has tried to take on board the loss of employment and to create employment. It has tried to take on board subsidies for housing, which has been sold off in some areas. Ironically, local government cannot touch that money either. It has been salted away in a bank and cannot be used. If it were released, some spending power would be released for the local authorities.

Those, then, are some of the problems that have been caused, not by local government or by the rating system, but by the deliberate policy of a Conservative Government who have cut back and depressed local areas. Businesses that had taken on the huge burden of industries that had closed called for help, and rightly so. The Government reduced interest rates, abolished the national insurance surcharge, reduced corporation tax and dispensed with wages councils, so wages were lowered. All that was done to help industry, but while that was happening the opposite was happening on the domestic side. Rents and rates were increasing. Now, the Government are trying to turn the burden back from industry and commerce on the on to the domestic ratepayer. Those ratepayers have already been hit, but the Government are saying, "You should help more."

There is little doubt that in my area industrial and commercial rates will be lower. I am not a betting man, but, if I were, I would put money on its not increasing prosperity, jobs or job opportunities. I know that in many cases industry in my area is running on a knife edge, not just because of the rates, but because of energy profits an energy prices. I can point to two firms in the area that are second to none. BXL plastics depends on the prices of oil and other commodities from abroad, and Shaw Carpets also depends considerably on oil produce, the price and the variance between the dollar and the pound. There is no doubt that the alteration in rate will lift the anxiety and the burden, but it will not increase the number of people employed. Only better sales.

Mr. Favell: One of the things that the Government have been trying to do is reduce energy prices—for example, by getting some sense into the coal industry. Reducing the number of people required to produce a ton of coal reduces energy costs. As the hon. Gentleman has suggested, lower energy costs help industry in his area. Why on earth will low rates not also help it? Will they not bring greater prosperity, and also jobs? Jobs, after all, are what we in the north want, not more people employed in the town hall. Where, for instance, is the sense in Manchester employing twice as many people as Stockport to empty a dustbin, when there is not the slightest difference between the two?

Mr. McKay: I cannot comment on what happens in Manchester and Stockport without examining the situation—no doubt there are good reasons for it—but what the hon. Member says about the mining industry and coal prices can be taken a bit further. The Government's policy has increased the rates burden in my area. Nine collieries have been closed. The area depended on the rates from those nine collieries, and the remaining businesses are now having to bear the burden of those closures. Furthermore, if the collieries are not producing coal, the spending power of the miners is also lost.

The domestic rate is now a political issue. Whether one is in or out of work, whether one is rich or poor, young or old, whether one lives in a bungalow or in a castle, everybody will pay the same rate. A person who lives in a bungalow will pay the same rate as somebody who lives in Wentworth Woodhouse. It is crazy to introduce such a system. As the hon. Member for Selly Oak said, we shall have to create exceptions. As soon as the Bill becomes an Act, statutory instruments will have to be introduced to cover those exceptions.

Whenever we alter the law relating to local government, we make it worse. A previous Government decided to abolish the small urban district councils, which were cheap to run and which provided an excellent service. That was when all our troubles began. How will the water and sewerage rates be calculated? The water supplies cannot be metered by next year when this measure is expected to reach the statute book. How, therefore, will water and sewerage rates be calculated? People are worried about this. They know what is to happen.

The poll tax will depress areas that are already depressed and it will place additional burdens on people who are already overburdened. The Bill will be discussed in Committee. The worst that we can do is to try to alter it. The best that we can do is to bury it.

11.57 pm

Mr. Robin Squire (Hornchurch): I thank the hon. Member for Sheffield, Central (Mr. Caborn) for initiating this debate. At a time when we can, we hope, still influence Government thinking, it provides us with an opportunity to discuss again the community charge. The hon. Member for Barnsley, West and Penistone (Mr. McKay) last addressed the House immediately after I had spoken during the first day of debate on the Loyal Address. And surprise, surprise, we are discussing the same issue tonight. It is opportune to take it a stage further, because matters have moved on since then.

I shall concentrate on the few reasons that have been advanced by my right hon. Friends for introducing this charge. I make it clear, if I need to do so to any hon. Member, that I oppose its introduction. My right hon. Friend the Secretary of State for the Environment, for whom I have considerable personal affection, said in a number of interviews that this charge should be introduced because there is no logic in all those who enjoy the same local government services not paying the same charge. It is an interesting theory and at first sight it has a certain superficial attraction.

The principle is that we should pay the same amount for education and social services, regardless of our resources, but why do we not do the same on defence or the Health Service? What is so specal about local government services that they should be funded by a flat rate charge when we are not proposing to extend the same benefit to nationally funded services? The more that one looks at the matter the more one sees the logic of the proposition that we should continue to draw on a property tax, as my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) said. Broadly speaking, after income tax and VAT, a property tax is the natural third leg of the tripod. We can argue about the basis for a property tax and whether there should be a revaluation.

If there is not to be a revaluation, I should like to be the first to opt to pay my income tax on the basis of my 1973 earnings. In principle, a property tax is a perfectly reasonable suggestion and we should stick to it.

My experience so far is that not a few people who stand to benefit should the community charge be introduced are embarassed by it and consider it unfair. They have said to me, "It would be nice for me personally, but I do not think that I can justify it when I look at the nature of those who will be paying much more." It is a welcome, although not common, attitude. My hon. Friend the Under-Secretary should be aware of that attitude, because it is important. I do not believe that the claim that we should pay an equal amount for the same service stands up, and it is not consistent with the provision of national services.

The residual claim that is increasingly being uttered —occasionally with a note of desperation— is that the community charge proposals were in the manifesto. I commend to hon. Members the words of my hon. Friend the Member for Eastbourne (Mr. Gow) who last week skilfully made clear his position on the theory of manifesto accountability. He said that he had never believed in it as a reasonable concept. I agree with him.

I was not consulted on the subject, but I opposed the introduction of the community charge in Scotland. My hon. Friends who were in the House before the election may remember how our attitude was conditioned by the approach of our Scottish colleagues, who argued strongly for the community charge in Scotland. I am the last person to deny hon. Members a tax or a piece of legislations that they are seeking, particularly if it does not affect me——

Mr. Caborn: What has happened to them?

Mr. Squire: The hon. Member asks a pertinent if embarrassing question which is not for me to answer but, as he rightly implies, some of my colleagues asked for it.

I am anxious that the political lessons — there is a political dimension in this matter — be learned by the Government before it is too late. Much of the doubt and questioning and many of the fears that have been expressed by Conservatives on this issue have been on the structure of the proposed tax, its innate fairness or unfairness and the relative ease of collection. I urge my hon. Friend the Under-Secretary to bear in mind that, as the weeks and months go by, the political dimension will become stronger.

Because of the nature of any major tax, a number of hon. Friends will be a little embarrassed about its impact. That will not go away. They may not now be involved in our discussions about the fairness or rectitude of such a tax relative to the present form, but they will be involved in its political impact. I judge that they will be involved in a way that will not increase support for the Government's proposals. I urge my hon. Friend the Minister to think carefully about this measure.

We are pledged to introduce a fairer charge. I am happy to consider ways of improving the fairness of the payment for local government services. I suggest that, if we embark on the community charge course, there is little room for halfway measures. There are few compromises. There are few ways in which we can get a satisfactory answer if a number of people — perhaps a large number — object to the initial premise. My fear is that the majority of the people will not be convinced, whether in one year or five years, that it is fair for the man in his castle to pay the same as the man in his mid-terrace cottage. Because I believe that, I urge my Government to rethink.

11.6 pm

Mr. Ralph Howell (Norfolk, North): I have listened to many speeches on this subject. Many hon. Members have said that there will be gainers and losers. But there is a way in which we can all be gainers, and that is if local government reduces overmanning. In 1960, 2 million people were employed in local government. There are now 3 million. We argue about how these charges will be levied on the whole population, but we should concentrate our minds on economising in local government and getting value for money. There could be a million fewer people employed in local government. What are they doing? There are virtually no more children to educate or dustbins to empty than 1960; also, there are about five times as many planners as in 1974.

There is much to be said for thinking about the community charge in the way Professor Patrick Minford did in his article in the *Daily Telegraph* today. He said that, whether we are rich or poor, we pay the same amount for a Mars bar. I am not, however, convinced that the same applies to rates.

Mr. Favell: Why not?

Mr. Howell: I believe that there should be an element of property tax. It should not be charged entirely on property, as at present. I would prefer a halfway house between the two forms of charging. However, I am convinced that there should not be two systems which try to level out income. At present we have the income tax and benefits system to try to redistribute income and also rent rebates. The interaction of those two systems creates many anomalies. We should return to one simple system.

I hope that the Government realise that they will make a great mistake if there are two categories of ratepayers — those who pay 100 per cent. and those who pay 20 per cent. If that is how it will be, I should like my hon. Friend the Minister to tell me whether there will be any taper between 20 and 100 per cent. The publication, "Paying for Local Government", does not make it clear. Nor does it make clear how it is proposed to recover unpaid rates. It says:

> "It is envisaged that the system regulating such deductions will be a simplification of present arrangements for attaching earnings to pay family maintenance or court fines. It will apply to employees, but not to the unemployed, self-employed or retired."

I am self-employed. It is very odd that people in normal employed work will have to pay whereas the others — I should like to know how many they are, but I believe that they number about 13 million — will not pay the full amount.

Is the change worth it if we do not spread its effects across the board evenly and make adjustments for people who are unable to pay in one tax and benefit system?

Mr. Fallon: My hon. Friend is making a good point. If there is to be attachment of earnings on those in employment, why not have attachment of social security benefit for people who are not in employment?

Mr. Howell: The Government must consider that matter, or they run the risk of making a traumatic change and achieving little. If, as I believe will be the case, a vast

[Mr. Howell]

number of people are left outside the scheme and are therefore not effectively charged, the object of the exercise will be destroyed.

Mr. Caborn: Would the hon. Gentleman like to comment on redistribution through taxation? One of the sources of concern to the north of England, especially in view of its declining industrial base, is the fact that block grant has declined substantially. It has always been argued in local government circles that block grant is a mechanism to redistribute wealth throughout the United Kingdom. One of the major difficulties for the north is the reduction of Government grants. As I tried to explain, the burden is now clearly lodged with the north whereas previously there was much fairer distribution. If it had not been for the reduction in Government assistance, there would not have been the fairly massive increases in rate contributions in the north.

Mr. Howell: I am afraid that I am unable to follow that argument. There has been too much support from the Government and not enough responsibility in local government. The north, Scotland, Wales and Northern Ireland have had a very good deal; it is the south-east, which creates all the wealth, which has had to pay the bill.

I should like clarification on how married and unmarried couples will be charged. Paragraph 46 of "Paying for Local Government" says:

> "The Government is therefore considering the suggestion that joint and several liability should apply to unmarried couples who live together."

It is about time that the Government knew what they were going to do; otherwise we will have a further attack on the family and married people. I hope that the Minister will be able to assure me that those who are married will not be disadvantaged compared to those who are not married.

11.14 pm

Mr. John Fraser (Norwood): There are four people I need to congratulate. The first is my hon. Friend the Member for Sheffield, Central (Mr. Caborn), on having initiated the debate and, although he is the only person to have done so in the debate, on emphasising the cuts in capital expenditure by local authorities, the effects of which are now being seen more markedly on our council estates. They are starved of capital investment and starved of improvement and are often situated in those difficult areas of the inner city and out city estates. My hon. Friend underlined the extent to which the Government are turning up the fire under the inner-city cauldron by that form of neglect. He also does us a service by initiating not only a debate on the poll tax but a debate in which every speaker since his opening speech has concentrated on that subject. The hon. Member for Darlington (Mr. Fallon) said that we will return to the subject time and time again. I expect that there is an enormous amount of truth in that.

Secondly, our congratulations go to my hon. Friend the Member for West Bromwich, West (Miss Boothroyd), whom we saw in the Chair tonight. I am sure that those congratulations have the endorsement of all hon. Members.

Thirdly, my congratulations go to the two hon. Members who made maiden speeches. The hon. and learned Member for Fife, North-East (Mr. Campbell) is clearly a Member of great ability. I understand that he has a great reputation at the Bar and we can look forward to hearing from him again. He rightly turned his attention to the poll tax.

The final congratulations are to my hon. Friend the Member for Derbyshire, North-East (Mr. Barnes), who spoke in an insistent regional accent about the problems of his constituency and about the predicament of a constituency where some of those facts are neither understood nor known to some Members on the Government Benches. He illustrated very well some of the absurd nature of local government finance when he dealt with the financial penalties that will be inflicted upon his council for dealing with the Dronfield fire. I hope that the Minister who is to wind up on the matter will say something about that.

The speeches of the hon. Members for Sevenoaks (Mr. Wolfson) and for Hornchurch (Mr. Squire) are probably more authentic of the concern of Government Back Benchers than those from some other Government Members. It certainly looks as though the non-ratepaying farmer, the hon. Member for Norfolk, North (Mr. Howell), also is a floating voter on the matter.

Mr. Ralph Howell: I am not sure whether I heard the hon. Gentleman correctly. I thought he said that I was a non-ratepaying farmer. That is not true, and perhaps he could withdraw that.

Mr. Fraser: Of course I withdraw if the hon. Gentleman is a ratepaying farmer. Perhaps many other farmers will now, in their enthusiasm to take part in this exercise of paying for the services which are received, join the hon. Gentleman in that activity.

A cinema in Baker street has become the centre of a cult movie called "The Blues Brothers". I heard somebody on the radio the other day say that they had seen the film over 100 times. The poll tax will achieve that kind of notoriety. The poll tax featured in the opening day of the debate on the Queen's Speech. It was the subject of a large part of the debate on 1 July. I sat through much of the Summer Adjournment debate today, of which the poll tax formed a fairly large element. It has also been adopted as the second debate in this series. I believe that that will be the pattern for the Session, if not for the entire Parliament. I believe that in adopting the poll tax the Government have adopted a legislative albatross that will fly behind them from the beginning to the end of the Parliament.

The case against the poll tax is not that it is a radical change in taxation. Many people would want to see a radical change in local taxation. I do not suppose one could argue, in principle, against the whole of that stated in the 1974 Conservative party manifesto. It said that rates should be replaced by a tax that is more broadly based and related to people's ability to pay. The trouble with the poll tax is that it remembers the first part of the 1974 manifesto but forgets the second.

This tax will be grossly unfair. It is certainly not based on people's ability to pay. The supreme example of that is the Dulwich case. I know it well because the Prime Minister's house is almost next door to the place where I play squash. It is interesting that the Prime Minister chose to move to Southwark. It shows that councils such as Southwark do not seem to act as that much of a disincentive. We find that the Prime Minister's rates, which will be around £3,000 a year, would fall under the

poll tax to £1,136 a year. A family of five, living in a Lambeth or Southwark council home, would be paying £3,200 between them. Therefore, the sort of burden that would be borne by the Prime Minister and her husband at present in their Dulwich house would go down by almost £2,000 a year, but the burden borne by people living in a smaller, meaner council house would rise to almost the same figure as the Prime Minister is paying now.

There are many other examples of the tax being wholly unrelated to people's ability to pay. Presently rates are based on roughly on the size of a house and relate roughly — I do not say that the system is perfect — to the affluence of the occupier. However, that would be an even more accurate statement about the burden of rates if the present rateable value system were replaced by a system of valuation which was based on capital values, which is a much more realistic way of assessing the rateable value of property.

Mr. Favell: Will the hon. Gentleman give way?

Mr. Fraser: I am rather short of time. I mean no discourtesy to the hon. Gentleman, but I want to try to finish by 11.30 pm so that the Minister will have a chance to reply.

The present system has that degree of equity between the affluent and the poorer members of the community. Under the poll tax, four people living in an overcrowded pigsty will pay twice as much community charge as two people living in a palace. The dowager duchess who lives in a mansion will pay as much as the widow who is living in a basement. I realise that that is subject to rebate but, given that the widow is living in a basement is——

Mr. Tim Janman (Thurrock): Will the hon. Gentleman give way?

Mr. Fraser: I would rather not. I do not have much time.

Almost invariably with the poll tax, the rich will pay less and the poor will pay more. The papers deposited in the Library showing the comparisons of average rates per household as against the new charge per person mask the inequity because average rates mask the fact that on the whole the rich tend to pay more in rates and the poor tend to pay less.

Apart from looking at it from an individual point of view, ability to pay will be ignored between one area and another.

Mr. Fallon: Has the hon. Gentleman not addressed his mind to the point that I and others have made, that the Prime Minister and her husband are paying tax at a rate much higher than the standard rate? The payment they make through tax is twice what they will be making through the community charge, so their contribution will be much greater than the family next door in the example given by the hon. Member.

Mr. Fraser: I certainly recognise that their tax contribution is high. I do not deny that. Equally, I do not think that the hon. Gentleman will deny that there will be an abrupt and hugely beneficial diminution in the amount of rate burden that they pay as a result of the introduction of the community charge, and that there will be a large increase in the total rate burden that will be borne by much poorer people than they. Let us bear in mind that the percentage of tax that is paid by ordinary working-class people has gone up hugely since the Tory Government got into office.

The next point that I argue is that the poll tax is not only inequitable as between one person and another but does not have regard to ability to pay between one area and another. Deprived areas would be defined as inner-city partnership areas. The definition does not lie for me to make; it is already defined by the Government. I shall gove the House the figures for London. On the Government's own figures, the average rates per head in Hackney, which is the most deprived borough in the country, would be up by £276 per adult. In Lambeth, an inner-city partnership area, the average per head would be up by £259 per person a year. In Islington, another inner-city partnership area, the burden would be up by £206 per head of the population against the average rates per head of the population at the moment. In Southwark, a newly created inner-city partnership area, rates would be up by £269 per head.

We must compare those figures with the most affluent areas of London. In Westminster, the figure would be down by £103 per head; in Barnet, it would be down by £71 per head; in Richmond, it would be down by £51 per head; and, in Bromley it would be down by £26. The House should be aware that the effect is not absolutely even as between rich and poor areas. For Brent's Labour council — it is not the flavour of the month with the Minister or the Government — rates per head will go down under the community charge by £51 per head.

In the local authority that is the flavour of the month —Wandsworth—community charge will lead to a rise of £217 per head per year in the burden of taxation. No wonder we read in this evening's edition of *The London Daily News*:

> "Local Government Minister Michael Howard is working on a scheme to slowly phase in big bills from ILEA so that Westminster and Wandsworth boroughs have time to opt out of the schooling system."

That was before they realised the huge burden that will fall upon them as a result of the proposals.

Of course, the community charge is equally undemocratic. It will certainly result in under-registration of votes, particularly in areas such as mine where there is already a great deal of under-registration, and the 20 per cent. minimum charge will make the poorest people in our communities hostage to their local authorities, and the charge will be twice as expensive to collect.

One or two hon. Members have referred to the problem of enforcement of the poll tax. I live in an area in which the population changeover in most of the wards is about 27 per cent. a year. I do not know how on earth it will be possible to compile a community charge register and to collect money in a borough that has unemployment running at one in four males. Since the only real sanction among poorer people against failure to pay the poll tax will be prison, I can imagine the Government declaring yet another amnesty in two or three years. They will make available several thousand places in prison for those who do not pay the community charge.

In introducing this measure, the Government have unleashed a spirit which will haunt them from the beginning to the end of this Parliament. My forecast is that the Government will drop the proposed community

[Mr. Fraser]

charge, but, if they do not, their victory on the community charge will, if nothing else happens, herald a defeat for them at the next election.

The Government have go away with actions against the homeless because the homeless are a minority; actions against the unemployed beeause the unemployed and a minority; and action against the poor because the poor are a minority. For the first time they have made the mistake of introducing a measure which has the ability to offend the majority, instead of simply penalising the minority. My view is that this measure is doomed to defeat. But, if I am wrong about that, the Government are doomed to defeat on this issue alone.

11.32 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): I join other hon. Members in congratulating the hon. Member for Sheffield, Central (Mr. Caborn) on having secured this debate at a relatively reasonable hour. The debate has been notable for the excellent maiden speeches from the hon. and learned Member for Fife, North-East (Mr. Campbell) and the hon. Member for Derbyshire, North-East (Mr. Barnes). I hope to have time to refer to them later in my speech.

This has been a serious debate about one of the central major reforms being brought forward in this Parliament — the future financing of local government, a system which consumes about one quarter of total public expenditure and touches the life of every citizen. It is not surprising that it warrants serious debate.

After listening to the debate, the question I ask is: do we want local government to have a future? I hope that all those who have participated in the debate would agree with me that we do, but I have to tell hon. Members that many outsiders are fed up with local government as it is now and would like to see it stripped of its revenue-raising powers, with local services adminstered more along the lines of health authorities. As recently as last Friday a letter published in the *Financial Times* advocated that course of action. It stated:

"So why on earth should local government have separate revenue-raising powers—whether by rates or otherwise? To ensure efficiency, councils should be cost centres with budget allocations made by central government, who in turn levy and collect tax revenue. Giving local authorities a set sum would concentrate their minds wonderfully on setting priorities and getting value for money. And it would quickly allow electors to judge which party could produce most for their money."

I do not agree with that recipe, because I do not believe in the centralisation of power and direction of local government in that way. Hon. Members continue to defend the indefensible in the way that the hon. Member for Norwood (Mr. Fraser) has just been doing. He ignored the fact that Hackney is overspending £513 per adult, referred to Wandsworth, but quietly omitted to refer to the fact that the figures he quoted take no account of the situation where ILEA is overspending by £250 per adult in inner London. That is the extent of overspending against assessed need. If the authorities spent in accordance with their assessed need on the exemplifications for the current year, the community charge would have to be only £178 per adult, and that would be subject to rebate in certain circumstances.

I submit to all true friends of local government that our fundamental reforms of the way in which local government is paid for offer the last hope of saving local government. That may sound dramatic, but it is meant to be. Our system of local government finance is in an advanced state of senility and decay. It is antiquated, arbitrary and incomprehensible.

In preparing for tonight's debate I asked officials to find out the last occasion on which the present system of local government finance received praise in the House. They have not yet come up with the answer, but it must have been many years ago. That is hardly surprising, especially to those of us who have tried to work with the system, either inside local government or in the Department of the Environment. But now that this radical, reforming Government come to change it, we see that the very injustices of the present system have thrown up pressure groups of vested interests prepared to defend those injustices because they are the beneficiaries of them. That is something to which we shall have to pay careful regard in considering how to deal with the issues raised in this very serious debate. It is important that the fact that Hackney is overspending to the massive extent that it is should be brought home to the general public.

I shall briefly remind the House of how the present system operates. It is based upon rateable values — a notional rental value placed upon property. I say "notional" because, with the decline in the private rent sector, it is far from easy to ascertain true rental values. It assumes that differences in rateable value reflect differences in ability to pay. As has already been pointed out, that is clearly a wrong assumption. It is designed to ensure that a standard rate poundage is charged by a local authority for a standard level of service. Therefore, two identical properties in different parts of the country with the same level of local authority service will pay rate bills proportionate to the rateable value.

Those three principles, upon which the present system is based, are flawed and unfair. That is because rateable values take no account of financial status of the householder. For example, the average rateable value of a three-bedroom semi-detached house in Elmbridge in Surrey is £547; in Craven, in north Yorkshire, the same house would have a rateable value of only £188. That means that if both areas provided the same level of local services with the same degree of efficiency, the Elmbridge ratepayer would face a bill three times as large as the person in Craven. There is no reason to believe that the owners of those two houses would have widely different incomes, as income variations across the country are much smaller than variations in rateable value. If the house in Elmbridge is occupied by a widow on her own and the house in Craven is ooccupied by two adult earners the Surrey widow's per capita rate bill is six times that of each adult earner in Craven.

It is clear, therefore, that ability to pay is not reflected in the present system. Those with the lowest incomes presently pay a higher proportion of their income in rates than those with higher incomes because many of the poorest households in this country are single-parent families or single pensioners.

Is the present system fair? I will give way to any hon. Member who thinks that it is.

Mr. Dalyell *rose*——

Mr. Chope: I will not give way to the hon. Gentleman, because he suggested, sotto voce, that he would not seek to intervene on the point on which I invited intervention. In the short time that I have left, I hope to deal with the points that he raised earlier.

If we go to a system of revaluation, which is the proposition of my hon. Friend the Member for Hornchurch (Mr. Squire) — and I admire him for his courage in putting it forward — and if that were to reflect the massive changes in turbulence in the capital values of houses currently taking place, there would be consequences for him and his constituents that I doubt he has fully considered. According to the recent Halifax Building Society house price index, house prices have risen nationally by 47·3 per cent. over the past four years, but they have risen by 95·6 per cent. in the Greater London area. Therefore, if there were the same system of equalisation of rate poundages, based upon a system of rateable values based on capital rating revaluation, it would result in massive increases in rate bills in the south-east and London and reductions in rate bills in the north. In the example that I quoted, I have shown that currently the system is loaded in favour of those in the north and against those in the south.

Mr. Squire: As a former chairman of the finance committee of a large local authority when the previous revaluation took place, I am aware of the impact of such a measure. I am sure that my hon. Friend is aware that a revaluation is neutral and that the significant factor is what a council does with the revised poundage. It is possible to build in safety nets to prevent excessive increases in any one year.

Mr. Chope: My hon. Friend the Member for Banbury (Mr. Baldry), in an excellent speech, anticipated my hon. Friend's intervention. My hon. Friend the Member for Banbury talked about the consequences of a revaluation in Scotland after only seven years, when the valuation of an ordinary house increased from £171 to £726. Opposition Members and some of my hon. Friends think that the electoral difficulties that the Conservative party experienced in Scotland were the result of the Government's proposals to introduce a community charge. At the time of the revaluation in Scotland the popularity of the Conservative party had declined to about 13 per cent., but by the time of the general election it had risen to about 24 per cent. I have little doubt that by the time the much fairer community charge comes into operation, our popularity in Scotland will have increased even more.

Mr. Dalyell: Will the Minister give way?

Mr. Chope: I shall not give way to the hon. Gentleman, because only a short time remains available to me to reply to the debate.

The present rating system is short on accountability. Councils have the power to increase spending without the responsibility of being properly accountable to those who pay. The non-domestic ratepayer — whether the huge multinational or the cornershop — provides more in rate income than all domestic ratepayers put together. If we add to that grants from national taxpayers, we find that about three quarters of local authority revenue comes from those with no local vote. The problem goes much deeper than that, because, of 35 million adults in England, only 18 million are heads of households directly liable to pay rates, of whom only 12 million pay rates in full. There are 3 million who receive partial assistance with their rates and the remaining 3 million receive full relief from their rates bill. In Liverpool, only one voter in four pays rates directly and in full. In Manchester the proportion is even less.

Those figures speak for themselves. A system has developed in which the majority of the electorate can vote for services which they will either not pay for or pay only a small contribution towards. The opportunity that the system presents for abuse is being exploited by the most irresponsible councils. By their actions, they have brought, and are bringing, local government into disrepute.

I shall refer briefly to the two maiden speeches this evening. The hon. and learned Member for Fife, North-East paid a generous tribute to his predecessor, Barry Henderson, whose comradeship and company my right hon. and hon. Friends and I certainly miss. The hon. Gentleman's comments struck a chord with all those who enjoyed the time when Barry was a Member of this place. We look forward to his early return.

The hon. and learned Member for Fife, North-East referred to my old university and that of my hon. Friend the Member for Darlington (Mr. Fallon), whose excellent speech I have not had the time to take up and do justice to in replying to the debate. It is notable that the fine university of St. Andrew's, despite having a lower Government subsidy now, is doing better than ever before as a result of the long-established principle of self help. I agree with the hon. Member for Fife, North-East that the rating system is thoroughly discredited, but I cannot agree that the only fair system would be a local income tax. Such a tax would be a disaster. It would be fiendishly complicated to administer, there would be only 20 million taxpayers and there would have to be an extremely complicated register. I am informed that it would increase income tax by anything between 4p and 11p in the pound, thereby exacerbating unemployment and the poverty trap. It would drive those in work out of the inner cities and be a recipe for even greater dereliction and despair.

The hon. Member for Derbyshire, North-East paid a fitting tribute to his predecessor, Ray Ellis. He referred to the mining industry and tantalised us by referring to three hon. Members who were his pupils when he was a school teacher. I hope that we shall be able to guess in due course who they are.

The hon. Member for Derbyshire, North-East referred to Claire Staines and asked when her father would be able to get a job. If we bring in the unified business rate, rates in north-east Derbyshire will be reduced by almost 26 per cent., and that will provide a boost to employment opportunities in the area. I think that it is disappointing that the hon. Gentleman did not find time to include that in his speech.

Sadly, I do not have time to deal with all the other issues that have been raised in the debate.

Mr. Dalyell *rose*

Mr. Chope: I refer the hon. Member for Linlithgow (Mr. Dalyell) to the yellow booklet, "Paying for Local Government: The Community Charge", published by the Department of the Environment and the Welsh Office. If the hon. Gentleman reads that carefully, he will discover that it contains most, if not all, of the answers to the questions that he raised in the debate tonight.

British Sugar Beet Quota

11.45 pm

Mr. Colin Shepherd (Hereford): It was with some relief that I learnt that the subject that I had chosen had come third in the batting order and we still had not reached midnight before we started this debate.

My purpose in raising the question of the United Kingdom sugar beet quota is to give strength to the elbow of my right hon. Friend the Minister of Agriculture, Fisheries and Food when the next round of negotiations gets under way later this year for new quota levels. As my right hon. Friend was involved in the last set of negotiations, he will recall that quotas were fixed up until 1988 only so that developments in sugar consumption and distribution of producer levies could be assessed. As the Commission is expected to put forward its proposals in September and the House is about to adjourn for the summer, now is the appropriate time for the House to make its views known.

My hon. Friend the Under-Secretary of State will be aware that the present distribution of quota reflects the negotiations between the original six members of the European Community. That quota has never been fully revised to take account of United Kingdom membership. It is also worth noting that major sugar exporters, such as Belgium and France, have quotas equivalent to twice their domestic consumption. The United Kingdom must make do with a quota equal to only half its consumption.

United Kingdom sugar beet growers also recall that, at the review in 1981, they lost the ability to grow beet to the extent of more than 182,000 tonnes of sugar — a reduction of 13·7 per cent. Although it is correct that until that time the United Kingdom sugar beet industry did not fulfil its quota, for a variety of reasons, the substantial investment made by the industry in the past 10 years has meant that the United Kingdom quota has been met in full every year since 1981. There is now capacity to produce 1·5 million tonnes. Moreover, British Sugar is arguably the most cost-efficient producer in Europe.

In the light of that and the geographical factor that British Sugar is located in one of the few countries in which there is likely to be a substantial increase in sugar usage by the chemical industry, surely it is right to argue for the introduction of a margin of flexibility in the quota system to allow for differing efficiencies and demand prospects, and to reflect British circumstances.

With regard to demand prospects, the United Kingdom has one of the largest chemical industries in Europe. It is a world leader in the development of biotechnology. I am sure my hon. Friend will agree that biotechnology is one of the leading edge technologies in which an advanced industrial nation such as Britain cannot afford to fall behind.

It is clear that the European Commission recognises the importance of encouraging biotechnology, from the introduction of its scheme to make sugar available at close to world prices for new chemical industry developments. As anticipated, the chemical industry has waited for the greatest price reductions before buying sugar in any quantity. That quantity is now starting to increase.

The European chemical industry forecasts a sixfold increase from the present sugar usage of 80,000 tonnes annually to a new level of 500,000 tonnes in the early 1990s. The Chemical Industries Association Limited has estimated that its current usage of 25,000 tonnes will increase to 150,000 during the same period.

I believe that ICI is investigating the feasibility of a plant in Britain to manufacture biodegradable plastic, and that Sturge is currently investing some £30 million in a new citric acid manufacturing facility at Selby in Yorkshire. Other plans for diversification by British Sugar, using sugar as a base, are as widespread as to include animal and food proteins, biodegradable plastics, polymer bulking agents, natural flavours, natural pharmaceuticals and substitutes for oil-based materials used in the production of polyurethane and bakelite.

As a major part of Europe's biotechnical research takes place within the United Kingdom, it will be especially galling if, as a consequence of there being no spare domestically produced sugar, the actual physical facility for making the product of that research is to end up being located other than in the United Kingdom. Given the size of the potential investment, the fear must be that the chemical industry will locate bulk manufacturing facilities on the continent, where there is a great deal of spare sugar. Apart from the high unit values low volume products, the industry will not be able to afford to transport sugar from the continent because of the significance of the sugar costs in the final pricing of the high volumes low unit value bulk products. Again, from a security of supply standpoint, the United Kingdom chemical industry would not want to be dependent on imported sugar when, by locating in France or Belgium, it can be assured of as much sugar as it will need.

On the distribution of producer levies, it is clear that the present position is grotesquely inequitable to the United Kingdom. As the United Kingdom does not export any of its domestically produced quota sugar, which attacts an export refund, the United Kingdom industry receives no rebate or return on its levy payments. Such exports as the United Kingdom industry makes are re-exports of sugar that has already been imported from the continent. Although statistically it has been needed for the United Kingdom sugar users, who themselves need to be assured of the continuity of supply. Therefore, in effect the United Kingdom's levy payments go to finance the export of surplus sugar by the Community's net sugar exporters, France, Belgium, Germany the Netherlands and Denmark.

Our United Kingdom levies represent a transfer from Britain, whose beet quota is equivalent to only half its consumption, to countries such as France and Belgium, whose quotas are twice their consumption. Britain does not contribute to the Community's surplus of quota sugar, but ends up paying some 9 per cent. of the levies raised from the EEC sugar industry, whereas Belgium, for example, produces 14·5 per cent. of the surplus, while paying only 7·5 per cent. of the producer levies. That is the basis of assessing the United Kingdom's position as being grotesque in respect of producer levies.

It is interesting to note the tight position of the United Kingdom's supply position for sugar. In recent years, as British Sugar has demonstrated its ability consistently to fulfil its production quotas, industrial sugar users have felt able to reduce their requirements for sugar imported from the rest of the continent and the Community. In the past five years that has halved to just over 80,000 tonnes, and over the same period there has been a dramatic reduction in the "free" sugar stocks in Britain, from almost 200,000

tonnes to an anticipated 49,000 tonnes at the end of this season. As a result, British Sugar tells me that it is operating with barely adequate stocks to cover normal demand before the new season's crop becomes available. To put that into context, that anticipated 49,000 tonnes is equivalent to about one week's sugar consumption. That is hardly an adequate safety margin.

What is boils down to is that the tightness of the United Kingdom's supply situation for sugar means that their is no scope for supplying new chemical industry demands from domestic production without taking sugar from existing users. This has to be an unacceptable position for the United Kingdom to be placed in.

Reasonable fears have been expressed that an increase in the United Kingdom sugar beet production would prejudice the position of African, Caribbean and Pacific sugar in the British market. While it is interesting to note that five of the 16 ACP states with current sugar quotas must import sugar from the world market in order to release their domesic product to fulfil their preferential quotas in the EEC, it is also the case that the ACP quota has been enshrined in the Lomé Convention and can be changed only by political decision by all signatories to the convention. It is also the case that the British beet quota is being fully filled by domestic production, with there being yet additional capacity.

However, it is important to point out that an increase in the United Kingdom quota to cater for the needs of the emerging bio-technical industries depends on the continuation of the ACP quota at its current level. If the quota decreases, any increase in the beet quota will have to be diverted to traditional sugar users to make up the shortfall, thus destroying the security of supply that the chemical industry will require if it is to set up plants in the United Kingdom in the first place.

British Sugar has assured the Government that it will export any new quota sugar for which the expected increase in chemical industry demand has not yet come through. It would not be placed on the British market so as to weaken the position of ACP sugar. British Sugar's track record on exports is encouraging, in that during the early 1980s a surplus in the United Kingdom market brought about by imports from the continent was successfully exported by British Sugar without disturbing the position of ACP sugar in the market.

The value of a comparatively small increase in the United Kingom sugar beet quota is considerable to the United Kingdom. In industrial terms, the bio-technology prize must not be allowed to slip away. In agricultural terms, sugar beet production is the second most profitable, large-scale arable crop and is the most consistent in its profitability. It forms an alternative to other crops, which is of inestimable value for the rural economy. Many hon. Members present have constituents such as mine which depend on the continued development of the sugar beet crop and they would welcome the ability to produce a little more.

In employment terms, it is interesting to note that the University of East Anglia estimates that for each job in British Sugar another seven jobs are supported in the rest of the economy, and that for every 100 tonnes included in the quota, three jobs will be created. That shows that if we could get a further 150,000 tonnes, another 4,500 jobs in the sugar industry would be created even before we consider the ramifications for the biotechnological industries.

In terms of fairness in respect of the levy position, the case for an increase is, again, strong. The decision in 1985 to fix quotas up to 1988 only has, in the light of developments both in the market and technology, been shown to have been right. Now is the time to ensure that the United Kingdom has a fair opportunity to share in these developments as they progress, and a relatively modest increase in quota will be helpful in achieving just that. I know that my hon. Friend the Parliamentary Secretary and our right hon. Friend the Minister will be determined to address this problem in the negotiations to come.

11.58 pm

Mr. Michael Lord (Suffolk, Central): I should like to stress the need for the extra quota of 150,000 tonnes to come to the United Kingdom. No hon. Member can be unaware of the problems facing agriculture in all sorts of ways or of the problems of surplus and the need for us to find alternative crops. Farmers desperately need to grow a crop which they can grow well, which is not in surplus and which has great potential. So far as I can see, sugar beet appears to fit the bill.

I am greatly concerned at the moment about agriculture in general, because I think that the industry has reached a point at which it will have to decide what direction it must take. I believe that all industries go forward or backward and they rarely stay in the same place for very long. Agriculture is now in grave danger. As my hon. Friend the Member for Hereford (Mr. Shepherd) has explained, so much in the rural areas depends on agriculture, not just directly on farming, but on all the associated industries. It is crucial that farming should continue and it is no more crucial than in the area that I represent and in East Anglia where farmers are very worried about the direction which farming might take.

Agriculture has been an object lesson in efficiency and it stands comparison with any other industry. I want to refer to my experience in the sugar beet industry. I do not know how many other hon. Members share my experience, but I remember many years ago walking behind a sugar beet drill as the seeds were put in and the drill was drawn by a marvellous grey Percheron. Grey I may be, but I am not too old to remember that; indeed, it did not happen so long ago. That gives us some idea of the strides made by the industry, which is the most efficient in Europe and probably the most efficient in the world.

Like an efficient engine, I believe that the industry is now up against the buffers of the common agricultural policy and it badly needs new outlets and ideas. We cannot get away from the fact that the medium in which agriculture works is soil. Farmers must grow crops. Yes, there may be alternative enterprises such as forestry and woodland and nothing could be nearer to my heart with my experience and fondness for trees than for us to grow more trees in this country. That is a good idea, but it is a long-term prospect. Other enterprises must also be considered because farmers now must consider themselves as business men as well as farmers. They must apply themelves to other alternatives and I am sure that they are doing that. Unless large quantities of land are taken permanently out of agriculture for housing, which on any kind of scale would be extremely ill-advised, land must grow crops.

[Mr. Michael Lord]

The combination of the new biotechnology involving sugar capable of giving us biodegradable products is heaven-sent for those of us who care about the environment, commerce and jobs. The developments are extremely exciting for both those areas and we must grasp the opportunities with both hands.

I want to consider briefly the question of fairness. My hon. Friend the Member for Hereford drew the Minister's attention to the history of quotas and the present imbalances and inequalitities in the EEC. Nothing incenses our farmers more than a sense of injustice and that sense of injustice is all too often engendered by the machinations of the CAP. I understand the great difficulties facing the Minister, given the overall surplus of sugar in the EEC. I urge the Minister and his team to fight for our farmers, for fairness and for an increased quota when they go to Europe.

12.5 am

Mr. Geraint Howells (Ceredigion and Pembroke, North): As far as I am aware, there are no sugar beet growers in Wales—although there may be a few. Many of us who farm in the Principality, however, are dependent on sugar beet to feed our sheep in the winter. It has proved a very successful method of feeding them during the hard months that we get on the hills.

My purpose in taking part in tonight's debate is to support the hon. Member for Hereford (Mr. Shepherd), who, I think, has made a very good plea on behalf of this country's sugar beet growers. I should like to ask the Minister a few probing questions. Many farmers in west Wales are very worried about the present milk quotas. They believe that British farmers are not competing on equal terms. I want to ask the Minister this question: do British sugar beet growers compete on equal terms with their counterparts in the EEC?

I believe that the Minister's negotiations and deliberations will succeed in persuading the other EEC Ministers to give British farmers an extra quota. But let me ask a question similar to those I have asked on milk before. If a young farmer in this country was very keen to start growing sugar beet, is there a quota that he could get from the British Sugar Corporation? I believe that there are many young entrants into farming, and that we should be able to help them. There should be an extra quota somewhere within the system to help youngsters who want to start on their own.

However, the main question is parity within the Community. I hope that, by saying a few words tonight, those of us who are far away from the sugar beet growing area of this country can help those who, one day, may in turn help the dairy farmers of west Wales when they too are in need.

12.7 am

Mr. Michael Brown (Brigg and Cleethorpes): The hon. Member for Ceredigion and Pembroke, North (Mr. Howells) has correctly identified the problem that my hon. Friend the Member for Hereford (Mr. Shepherd) so ably outlined in his excellent introductory speech. I congratulate my hon. Friend on securing this important debate.

We have had the opportunity from time to time to consider sugar beet production in this country, and I have had the privilege of addressing the house on the subject before. I now have interests to declare: the British Sugar Corporation factory in Brigg, which is the largest employer of labour in the town, and the large number of sugar beet farmers in my constituency. As my hon. Friend the Member for Hereford said, for every one person employed in a British Sugar Corporation factory, up to seven jobs have been derived in the country's sugar factories. Sugar beet farming is an important part of the rural economy for many of us who are here this evening.

The hon. Member for Ceredigion and Pembroke, North made a very important point. I have a table, of which my hon. Friend the Parliamentary Under-Secretary who, I am delighted to see, will respond to the debate will be aware. It is a simple chart showing EEC beet sugar production quotas as a proportion of consumption by member states. The figure that jumps out at me this is something that I have never been able to understand is the quota in the United Kingdom: 1,144,000 tonnes of white sugar. Yet United Kingdom consumption is 2,256,000 tonnes. Quota represents only 50·7 per cent. of consumption. I am referring to beet sugar. However, as a percentage of consumption, the quota is 222 per cent. In France it is 199·5 per cent. Therefore, the case for a fair deal for the British sugar producer, sugar beet farmer and sugar factories is overwhelming. Britain is producing only 50 per cent. of its sugar quota. Therefore, equity demands that British Ministers should speak up for the British sugar beet industry in the European Community. When the United Kingdom quota is renegotiated, it is imperative that British Ministers should bang the table hard for the United Kingdom sugar producer and the beet farmer.

My hon. Friends have already said that the sugar beet industry's request is for a modest increase of 150,000 tonnes in the United Kingdom quota. Ministers should put such a reasonable and modest demand before the Council of Ministers on the ground that, in equity, the imbalance in the United Kingdom's quota, compared with the rest of Europe, should be rectified. Indeed, it is vital that Ministers should do so because the United Kingdom is the only major European Community country whose sugar beet production quota is less than its sugar consumption.

Even allowing for imports of ACP sugar, the United Kingdom is barely self-sufficient at the existing levels of sugar consumption. However, the United Kingdom is facing an important increase in sugar consumption, because of the needs of the chemical industry, based on its European leadership in biotechnology. I enjoy the privilege of having an ICI subsidiary factory in my constituency. Together with other chemical industries in this country, ICI wants to play a leading role in biotechnology. However, it must know that beet sugar will be available so that it may make the long-term investment that is required. The United Kingdom has been denied the marginal increase in its sugar quota that it needs to meet this genuine new demand, while other EEC countries, whose needs are not so great, had major surpluses of quota sugar which had to be exported. The United Kingdom was obliged to fund those exports through its producer levy contributions.

The United Kingdom sugar beet industry is looking for fair treatment in Europe so that it is not denied the opportunity to create a new chemical industry, based on biotechnology at home. I join my hon. friends and the hon. Member for Ceredigion and Pembroke, North in asking

the Minister, who is a first-rate Minister, and his colleagues in the Ministry of Agriculture, Fisheries and Food, who have done a superb job on behalf of British agriculture in the past, to ask for a modest quota increase of 150,000 tonnes to cater for this new use.

12.13 am

Mr. Nigel Spearing (Newham, South): The hon. Member for Brigg and Cleethorpes (Mr. Brown) declared his interest, largely in a sugar beet refinery. As a constituency Member, I must declare mine. The cane sugar refinery at Silvertown in Newham, east London, refines no fewer than 1 million tonnes of cane sugar a year, which is nearly equivalent to the whole of the beet sugar production, approximately 1.2 million tonnes.

My hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman), who represents the only other cane sugar refinery in the United Kingdom, would have been here tonight, but unfortunately he is unwell. His case would have been similar to mine.

The hon. Member for Hereford (Mr. Shepherd) asked why we produce only half the sugar that we consume. The answer is that historically – and I believe rightly – there has been a national policy since the early 1930s to produce sugar in this country from sugar beet instead of relying wholly, as we did, on Commonwealth imports. That balanced arrangement continued successfully until 1974, when, having entered the EEC the year before, the Commonwealth sugar arrangement fell and new arrangements had to be made. The quota arrangements, of which Conservative Members have made some justifiable criticisms, came into vogue at that time.

I shall now make a point with which I am sure Conservative Members will agree. Britain is the only country in the EEC that imports large quantities of cane sugar. France imports only a small amount from its Departement Outre Mer, which for fixing purposes is part of domestic France, although that is the West Indies. We do that for a number of reasons. First, we do it as a moral responsibility to our overseas partners in the Commonwealth and the Third world. That is recognised throughout the EEC, and I am glad to see Conservative Members nodding in agreement. It is an undertaking on behalf of the EEC, although we have a part to play in it.

Employment in the cane sugar refining industry in the ports has been reinforced by two resolutions of the House: first, on 11 November 1974; and secondly in December 1985. The first resolution emphasised:

"The continued existence of and employment in the port sugar refining industry of the United Kingdom, or for securing long-term supplies of domestically refined cane sugar at a fair price to consumer and producer."

That was reinforced by a resolution of the House on 2 December 1985 in an amendment that was moved by my hon. Friend the Member for Greenock and Port Glasgow to

"take account of the interests of both producers and users of the products concerned and fulfil the objectives set out in the Resolution of the House relating to sugar supplies of 11 November 1974."

The hon. Member for Hereford dwelt on this matter and rightly reminded the House that part of the Lomé arrangement – it is an adjunct to the renewable treaty – is the arrangement to which I have referred.

The problem with what Conservative Members have said is that there appears to be a statistical imbalance between what is open to British agriculture and what is open to the French in particular. The problem is compounded by the figures. As I understand it, EEC production of beet sugar is about 13.6 million tonnes in white sugar equivalents, but the consumption, including that of the United Kingdom, is only 10.6 tonnes. In other words, there is a surplus production of about 3 million tonnes, which is just under three times the amount of imported cane sugar. While there is criticism from some European beet farmers of cane imports, it is a relatively small proportion, not only of the consumption of the EEC but of the total available surplus.

The problem is how to maintain our moral responsibility and the long-term agreement to which we are all committed; provide pricing arrangements for the refiner's margin and the extra cost of shipping the cane from places such as Fiji, Mauritius, Jamaica and other Commonwealth friends, and at the same time make that sugar marketable at a price that is comparable to the beet price in European and United Kingdom markets. That is one of the other aspects of the matter that the Minister will have to see to. Not only is he battling for greater beet quotas; he is having to follow that resolution of the House and the moral responsibility to which the EEC agrees to ensure the refiner's margin. The Minister is aware of that, and the debate is not specifically about cane sugar, so I shall not pursue that matter. I am sure that the Minister will renew the Government's commitment to maintain that margin so that the structure continues.

Conservative Members who represent beet-growing areas put the case fairly in some respects. We must recognise that there is a certain resistance, perhaps from those who ultimately pay or consume, to increasing the amount of beet sugar that goes into chemical stock above the present surplus. Some people might think that it is not good policy, especially in the northern parts of Europe, where there is less sunshine, to grow beet sugar that is refined, at some expense, and then becomes chemical feedstock. This is a little unusual from the point of view of conservation and, ultimately, of the good use of land. I know that there are surpluses, but Conservative Members face the problem of persuading our continental "partners" that it is their surplus that should be used for that burgeoning chemical use about which we have all heard, and that they should voluntarily transfer some of their surplus beet production to the United Kingdom.

Why would those continental countries give up any of their existing national quotas to increase United Kingdom acreage when they already have a surplus? In equity, of course, they should, but I suppose that equity is the United Kingdom's strongest argument. The EEC is on a ratchet. The answer to the questions aked by some Conservative Members lies in the fact that, even before Britain became a member of the EEC, the Agriculture Ministers built in a surplus when the beet quotas were agreed. Instead of each national arrangement balancing out, as the United Kingdom's wisely did under the Williams arrangements from the 1930s, other countries, especially France, had a surplus that was built in by a political arrangement. I believe that the facts will show that that is so. It is at least an argument why, in equity, British beet producers should share in the ill-distribution made at the beginning, especially as we are discharging our responsibility, and wish to continue to do so, to the Third world and our Commonwealth colleagues.

The moral commitment to the Third world is shared by us all. The pricing arrangements to assure the margin for

[Mr. Nigel Spearing]

cane sugar refiners at the ports and the price paid to our Commonwealth producers so that they can continue to produce must be viable. It is no use having a quota of 1·3 million tonnes if the price prevents our Commonwealth colleagues from producing. At the same time, we should promote an agricultural regime that is equitable in the sense that I have outlined. I hope that in Brussels the Minister will respond to his hon. Friend's requests and ensure that the refiners' margin and the price paid, not only in this quinquennium but in those that follow, enable the resolutions of the House to be fulfilled.

12.24 am

Mr. Stuart Randall (Kingston upon Hull, West): This is a splendid opportunity to get over the point about biotechnology and the need to increase quotas. We are all here to support our industry, to back Britain and to ensure that, where there is inequity, it is overcome. We know that there are historical reasons for it, but Belgium and France seem to have huge production quotas in proportion to demand which seems unfair.

I was interested to hear what the hon. Member for Hereford (Mr. Shepherd) said about the increase in demand from biotechnology, which uses sugar for chemical non-food processes. I hope that developments proceed successfully in Britain. I wonder whether there is too much optimism about biotechnology as the EC proposals amount to only 300,000 tonnes by 1992, which is a tiny increase. There are problems to overcome in biotechnology, but I am glad to hear that we have a British company doing research.

Although the rate of development might not be as rapid as many people expect, the opportunity for job creation is important and welcome. I wondered whether there was some devious motive behind the debate, but the hon. Member for Hereford made a straightforward case. I am anxious that there should not be pressure on ACP imports of cane sugar in the negotiations.

The ACP countries depend on exports of about 1.1 million tonnes of cane to the EC for a considerable amount of foreign exchange. They are principally the West Indies, Fiji and Mauritius. I should like the Minister to give a commitment that nothing in the negotiations could lead to that figure being reduced. I appreciate that the levels were established under Lomé, but I should like an assurance that the Minister of Agriculture, Fisheries and Food and the EC are not thinking along those lines.

Mr. Michael Brown: I can probably reassure the hon. Gentleman. He will probably realise that the Lomé convention can be changed only with the agreement of all the signatories to the convention. That may give him the reassurance that he seeks.

Mr. Randall: I appreciate that that is the mechanism, but all things can be changed. I ask the Minister for an assurance that that sort of activity, or the lifting of the foundation stones, will not take place because of the inequities that exist and, therefore, the pressures from our own industry. My main concern is for the ACPs, the poorer countries of the Third world, and whether we are being optimistic about the effect of biotechnology and of those small quota arrangements.

British Sugar has had a superb opportunity to put its case. A company does not usually have the opportunity of having a one-and-a-half hour debate on a matter of this sort. Obviously everyone except myself has been briefed up to the eyeballs. The important thing is to make sure that we back our own industry and that opportunities are created for developing it. The Opposition will be supporting it.

12.30 am

Mr. Henry Bellingham (Norfolk, North-West): We all share the concern voiced by the hon. Members for Kingston upon Hull, West (Mr. Randall) and for Newham, South (Mr. Spearing) about the ACP or Third-world countries. We realise that there is a moral and legal obligation towards them, but one thing that stands out sharply, which was mentioned by my hon. Friend the Member for Hereford (Mr. Shepherd), is that, of the 16 ACP countries, five have to import sugar from the world market to match their share of EC quota. That is outrageous and something ought to be done about it. When the Minister winds up, I hope that he will be able to deal with that. Why are we being so weak and pathetic over that matter? It is costing many jobs in this country. We obviously have that moral obligation. No one here wants to sabotage the Lomé convention. We realise the importance of it, particularly so far as jobs in Newham, South are concerned. I have a sugar factory in my constituency, and I was interested to hear the figures given by the hon. Member for Newham, South.

I join my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) in congratulating my hon. Friend the Member for Hereford on securing the debate.

I do not think that we have been briefed up to the eyeballs. I certainly have not been briefed at all. I do not know where the hon. Member for Kingston upon Hull, West got the idea that it was all a put-up job. Certainly the point that my hon. Friend the Member for Hereford made about the number of jobs being created being a factor of seven for every job in British Sugar would mean that in my constituency British Sugar either directly or indirectly in the past 20 years or so, has created more than 1,400 jobs, which is a very considerable input into the local economy. That shows how important the whole area is to Norfolk, and to west Norfolk in particular where many small farmers at the moment rely to a large extent on sugar beet. I am talking about the smaller farmers because the larger farmers certainly have more of a cushion to survive difficult times. People seem to think of Norfolk as being a county of large farmers, but there are many small farmers who rely to a considerable degree on sugar beet. If they could be allowed to grow just a little bit more, it would make a tremendous difference.

We had an interesting tour de force by my hon. Friend the Member for Suffolk, Central (Mr. Lord), who took us down memory lane. My memory does not extend that far, although the grey hairs are coming. It was a thoughtful and penetrating speech that reflected the concern of many of us on the Government side of the House for farmers in our constituencies, who are the fabric of rural constituencies, and for jobs in rural areas. Even in Norfolk where there are many light manufacturing industries and where there is a big growth in the service and tourist sectors, a large number of jobs are still totally dependent on agriculture. We have heard of many different schemes and ideas. My hon. Friend the Member for Suffolk, Central mentioned some of the ideas put forward by the Ministry of Agriculture, Fisheries and Food. One thing

that it could do that would make a profound difference to the confidence of farmers throughout the country especially in areas where a lot of sugar beet is grown would be to increase, even modestly the United Kingdom quota. I hope that the Minister will take that on board. At one stroke he could achieve an enormous amount. In that one small stroke he could achieve more than would be achieved by any number of set asides, schemes to encourage forestry or schemes to encourage amenity and small businesses in rural areas, laudable though those schemes may be. I urge that on him to a great extent.

The case is strong. One has to bear in mind the points that have been made already about where the United Kingdom stands in relation to other European countries. My hon. Friend the Member for Brigg and Cleethorpes quoted an interesting set of figures. I do not know where he got the table from. He must be the only one who came here with a brief. The figures show the disadvantage at which the United Kingdom finds itself. We must bear in mind the fact that in 1981 the United Kingdom suffered a cut on the most spurious of grounds. I have never quite been able to work out why the United Kingdom suffered that cut. However, it was manifestly unfair, and surely now the time has come to reverse that.

The hon. Member for Newham, South mentioned the dilemma in which the EEC finds itself in terms of equity and how it would be equitable for European farmers to give up quota to the United Kingdom. That is probably pie in the sky. However, if there is an increase in quotas overall it will not cost the EEC anything at all. Of all the agricultural regimes in the common agricultural policy, the one that is totally self-financing is the sugar beet regime. Therefore, a small increase for the United Kingdom, and perhaps a small increase for other EEC countries, would not cost the national taxpayer or the EEC taxpayer one penny. The regime has been cleverly tailored so that it is entirely self-financing.

Mr. Spearing: The hon. Gentleman may be correct, but I understood that there was a storage levy. If there is greater production of beet in the whole Community, the levy for overall storage from one campaign to the next might will go up. I may be wrong about that. I am willing to concede that in terms of export restitution it is different, but there is quite a bit of public money involved if one looks at the matter in overall terms.

Mr. Bellingham: I do not know the exact answer to that. The Minister may be able to put us right but my understanding is that, given the situation raised by the hon. Member for Newham, South, it would be British Sugar that would be paying more. It would greatly reduce its overall profit.

Mr. Tim Boswell (Daventry): It is a producer levy.

Mr. Bellingham: My hon. Friend is right. The taxpayer would not have to dip into his pocket any more if there was an increase in quota.

The points about the chemical and biochemical industry have been made clearly. There is a great opportunity for the United Kingdom in biotechnology. If plants were located away from the United Kingdom in Europe on account of that fact that there was not a ready supply of sugar available on the doorsteps of the plants that would be a tragedy. I understand that the United Kingdom Chemical Industries Association has predicted a six-fold increase in the need for sugar from roughly 15,000 tonnes to getting on for over 125,000 tonnes per year by 1991. That is a big increase.

On all those points we have a strong case. I join hon. Members in urging the Minister to push the United Kingdom case as hard as possible. He should kick over traces, sit on the table—not break it—and do his best to put the case for the United Kingdom farmer. He should bear in mind that he could do more good by a modest increase in the United Kingdom beet quota than a whole panoply of other measures. I hope that he takes that on board.

12.39 am

Mr. Tim Boswell (Daventry): I begin my remarks by congratulating my hon. Friend the Member for Hereford (Mr. Shepherd) on introducing the debate, on his timing and on the substance of his speech. It is appropriate that we should encourage the Government to address such matters in good time before the negotiations take place and before the Commission makes its proposals. I, too, say to the hon. Member for Newham, South (Mr. Spearing) that the House has no interest in creating a conflict of interest between beet growers and the cane industry. It is essential to proceed on the basis of mutual interest.

As to who was or was not briefed, there may have been certain domestic difficulties to be sorted out amongst Opposition Members. I do not know whether that had anything to do with the matter. My basic interest derives from some years back through my having worked with the Ministry of Agriculture, Fisheries and Food as its special advisor. Some hon. Members will know that I am also a farmer, but I am not a beet farmer. My family gave up beet farming roughly at the time when my hon. Friend the Member for Suffolk, Central (Mr. Lord) was plodding behind his Percheron. We cut the beet tops off by hand, but we gave it up a long time ago.

I hope that it reinforces the points that need to be made if I tell the House that we in Daventry have a virtually insignificant constituency interest in beet growing, lying as we do between the eastern factories of Peterborough and the west midlands. Little beet is grown at any one time in my patch. Nevertheless, for many reasons, we have a proper interest in the subject of the debate. The first reason, as some hon. Members have said, relates to employment, which affects us all. The second reason is the importance of creating and sustaining as many hectares of arable land for alternative uses to cereal production as we possibly can. That goes to the heart of the need to expand our beet quota when we can do so.

There are two specific points. The first was eloquently touched upon by the hon. Member for Ceredigion and Pembroke, North (Mr. Howells). He mentioned the benefits to the farming and livestock industry, which is of interest to me also, in having a supply of beet pulp. British Sugar is the third largest manufacturer of animal feedstuffs in the country—that fact surprised me—and about 85 per cent. of its total production now goes outside beet growers to other livestock farmers. It is as important to my farmers as it is for people in the eastern counties that as much feed as possible should be available. It is an excellent feed.

It is important for the whole industry to draw on the example of plants such as the ABR chemicals plant at Corby, which is just outside my constituency. That plant, is able to use modern technology to separate wheat

[Mr. Tim Boswell]

feedstock, make the best product and add value to it. That is highly relevant to increasing farmers' returns and the saleability of their product. As in Corby, modern developments in biotechnology in beet production, sugar and related products are highly relevant to the tenor of agriculture.

There is an unfortunate background to the negotiations. At the time of the 1980 negotiations and the 1981 quota quinquennium, this was the worst possible background against which to conduct a European negotiation. There were two reasons: first, we tended to decline as a producing country during the immediately preceding years, and we threw away one of our negotiating counters. Secondly, at that time and since, a high proportion of the European beet crop had to be exported. Therefore, it was a natural ploy that was carried out, to deprive us of a proportion of our quota. The industry has not yet recovered from that blow.

In the meanwhile, we have two major encouraging changes in the situation. First, the British beet industry and sugar industry have had good performances over the past quinquennium in fulfilling their quota, increasing their productivity and reducing their costs. The second change, which we should take back to Europe, is that we now find the potential for an enlargement of the whole market.

When I was in MAFF I was worried about the impact of concern about diet and health on the consumption of raw sugar. It now seems to have stabilised in a healthy way and there is the possibility of an additional demand for new uses. Europe recognised the new situation to some extent by the introduction last year of provisions for chemical sugar, which recognises the principle that new industries based on new technology should, wherever possible, take place and be founded within the Community, rather than abroad, exporting products into the Community.

We are asking the Government to work on behalf of the industry to see that Britain gets its proper share of the action of these new developments. Nobody can be certain of the exact level or timing of them—it may well be that quotas will have to be adjusted or modified as they develop. We cannot anticipate how far they will go. If they go slowly, there must be some scope for modulation, but the principle must be established that we need to go forward as the European sugar industry goes forward.

We have two powerful moral claims on that. First, we are not talking about increasing over our historic quota level; we are talking about working towards a re-establishment of our historic quota. We lost 182,000 tonnes, and the British Sugar Corporation is not indenting for more than 150,000 tonnes, so we are in no sense going above our historic quota. The second point, which has been commented upon inadequately, is that the British consumption of sugar is the largest in the Community. We are significant users of sugar and we have a strong base on which to make our claim.

My hon. Friend the Minister and his colleagues must go in to bat on our behalf on the sugar quota. We have a similar kind of European negotiation on a smaller scale and in microcosm to the issues which have been tackled on a wider scale in relation to the European budget by my right hon. Friend the Prime Minister. She fought both for the equity of the situation and within the context of realism. We are asking the Minister to undertake to go in and understand the reality of the situation and to understand that we did lose ground, but there is now the possibility of the market widening so that we can make a claim to gain more ground, or to regain ground. We must put these points firmly, together with the compelling point of fairness and to stand up for the British industry, which has a rightful claim.

12.48 am

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Donald Thompson): I congratulate my hon. Friend the Member for Hereford (Mr. Shepherd) on initiating the debate and I congratulate everybody who has taken part in it. It is flattering to me to see that they are all still in the House, and it must be of great satisfaction to the sugar industry, which is delighted that my hon. Friend has raised the subject tonight.

British sugar beet growers and British Sugar, which processes their beet, have a legitimate interest in maximising production and marketing of this profitable crop for our domestic market. The Government fully share the desire of the House to have a strong and prosperous British sugar beet industry, and we will continue to work for that. My hon. Friend the Member for Norfolk, North-West (Mr. Bellingham), in his usual forthright manner, urged me to work for that, and I can assure him that that is what we will do.

However, that is not the only interest that the Government have to consider. We also take pride in ensuring fulfilment of our long-standing Community commitment to import cane sugar from producers in African, Caribbean and Pacific countries — ACP countries. The hon. Member for Newham, South (Mr. Spearing), who apologised for the absence of his hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) — we wish him a speedy recovery — made a strong speech on behalf of the ACP countries, to which I will refer as I go through the speech I wrote before I heard the speeches tonight. Fortunately—touch wood—it fits fairly well. The House is going to get it—it fits, and that is better than usual from either this or the other side of the House.

We need a viable cane refining industry, and that industry is itself an important source of employment and revenue, as the hon. Member for Newham, South said. We must also have regard to the interests of British food manufacturers and consumers in supplies of sugar at competitive prices. Finally, we need to take account of the concern of sugar producers throughout the world — mostly in developing countries, including those who do not enjoy privileged access to the Community — at the volume of supplies on the world market. Clearly, the Government's policy on the EEC sugar regime must strike a fair balance between those interests, and that is what we have striven to do in the past.

I wish to say a word about someone who has not been mentioned often tonight — the consumer. Two weeks ago, we finally reached agreement on CAP support prices for 1987-88. For sugar beet, common prices were frozen for the fourth successive year. Over the same four-year period, there has been an increase of just over 1 per cent. in the effective common support price for white sugar. In real terms, the support price for white sugar in the United Kingdom has fallen by more than 10 per cent. since July

1983. That is, of course, less satisfactory to growers. However, even my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown), who is always keen to ensure that his constituents are well rewarded, is not complaining about the income of sugar beet growers. The consumer must be very pleased that the price has remained steady. Sugar remains a relatively profitable crop with available quota keenly sought after, and growers will now have the benefit of the green pound devaluation.

There is to be a review of the Community regime in the autumn, as a direct result of this Government's pressure. Specifically, the Community will need to determine in the review both the A and B quotas for the period 1988-89 and 1990-91 inclusive and the incidence of the various production levies, which are designed to recoup from growers and processors the cost of supporting the Community sugar market. We do not know at this stage, and may not know for some months, what proposals the Commission will put forward on those and other relevant issues. Clearly, therefore, I am in no position to set out the Government's policy on the review. However, I will try to give some indications of our attitude on a number of the points raised tonight.

First, we should consider the balance of supply and demand in the Community of 12 as a whole. Production within both A and B quotas, together with the committed supplies from ACP countries, far outstrips the market available within the Community. The EEC is having to export about 3 million tonnes of quota sugar a year, and these exports can be made only with the aid of large subsidies. The export subsidy has averaged nearly £300 per tonne in the past year, which is about two and a half times the world price. It is true that the Community beet growers and processors themselves meet most of the cost of these exports through the levy system, and it occurred to me as the hon. Member for Newham, South was speaking that they may have done that originally because they knew that they would be in surplus and that it might be a good way of getting rid of surpluses. I am not sure that that is true and, as I have said, it was merely a thought that occurred to me as I was listening to the hon. Gentleman.

Community sugar exports amount to about a fifth of the free world sugar market, which is the market not covered by special arrangements such as the ACP countries enjoy in the Community or by bilateral contracts. We cannot ignore the effect of these exports on world markets.

Against this background there can clearly be no case for any increase in the overall Community sugar quotas. Indeed, there is a case that these quotas should be reduced, and at the previous review in 1985 we proposed that the overall quotas should be reduced. British Sugar pressed for an increase in its quota but that was not negotiated because, among other things, of the serious position of the sugar market. Quotas for all member states were therefore left unchanged for two years. In addition, an elimination levy was introduced to clear the deficit on the export refund levy account that had built up from 1981 to 1986, and this was shared among member states to our basic advantage. That brings us to the 1987 review and this debate.

At the 1985 review we proposed that overall quotas should be reduced and that this should be achieved by means of a more equitable allocation of B quotas on a standard percentage of the A quotas for all member states in place of the present allocation, which ranges from 10 per cent. for some member states, including the United Kingdom, up to 30 per cent. for others. The Commission and most other member states, however, were strongly opposed to any reallocation of quotas. I have no reason to believe that they will change their minds despite what has been said during this debate, including the wise words of my hon. Friend the Member for Daventry (Mr. Boswell). My hon. Friend has made two successive speeches in the Chamber without interruption, and that must be a record. His first contribution was, of course, a maiden speech. The Government will do their best to ensure that the allocation is changed.

The hon. Member for Ceredigion and Pembroke, North (Mr. Howells) asked about the United Kingdom's position. When quotas were last reallocated in 1981, the changes were made on the basis of past production. Our production in the base period had been adversely affected by climate and other factors, so our quota, especially our B quota, is less than it might otherwise have been. As a result, although we are fully producing our A and B quotas, there is little if any surplus in the United Kingdom over our domestic requirements.

I have been asked whether the machinery of the sugar quota operates differently from the milk quota, and to the best of my knowledge it does.

When a sugar beet farm goes out of production British Sugar takes it back and then reallocates it. That reallocation may lead to new entrants into farming or new entrants into sugar beet production.

Although we are fully producing our A and B quotas, there is little, if any, surplus in the United Kingdom over our domestic requirements. At present, beet sugar production within quotas of 1·144 million tonnes, together with supplies of imported ACP cane sugar of 1·15 million, roughly matches domestic consumption of 2·25 million to 2·3 million tonnes. Taking one year with another, we import about 120,000 tonnes of white sugar from other member states and export slightly more 150,000 tonnes to 200,000 tonnes of domestically produced white sugar to third countries.

As my hon. Friend the Member for Daventry has already said, there is little likelihood of any increase in domestic demand, but, as mentioned by all hon. Members, there is a growing interest in biotechnology and the biotechnological use of sugar in other products. The hon. Member Kingston upon Hull, West (Mr. Randall) comes from a part of the world which is accustomed to biotechnology and such chemical plants. We are aware that such industry is found on the north-east side of England. We would like to see the development of this aspect of the chemical industry in the country and especially in the north-east. It is important that, if biotechnology is extended through the use of sugar, we should push as hard as possible for an extra quota to meet that increasing demand.

At present there is no evidence to suggest that the figure covered by the review will exceed 50,000 to 100,000 tonnes a year. However, my hon. Friend the Member for Hereford discussed a level of usage far higher than that.

The level of national quotas is inseparable from that of the level of the production levy. Under current arrangements, the basic A quota is subject to a maximum levy of 2 per cent. of the intervention price, the B quota to a maximum additional levy of 37½ per cent. This seems appropriate since it is the additional production represented by the B quota which has to be exported and

[Mr. Donald Thompson]

therefore provides the main additional expenditure. The Government continue to attach importance to maintaining this distinction between the levies applying to the quotas.

My hon. Friend the Member for Suffolk, Central (Mr. Lord), who backed his Suffolk horses into the buffers at one time—that will make an interesting mixed metaphor in *Hansard*—called for an increase in quota. Our quota represents 9 per cent. of EC quota production and we contribute under 6 per cent. of levy. In some ways, that is reassuring.

We must also continue to maintain a reasonable balance between cane and beet producers in the United Kingdom to ensure a secure market for ACP cane sugar. I share the belief of the hon. Member for Newham, south that we must protect the ACP and the jobs that are created by that body.

Mr. Spearing: I am grateful for the Minister's reassertion of the principle already reasserted by other hon. Members tonight.

I believe that the quotas for producers were introduced in 1981. Cm.167, the Intervention Board report for 1986, showed that the United Kingdom got no less than £86 million from the funds. The hon. Member for Norfolk, North-West (Mr. Bellingham) mentioned storage and that report shows that there was a £24 million contribution to the storage levy. Later, I hope that the Minister will check whether all that £86 million comes from the producers' levy, the percentage of which he has just given.

Mr. Thompson: If it was four minutes past one o'clock in a Committee room and the hon. Gentleman started talking about Cm. 167 and going into such details, I would be terrified, but as it is I shall write to him.

We have it very much in mind that ensuring a secure market entails more than ensuring that there remains a place for ACP sugar on the United Kindgom market. In the long term there will be a market in the United Kingdom for ACP sugar only if the Community regime also provides a sufficient margin to enable this raw sugar to be refined. Last year, at United Kingdom insistence, the Commission undertook to carry out a review of that margin and it has yet to submit a report on it to the Council of Ministers. I am glad to say, however, that as part of the price-fixing settlement secured a week ago, the Council formally recognised the need to take measures rapidly to resolve the problem of the refining margin for cane sugar and the Commission undertook to submit proposals to this end. The Government will continue to press for a speedy and satisfactory solution in the interests of the United Kingdom industry and the ACP suppliers.

The hon. Member for Kingston upon Hull, West asked me about that commitment and I have made that commitment. Hon. Members have said that things change and, of course, the Portuguese entry has changed the entire nature of sugar and sugar refining in the EEC. Nothing stays still and in the machinations of EEC committees, it may be that Portugal's entry will give us a window whereby we may get various adjustments to our satisfaction. I do not know.

I end by assuring the House that I have noted the various points made in this debate; and that the Government will have them very much in their mind when we come to the review of the regime in the autumn. It will continue to be our objective to maintain a fair balance between cane and beet supplies in the United Kingdom—and to secure a fair deal for each in the Community, within the limitations imposed by the Community sugar regime and by the stark fact of a substantial Community—and world—surplus of sugar.

Nuclear Arms Control

1.6 am

Mr. Harry Cohen (Leyton): I am pleased to have obtained this debate on the nuclear arms control negotiations. The current negotiations between the United States and the Soviet Union are certainly the most important international negotiations taking place at present. I welcome them and want them to result in a deal that will see a large number of nuclear weapons on the scrap heap. Such a deal, if achieved, looks likely to be only a small step towards ending the nuclear threat that hangs over mankind. It is important that a deal should be achieved and that Britain should work for its achievement. However, beyond that, it is crucial that all our efforts are directed to carrying on the impetus further to reduce and then eliminate nuclear weapons from the world.

Nuclear weapons are a threat to the very existence of mankind. However, that is still not fully understood by some of the Colonel Blimps who are in political and military positions around the world. Among them, I am afraid, is the Prime Minister. The message has still not got across to them that, unlike pre-atomic weapons systems, nuclear weapons have the potential to destroy or blight all life on earth. They leave little opportunity for controlling the situation or for second thoughts.

Mr. Gorbachev, in his February address to the Moscow Forum, said:

"The development and subsequent stockpiling of nuclear weapons and of their delivery vehicles beyond all reasonable bounds have made man technically capable of terminating his own existence. The simultaneous accumulation of explosive social material in the world, and attempts to continue tackling forcefully, with stone-age methods, the products of problems of a cardinally altered world make catastrophe highly likely in political terms as well. The militarisation of mentality and of the way of life weakens and even removes altogether any moral inhibitions with regard to nuclear suicide.

We have no right to forget that the first step, which is always the most risky, has already been made. Nuclear weapons have been used against human beings, and used twice. There are dozens—I repeat dozens—of recorded and acknowledged moments when the possibility of using such weapons against other countries was seriously considered . . . The question stands like this: either political mentality is geared to the requirements of the times or civilisation and life itself on Earth may perish."

The author, Martin Amis, in his "A Blast against the Bomb" essay, published in *The Observer* on 19 April 1987, put it in an even more startling and brilliant way. He said:

"Nuclear war is seven minutes away, and might be over in an afternoon. How far away is nuclear disarmament? We are waiting. And the weapons are waiting.

What is the only provocation that could bring about the use of nuclear weapons? Nuclear weapons. What is the priority target for nuclear weapons? Nuclear weapons. What is the only established defence against nuclear weapons? Nuclear weapons. How do we prevent the use of nuclear weapons? By threatening to use nuclear weapons. And we can't get rid of nuclear weapons, because of nuclear weapons. The intransigence, it seems, is a function of the weapons themselves. Nuclear weapons can kill a human being a dozen times over in a dozen different ways; and, before death—like certain spiders, like the headlights of cars—they seem to paralyse."

We must break that paralysis. That is what the people of the world want. The circumstances and the arguments have changed.

In the same article Amis compared his and his father's view—his father representing the outdated Tory notions still prevalent in his House. He states:

"My father regards nuclear weapons as an unbudgeable given. They will always be necessary because the Soviets will always have them and the Soviets will always want to enslave the West. Arms agreements are no good because the Soviets will always cheat. Unilateral disarmament equals surrender. And, anyway, it isn't a case of 'red or dead.' The Communist world is itself nuclear-armed and deeply divided: so it is a case of 'red *and* dead.'

Well, *Dead*, at any rate, is what this prescription seems to me to promise. Nuclear weapons, my father reminds me, have deterred war for 40 wars. I remind him that no global abattoir presided over the century-long peace that followed Napoleon's discomfiture in 1815. And the trouble with deterrence is that it can't last out the necessary timespan, which is roughly between now and the death of the sun. Already it is falling apart, from within.

When I say that America is as much of a threat as the Soviet Union my father categories me as somone who takes democracy lightly, who takes freedom lightly. But of course it is the weapons themselves that are the threat."

The deterrent myth has also been hammered. Nuclear weapons have not deterred conventional attacks from Vietnam to the Falklands. They could not be used in such circumstances without wreaking enormous destruction and loss of life and without risking a chain reaction which could lead to nuclear retaliation, invoking the Chernobyl effect of mass radiation affecting the whole world—as someone crudely put it, "Peeing into the wind as the effects return to plague all of us."

Mr. Gorbachev has hammered the deterrent myth. He pointed out that the viewpoint which underlies the doctrine of nuclear deterrence was

"an evil necessary to prevent a greater evil—war . . . First, even if we stick to this doctrine, we would have to admit that the 'nuclear safeguard' is not 100 per cent. effective and not termless. It may any time become a death sentence to mankind. The bigger the nuclear arsenals, the less chance they will be kept 'obedient'. Proliferation; increasingly sophisticated nuclear weapons systems, a greater transportation scale and the constant risk of technical error, human failure of malice are all chance factors on which the survival of mankind depends . . . deterrence . . . is, in fact, a policy based on intimidation . . . When threat is a political means, the natural wish is that each such threat should be taken seriously. For that, one has to always back up threats by definite action . . .In a historical context that does not reduce the risk of military conflict. In fact, it further increases the risk . . . the more nuclear weapons there are, the greater risk of a fatal malfunction."

That is the new realism in the Soviet Union based on the need to act now to avoid a nuclear holocaust in future. Because of that new realism, a deal seems possible at least to lessen the overkill and make a start on a downturn in the nuclear arsenals rather than crazy expansion. Arms control negotiations are very slow and easily get bogged down. They require a serious political will. It is source of sadness and of concern that there has been no deal in President Reagan's period of office or during the Prime Minister's eight years on the central issue of achieving nuclear arms reductions.

An opportunity for an agreement exists now. That has arisen not from strength, but more from glut. There are 50,000 nuclear warheads with 1 million times the power of the Hiroshima bomb. The Gorbachev initiative provides the opportunity. I hope that the deal will not be thwarted deliberately by some dinosaur-thinking, pro-nuclear vested interest. Such potential deals have been sabotaged before. The House of Commons Library briefing paper put it succinctly:

"Arms control, because of its emotive aspects, is always vulnerable to political abuse, when Governments use the forum of Arms Control to pursue other aims or distract attention from actual deployment programmes."

[Mr. Harry Cohen]

There must be no political abuse in this case. On the contrary, the deal should be nurtured as top priority. That should be the British Government's insistence. The deal must also not be used as a cover or excuse to expand under the guise of modernising nuclear weapons in the categories outside the deal. There are signs that that could happen. The Government do not appear to have clean hands in that respect. The Government and some NATO dinosaurs appear to me to be in the process of trying to cheat on the deal, even before it has been agreed. I will refer to that later.

The deal will almost certainly be limited. It is called zero-zero, but that is a misnomer. That does not mean zero nuclear weapons on both sides. It is unlikely even to meet Mr. Gorbachev's aim, proclaimed before the Reykjavik summit, of zero European theatre nuclear weapons in five to eight years, excluding the British and French capability. That exclusion alone would not have meant zero. For a start, that deal would be restricted to Europe. Secondly, British and French submarine long-range nuclear weapons would be untouched. The deal will cover only intermediate nuclear weapons—the shorter-range intermediate forces in the range of 500 km to 1,000 km and longer-range intermediate nuclear forces in the range of 1,000 km to 5,500 km. Missiles outside those ranges will not be included in the agreement. Battlefield nuclear artillery, air-drop nuclear weapons and short-range missiles up to the 5,000 km range are not included. Strategic intercontinental weapons over the 5,500 km range are not included and space nuclear weapons—star wars—are not included. A lot is not included. However, even within the intermediate nuclear weapons range, the West German Government have been screaming for the exclusion of Pershing 1A missiles. They have a range of 740 km, right in the middle of the shorter-range intermediate nuclear forces category which is supposed to be zero. Those missiles are German, with United States warheads, under a dual-key arrangement.

The NATO Foreign Ministers, at their meeting which culminated on 12 June, sought their exemption. They said that the agreement should apply to all United States and Soviet land-based short-range intermediate nuclear forces missiles. The reference to the United States provides for the exclusion of Pershing 1A, because that missile is nominally West German. But the limitation to land-based missiles opens up a huge loophole which, in my view, would subvert an effective agreement. The exemption, if in the agreement, would not mean "zero" in intermediate nuclear forces. In fact, it presents the opportunity to expand sea and air-launched nuclear weapons as a replacement for the land-based ones. The restriction suggested by the Foreign Ministers actually clears the way to the modernisation and increasing of nuclear weaponry. It means a new generation of nuclear weapons replacing the old lot.

The Government have been preparing for this. The Defence Secretary has already talked of moving cruise to Holy Loch and converting it to be sea-launched. Other cruise weapons may well be air-launched, as more F111 and B52 nuclear bombers are brought into Britain. More emphasis is being placed on battlefield nuclear weapons below the 500 km range. The United States has been reported as giving consideration to converting Pershing 2 into shorter-range missiles. There has also been talk of replacing NATO's Lance missiles with new longer-range ones, of expanding the nuclear weaponry over the 5,500 km range and of placing yet more emphasis—along with British involvement—on the star wars programme.

Those developments could seriously undermine the opportunities opened up by an INF deal for a permanent reduction in the number of nuclear weapons. What assurances will the Government give that, if an INF deal is achieved, they will not use it simply to deploy more nuclear weapons in a different category? The Government seem to have been very active in this respect, planning for loopholes and for the replacement of missiles which have to leave Britain. I understand that the official parlance is "compensatory measures". The Government proclaim themselves as being one of the main architects of the deal. That is a falsehood. They are still busy expanding Britain's nuclear weaponry, particularly outside the range of a likely deal. They are introducing a new generation of battlefield nuclear weapons—nuclear cels, with a neutron bomb capacity; and purchasing Trident, which represents a huge upgrading of Britain's strategic nuclear arsenal. The number of warheads on each submarine is boosted by two and a half times, from 48 to 128, with a capacity for expansion to 224 per submarine.

This is at a time when a 50 per cent. cut in strategic offensive weapons is one of the Government's proclaimed aims, mentioned in the Queen's Speech. That seems to be interpreted as cuts in everyone else's missiles, but not in our own. Trident is a hindrance to a deal between the two superpowers, especially one to achieve a nuclear-free Europe. It also prejudices the climate for disarmament. Furthermore, it undermines the nuclear non-proliferation treaty. Along with the Prime Minister's notorious Moscow statement that nuclear weapons are the only means of allowing a small country to stand up to a big one, it gives the green light to proliferation—to every small country obtaining a nuclear bomb.

The Tory record, when examined for substance rather than rhetoric, is quite thin on achievement. The Prime Minister's "nuclearphilia", as the Russians called it, puts nuclear disarmament in Europe out of reach. The Prime Minister is very much a part of the problem; she is no part of the answer to it.

Britain should be doing much more. A high profile in international diplomacy, especially for general election purposes, is no substitute for the achievement of real nuclear disarmament. Britain should be prepared to close the loopholes and to renounce expansion. Britain should be prepared to make a bilateral deal with the Soviet Union, whatever the outcome of the INF negotiations. We should join the call for a nuclear-free Europe.

Zero-zero is not what it pretends to be. It is a misnomer. It is a step forward, but only a first step. There are many others, and the Government should be using the Gorbachev impetus to place them on the agenda. For example, battlefield nuclear weapons should be drawn in to the deal. It should be made into a triple-zero option. The Government should be pressing for a longer-range nuclear weapons agreement between the United States and the Soviet Union and for the scrapping of many of those missiles.

The Government should also ensure that a comprehensive test ban treaty is put back on the agenda. The Soviet Union's self-imposed moratorium was wasted. Britain still

objects, on the basis of inadequate verification. The United States has dropped that objection, but wants tests to continue so that new nuclear weapons can be developed.

We should be backing a new test ban treaty. We should not do anything and we certainly should not encourage anything that breaches the ABM treaty. Outside Europe, we should stop stalling. We should sign the 1985 Rarotonga treaty, which aims to restrict the testing, deployment and use of nuclear weapons in the south Pacific. Britain should withdraw from the star wars programme. Its alleged rationale as a shield against all ballistic missiles is obviously flawed. Its potential is much more offensive than defensive, and it has a massive first strike capacity. It will reduce stability between the superpowers.

Britain should also refuse to accept chemical weapons on its soil. We should seek their complete elimination worldwide, and also a reduction in conventional weapons. Britain should grasp the opportunities that an INF deal would provide. We should not invent ways to circumvent it. For the future of the world, we must not lose this opportunity.

1.27 am

Mr. John Browne (Winchester): First, I congratulate the hon. Member for Leyton (Mr. Cohen) on drawing this place in the debate, even though I do not agree with much that he said.

As always, our aim must be peace, but not peace at any price. It must be peace with freedom. If we want peace with freedom, we must be prepared to defend ourselves not with a minimal capacity but with a credible deterrence capacity.

Approximately 5·2 per cent. of our gross domestic product is devoted to defence. It acts as an insurance policy against aggression. This level of spending is a little lower than that in the United States, where it is between 6·5 and 7 per cent. However, we depend critically upon alliances. We must be careful not to make any moves on nuclear arms control that would split those alliances. They are an essential part of our defence strategy.

The result of the defence policies of the last 40 years under both Labour and Conservative Governments has been peace within NATO. This 40 years of peace within NATO has not been in a peaceful world. There have been hundreds of conflicts since 1945. That is what makes the peace within NATO so special. The hon. Member for Leyton referred to the Falklands battle. It did not escalate because of the nuclear deterrent and the super-power balance. We have enjoyed a period of peace and we now have the highest degree of freedom and human rights in history. It is not a bad bargain; it is something about which we should be pleased and we should look for the reasons for that success.

In all of our policies we must continually re-evaluate and examine the sectors in which the world is moving and adapt accordingly. We must not gamble our national survival on mere whims or vague assumptions. We have empirical evidence and a track record from which to draw. We must not gamble on unchecked proposals on nuclear disarmament, for example, from the Soviet bloc. We must check because those proposals are not always what they appear to be on the front cover. When one looks at the details one finds that a different nuance is thrown upon them.

We must be creative and flexible and push for peace with balanced disarmament. However, to maintain peace we must be vigilant and always look for substance in the reaction to proposals. We owe it to our citizens, not only those who are alive today but to future generations, to ensure that verification is as certain as it can be and that any reductions are balanced, not only in nuclear forces but in biochemical and conventional forces. Defence should be looked at as a completely integrated system. It would be wrong to allow even a balanced reduction in one arm of defence that leaves us more exposed in another. In other words, it would be wrong if we had a reduction to zero in nuclear weapons but left ourselves with a deficit in biochemical weapons. That would be to leave ourselves wide open and it would not be in the best interests of either our country or of world peace.

We should remember the Carthaginian wars when, in the interest of trade, Carthage suggested disarmament and unilaterally disarmed. Today, historians argue about the location of Carthage, and that was before the days of gunpowder. There was a complete annihilation by Rome, the side that did not disarm.

The outlook today is exciting. There are great economic prospects. One only has to look at what is happening in agriculture. There are also great financial and social prospects as well as those for peace and disarmament. There are prospects of turning the dream of nuclear disarmament into reality. We are at that threshold, but we should not take options at their face value. It is vital important for our leaders and politicians to look at the details. There will be a need for that in the future unless we are to create a catastrophe in terms of peace with freedom.

A bright future is in prospect and that has been arrived at not by weakness in the western position but as a result of strength. It is also due to other pressures on the Soviet Union.

The Soviet Union has enormous economic problems. They are more understandable, if one compares the strengths and weaknesses of the free democracies and those of the totalitarian states. It is difficult for Governments of free democracies to sustain any form of hot war when there is no open threat to the mother country. The reverse is true of a totalitarian state. It has little chance of generating real wealth in relation to the enormous wealth generation in the free democracies. The Soviet Union faces that problem.

The Soviet Union's economy is still basically in the heavy industrial age. It has not progressed across the board into the light industrial, let alone technological, age. The Soviet Union has problems in generating the wealth necessary to maintain the trappings and influence of a super-power. It also faces tremendous internal challenges. Sixteen per cent. of GDP is spent on armaments. With interchanges with the free countries in the Western world, consumer demand is growing at the grassroots for what we consider basic products, such as jeans.

The Soviet Government also face problems with the technological revolution. The root of power in the totalitarian state is the control of information. How can a technological revolution be achieved without decontrol of information by the extension of the use of personal computers?

The Soviet Government must also face external challenges, of which China is one example. It was predicted that my right hon. Friend the Prime Minister could not do a deal with a Communist leader over Hong Kong, but the deal was done. The Communist Chinese

[Mr. John Browne]

Government are not communising Hong Kong so much as capitalising China, with tremendous results in terms of economic growth and productivity. China is entering world markets as an exporter of rice and other goods, which it previously imported. That worries the Soviets, if only because of a possible challenge for the leadership of the communist world.

Another external challenge comes from the other superpower, the United States. The Soviet Union is falling further and further behind in terms of wealth creation and the technological sophistication of weapons systems. It is losing the race, and the distance between the two nations is growing. The most graphic example is the strategic defence initiative, to which the hon. Member for Leyton alluded. This is a new aspect of defence in space, on which the Soviets had a monopoly in the 1960s and 1970s. The United States has now entered the arena. The entry ticket, just for research, is some $15 billion to $20 billion. The key element of the SDI is computer power, the ability to make some 40 million calculations a second. The Soviet Union is furthest behind the United States in terms of that industry and technology.

The SDI has had a tremendous impact on Soviet thinking. I was privileged to be a member of our delegation to the Inter-Parliamentary Union meeting in December 1984 and to escort Mr. and Mrs. Gorbachev to various functions, which included showing them around the House. The overriding impression I gained was that the Soviets are desperate to negotiate an end, or even a halt, to the SDI. The SDI has given the Western negotiators an ace card. It has brought the Soviets to the negotiating table for the first time in decades to talk seriously about negotiation on nuclear and conventional arms. That is a very important factor.

There has been a great change in the Soviet stance on arms control. We must ask how there could be such a change, bearing in mind the old pattern and the resistance of the Soviet elite or Nomlakatura to any form of change, and especially to any leader with charisma.

In the first day of debate on the Queen's Speech, my right hon. and learned Friend the Foreign Secretary mentioned the impact of Mr. Gorbachev. He was right to do so. The why and the how of Mr. Gorbachev's succession is intriguing and will occupy historians in interesting research for years to come.

As I have said, I met Mr. Gorbachev when he came here. Much has been written about him, which I will not repeat. However, certain of his characteristics are important with regard to arms control.

Mr. Gorbachev has obvious charisma, Western-style charisma which he is both able and anxious to exploit over our Western media. He does not pay for air time or coverage but still manages to get into every room with a television set and on the front page of major newspapers every day of the week. What a change that is from the previous style of Soviet leadership. It has had a tremendous impact on the Soviet Union and the rest of the world. It will have a tremendous effect on the motivation of work force and management within the Soviet Union. It will enable them to export in major markets for commodities of which they were previously huge importers. It will have an immense effect on commodity and financial markets and upon arms negotiations.

Mr. Gorbachev will increasingly use his charisma to talk to people in the free world over the heads of our leaders and negotiators. That provides new challenges for us when trying to keep our people behind our policies.

He is a formidable negotiator and will exploit potential rifts between the allies. The difference between zero-zero Europe and zero-zero global is just one example of this risk. He will be able to lull the West into a false sense of security and allow us to fall into the trap of unbalanced, unverifiable arms reductions. We must remain vigilant at all costs.

Mr. Martin J. O'Neill (Clackmannan): I am having some difficulty following the trend of the hon. Gentleman's logic. On what does the hon. Gentleman lay greater stress, the alleged superiority of the West in intermediate weapons, which I understood to be an inferiority of 9:1 and 6:1 in medium and longer-range intermediate nuclear weapons, or the charisma of Mr. Gorbachev? Which has been the critical factor which has brought the Soviet Union and the United States together?

Mr. Browne: I myself did not say that there is superiority. It is impossible to tell which is the more important. We must accept the facts, and the fact is that we have got where we are through strength—SDI is just one indication of that—but Mr. Gorbachev's influence is also important.

The third of his characteristics that is important is his self-confidence. It is based on a tremendous track record of his own promotion and his own proven ability. That leads to two interesting points. First, people with that sort of self confidence can afford to be more flexible, and with more flexible attitudes they are able to be more creative. This has an important impact in terms of nuclear arms negotiations because no longer is it exclusively the West that puts forward the initiative and is told "Nyet, nyet" by the Soviets. We saw a classic example of the Soviets putting forward royal cards at Reykjavik, for which the West had been negotiating for years, and suddenly the West walked away without accepting them. The Americans, the great public relations experts, were beaten to the post.

I know that the hon. Member for Leyton will not agree with me, but I think that President Reagan showed tremendous integrity in saying that he would not accept those royal cards on their face value and that there was a lot more to nuclear arms negotiations than just looking at the face of a card. He had the integrity to come back, having refused what looked like an irresistible offer. The Western press tried to make him out as the warmonger in those first two days.

Mr. Jeremy Corbyn (Islington, North): Perhaps he is.

Mr. Browne: I do not believe that he is. One main point that I want to stress is the risk that the new Soviet style can make Western leaders appear to be warmongers. That is a great risk because it demands tremendous integrity and leadership on behalf of the Western negotiators.

Under Mr. Gorbachev the Soviet goals have not changed, but their style and methods have. Out goes the brutal Russian bear and in comes a reasonable, responsible, even a reassuring Russia—a nice bear that smiles when it shows its teeth; it does not growl. That change is difficult for Western leaders to convey. It is a real threat to the population as a whole. Soviet hands at the

negotiating table are clean. All the activity is done under the table by surrogate nations, and that is something about which we must be well aware.

I welcome the new Soviet approach beause it creates a tremendous opportunity in terms of nuclear and other arms negotiations, and trade. However, it also presents tremendous risks.

One risk is unity. As I said, our deterrence policy is based on alliances. There is a risk of the splitting of Europe from the United States, or of Britain from France, in different interests, even in just the specific nuclear part of the arms control and arms negotiations. There are risks that we can be wrong-footed, as I think to some extent the West was when the Reykjavik talks took place. There is the risk that our leaders can come back from those talks and appear as the warmongers because the Soviet package looks so great. It is difficult to unravel the nitty gritty details of arms negotiations on television because it does not give one the space in which to do it.

It is a difficult new challenge that the Western leaders must meet. At the same time the Western leaders, will face tremendous temptations. There are enormous stakes to be played for, and the opportunity to come back as the so-called greatest peace-maker of the century will be difficult to resist. What a deal one could strike apparently on the surface, but what a selling short could result for the West and for world peace if one took only the popular decisions. For example, as the hon. Gentleman mentioned, there is the zero-zero Europe option which allows for 100 residual missiles on each side, not able to strike each other because they would be removed from the West of the Urals and not be deployed in Alaska on the American side. However, the Soviet SS20s are relatively small misssiles on mobile launchers with a reload capacity and are able to strike into Europe.

Why is it not zero-zero global? The zero-zero Europe option means that down the road the European interests become different from the American interests, thereby decoupling the key alliance of our defence and of our peace and freedom. Therefore, zero-zero Europe is a very different thing from zero-zero global. Yet, in the newspapers it is just referred to as zero-zero. When one starts unravelling the details it is a very different thing.

I would like to ask my hon. Friend the Minister, who is being very patient, whether he would update us on the nuclear planning group, the spring meeting of the NATO defence Ministers and the EEC Foreign Ministers with regard to nuclear arms reduction, just to put us in the picture more than we were before the election campaign and more than we have been over the past two months. It is a fascinating subject and I would be grateful to him for that.

Will my hon. Friend the Minister urge my right hon. and learned Friend the Foreign Secretary and fellow Members of the Government to persevere with their patience because it will take enormous patience both to negotiate with the Soviet Union and to explain the real details and the effects of those details to our own people? Will he urge them to persevere with the vigilance that was stated by my right hon. and learned Friend the Foreign Secretary, to consider the details in terms of substance and to ensure that our Government and other Governments know the importance of integrity in terms of accepting the risk of appearing to be the warmonger? They should not accept at face value superficial royal cards on the other side that would mean the dissolution of one arm or another of our integrated defence system. We must accept the need for change, for updating and the need for arms negotiations. I would strongly welcome such negotiations. In fact, it would be obscene to go on if we could think of a way of not spending all that money and of not putting the world at such risk. At the same time we must be vigilant and ensure that arms reductions are genuine. Let us hope that the peace we have enjoyed for the past 40 years will progress for 40 years in the future and beyond. I wish my hon. Friend the Minister well in that tough endeavour.

1.52 am

Mr. A. J. Beith (Berwick-upon-Tweed): The House should be grateful to the hon. Member for Leyton (Mr. Cohen) for putting this subject on our agenda, although at a late hour, which is not the hour of his choosing. It is time that we had some discussion on this subject, albeit a fairly brief one.

I share many of the concerns expressed by the hon. Member for Leyton and some of his conclusions, although not all of them and not all the direction of his argument. I parted company with him when he said—giving the game away as to the difference between his standpoint and mine—that it might be possible or necessary to have a bilateral deal between Britain and the Soviet Union if the current global discussions broke down. That is the point at which we would be abandoning any attempt to have a NATO strategy and deciding that we can simply negotiate some minor adjustment in Soviet weaponry to compensate for the removal of all the nuclear weaponry that is in the United Kingdom. I watched the right hon. Member for Leeds, East (Mr. Healey) making such an offer to Mr. Gorbachev when he and I and the noble lord Lord Whitelaw were in Moscow. Mr. Gorbachev was, understandably, most receptive and offered reductions in strategic weaponry and changes in the targeting of Soviet weaponry if the policy of the removal of all American bases from Britain and the removal of the British deterrent could be accomplished.

That is not the way in which we will make Europe secure at the same time as reducing the total of nuclear weapons in the world. For those two objectives to be accomplished, we need an agreement that draws together NATO and the Warsaw pact. I am adamant in my determination that that should be achieved by NATO acting as an alliance. It cannot be achieved bilaterally.

Nuclear weapons exist and cannot be disinvented or removed from the scene without negotiation between countries. We do the world no service if we merely detach ourselves from the system by which we are defended in a gesture that may marginally reduce the total of nuclear weapons in the world but threatens the security of the West and does not achieve those major reductions for which so many people are looking.

As the hon. Member for Winchester (Mr. Browne) pointed out, this is a time of great promise for global arms negotiation prospects. We have seen a much more realistic approach from the Soviet Union, coupled with a recognition by the United States President of the value of an agreement, although we sometimes wonder whether the United States President remains in control of United States foreign policy. Perhaps we shall know tomorrow, when Admiral Poindexter takes the stand, just how much the President knows or does not know. It must be a matter of genuine concern that there should be doubt as to who

[Mr. A. J. Beith]

precisely is running United States foreign policy. There is no doubt that the President has become convinced of the desirability of reaching agreement and has some personal commitment to it.

What should the British Government's contribution be in the circumstances? Surely it should be to facilitate and to urge on the reaching of an agreement. The Prime Minister is fond of saying that it is all because of cruise, Polaris and Trident that the Soviet Union is coming to the negotiating table. But, of course, for decades the West has been strong relative to the Soviet Union at any given time. We have had areas of strength, and there have been areas in which we have been concerned that the Warsaw pact was stronger than we were, but our overall position has been one of defensive strength.

The Soviet Union did not then come to the negotiating table in the same spirit as it does now. It is obvious that the change in the Soviet leadership and its perceptions has changed the climate. One may speculate as to the reasons for that change. They are a balance of two factors: first, the economic factor to which the hon. Member for Winchester referred—the mounting cost that would be involved in the Soviet Union matching anything like the American strategic defence initiative, particularly in its offensive capabilities; the impossibility of meeting the legitimate demands of the Soviet people for a better standard of living, against a background of higher and higher arms expenditure. That is clearly a major factor.

Secondly, General Secretary Gorbachev has a keen appreciation of the dangers of nuclear war and a genuine desire to achieve peace. That is a harder matter to assess. Like any Soviet leader, he will not do that at the expense of what he sees as Soviet security. Perhaps it is more prudent to place reliance upon economic motivation for the stand that he is now taking. Either way, he is taking a more realistic position about the need for global nuclear disarmament than any previous Soviet leader did.

In recent months, Britain has too often been seen as holding back the superpowers from arriving at a deal, with apparent opposition to an INF agreement, and apparent hesitation at almost every stage. Indeed, it was only in the immediate prelude to the general election that it seemed to become clear that the British Government were supporting a deal on the lines that seemed to be in prospect and were no longer placing obstacles in its way. I take that now to be the case. I make no quarrel about the circumstances in which it arose. If the election influenced it, that is well and good. That is what elections are for. The Government may have sensed the general desire among British people to see progress towards multilateral arms negotiations. Indeed, some British people are suspicious of one-sided disarmament but are anxious to secure multilateral disarmament.

The Government cannot at one and the same time appeal to the opposition to one-sided disarmament and fail to meet aspirations for effective moves to multilateral disarmament.

Mr. John Browne *rose*—

Mr. Beith: The hon. Gentleman took quite a long time to make his speech. Other hon. Members wish to speak. Whereas I would readily give way, I feel constrained by that fact. I wish to put some questions to the Minister who is to reply.

What is the United Kingdom Government's attitude now to Pershing IAs in West Germany? Do the Government see them as a potentially insuperable obstacle to the achievement of an arms deal? Do the Government reflect upon the divisions that exist in the West German Government about an issue which is of understandable importance to many people in West Germany but is much more important for its political significance than for the real defence value of the weapons about which we are speaking? What is the United Kingdom view of the suggestion referred to by the hon. Member for Winchester that the remaining 100 missiles on either side should be removed because it would make verification so much easier? Do the British Government have a view on the total zero-zero option?

Has the Prime Minister abandoned the view she expressed at one stage that Europe might have to increase its short-range missiles to match those of the Soviet Union? It is difficult to see the point of such an exercise, as many of these missiles, by their very nature—certainly those stationed in the United Kingdom—could only be fired at our European allies.

These matters can be resolved. There are real prospects of agreement on the zero-zero option, but other issues must be debated, such as battlefield nuclear weapons, which present the dangerous prospect of easy escalation into nuclear war. We must make more strenuous efforts to control and limit those weapons and remove them from a significant sector of any potential European battlefield.

There is a need to press ahead for a comprehensive test ban treaty and to continue towards limitation of strategic missiles, which has implications for Trident. It remains possible that we could reach the stage in this Parliament that the weapons system the Government have chosen might fall within the limits which the super-powers want to set on strategic missiles.

The strategic defence initiative seems to carry the United Kingdom Government's support against all the evidence and all the sensible arguments. Nobody I have talked to from the United States really believes that it can work as a total defensive shell, the leak-proof astrodome of President Reagan's dreams. If it does not work in that way, it becomes potentially a very large offensive capacity, but one which offers no real protection to Europe at all.

If Britain is protecting Europe's interests in this argument, it is difficult to see why it should be offering any support to SDI at all. I say to all Ministers, particularly the Minister who is new to his responsibilities, that they should go back and read the speech of the Foreign Secretary, which gave 18 different reasons to doubt the viability and value of the SDI project. That speech remains as sound as it was when it was first made.

The Government are currently addressing the issue of a chemical weapons treaty. We send our good wishes to the negotiations in which the hon. Gentleman's colleague, the Minister of State, is engaged today. I welcome the fact that the Government are taking an initiative in this field. We are reminded of the dangers involved and some of the frightening aspects of it by the current publicity given to the experiments involving servicemen at Porton, testing our ability to deal with any kind of chemical attack. They are extremely worrying instances—although they are not the hon. Gentleman's ministerial responsibility—and are a reminder of the terrifying evil of chemical weapons and the urgent need for a proper international ban on them.

Successful arms control must mean that each side feels that it will be secure under the agreement that is being arrived at. No arms control agreement which leaves one side feeling insecure offers any sound prospects for the future. That must be the basis for any sensible multilateral agreement. But to reach that position involves both sides making adjustments of old ideas of what constitutes effective security. It has happened on the Soviet side and it must happen on the Western side. It involves constant assessment of the implications of new technology, and questioning of our old assumptions of what we depend upon for our security.

At the end of the day, both sides must feel that the agreement leaves them secure from any realistically imaginable threat they could face. It is possible to retain that dimension of practicality while having the vision to press ahead to the kind of arms agreement which so many people want to see.

The determination of people to prevent the awful cataclysmic destruction of our civilisation by a nuclear war is there and it is the responsibility of Governments to give it practical expression. Governments which are found wanting in doing so will have to answer not just for the fate of the people of this country but also for that of future generations throughout the world.

2.5 am

Mr. Jeremy Corbyn (Islington, North): I congratulate my hon. Friend the Member for Leyton (Mr. Cohen) on initiating the debate and on his efforts in raising, in this House and elsewhere, the questions of arms control and peace. Those matters should be at the forefront of our debate rather than, as we hear from Conservative Members, the eternal search for conflict and war. They maintain that there is the possibility, even the likelihood, of a war, and that, therefore, it is necessary to arm to prevent that. Frankly, I reject that philosophy. Anyone who believes that nuclear weapons provide any form of defence should look back to what happened in Japan in 1945, when Hiroshima and Nagasaki were devastated by nuclear bombs. In those areas people are still dying from cancers resulting from those bombs. They should also look at what is happening in western Europe at the moment, and recognise the increase in cancers that will result from the Chernobyl disaster a couple of years ago. They may then begin to realise that nuclear war knows no boundaries, frontiers or limitations.

As soon as a nuclear war begins, it is anhihilation, in one form or another, for both sides. It will be either instant death in the fire storm and nuclear winter that follows a nuclear attack, or slow, progressive cancer deaths for decades and decades. A number of excellent films on the subject show that a limited nuclear war conducted in Europe will result in what remains of life in this country being put back to medieval levels of production and living standards. Those would be the consequences of nuclear war.

Therefore, the search for peace and for freedom from nuclear weapons is important. However, also important is the search for peace and for freedom from war by conventional weapons. Hon. Members often claim that there has been peace in Europe for the past 40 years. There has not been an armed conflict, but I would not exactly say that the expenditure levels of both sides on arms, both nuclear and conventional, have maintained complete peace in Europe, not had an enormous effect on the social expenditures that could have taken place in Europe or have not been part of the export of war to other places.

I wish briefly to refer to the terrible conflict between Iran and Iraq, in which 500,000 people have already died. That conflict has been fuelled by arms sales and loans from western European and American banks, and chemical weapons are being used in that conventional war with all its horrors. There must be a search for peace. Those who say that arms expenditure by the superpowers does not have an effect on the rest of the world are, quite frankly, deluding themselves. One of the major reasons for the United States budget deficit is its vast level of arms expenditure. Estimates are given for the levels of expenditure by one side or the other, but there are also hidden levels of expenditure. Education expenditure in universities in the USA goes, to some extent, on military research. A large degree of corporate expenditure, in one form or another, also goes on military research. There are large areas of so-called civilian expenditure in the USA and this country which, in reality, go on military expenditure.

The question worldwide of the consequences of the arms race must be examined. The real danger of nuclear proliferation way beyond those countries that hold nuclear weapons now, with the ability to manufacture nuclear weapons and delivery systems, is growing all the time. It is important that there is some positive contribution towards nuclear disarmament discussions. That is one of the reasons why this debate is so important.

When I hear generals pontificating about nuclear deterrents on one side or the other and mutally assured destruction—it is called madness by them and everyone else—it is time to think and call a halt to what is going on. There are enormous possibilities for a real reduction in and the removal of nuclear weapons.

I am unapologetically in favour of unilateral nuclear disarmament for the United Kingdom. If we were to remove all nuclear weapons and bases from this country, we would no longer be the nuclear aircraft carrier of the United States. That must be the first step. Our lead would be followed by other European countries. The peace movement would be invigorated in other places and that would assist the overall nuclear disarmament process.

Secondly, we must examine what has gone wrong and right in the peace negotiations between the United States and the Soviet Union. Considerable progress was made at Geneva when the Soviet Union submitted a number of proposals. A communiqué was agreed and it was resolved to meet again. Eventually there was the meeting at Reykjavik, and the proposals advanced by the Soviet Union were, in essence, the ones that the United States arms negotiators had been asking for in the past.

Why did the Reykjavik proposals not come to fruition? Why did they not provide a springboard for a real reduction in nuclear weapons on both sides? The answer lies partly with the stubbornness of President Reagan, who refused to put back star wars research and to cancel some of the research programmes. The pressure that was put on him by political cronies in the arms manufacturing and high technology industries in the United States undoubtedly had a major effect on his decision not to interrupt any aspects of star wars. That decision was both bad and dangerous. It has meant that the star wars research programmes continue and that the likelihood of

[Mr. Jeremy Corbyn]

a computer-controlled war, or a computer-controlled nuclear attack, comes nearer, is more real and is ever more dangerous.

An enormous amount of money is being spent on star wars research. It is said that star wars is creating jobs when in reality it is destroying them and destroying hope and life. The claim is nonsense and it must be exposed. The idea that Britain is benefiting from star wars in some way is so ludicrous as to be barely believable. Conservative Members often talk about jobs that are being created in the defence industry, but I ask them to consider the loss of jobs that is caused by capital-intensive defence programmes and the development of research programmes in the United States. This part of the world is being treated as a sort of colony for the United States arms industry. If the Conservative party is seriously interested in creating jobs, it should consider socially useful expenditure and the problems that people face. Housing problems are not solved by star wars, nuclear weapons or the construction of more tanks. Education and Health Service shortages are not met by that activity. We must address ourselves urgently to decreasing all forms of military expenditure so that more money is available to spend on social programmes.

The role of the Government in stoking up nuclear arms race and supporting the United States is grossly underestimated. There are more cruise missiles destined for this country than for most others in western Europe. There are 30,000 American troops here, and we give them legal immunity through the Visiting Forces Act 1952. American troops are allowed to act with impunity when escorting cruise missiles around Salisbury plain and elesewhere. We allow the unacceptable denial of civil liberties to those in areas where cruise missiles are based and to those who seek to oppose their presence on the roads.

We accept all that because, apparently, we are prepared to accept that the United States can use this country as a nuclear aircraft carrier. We also apparently accept the expenditure of £10 million to buy Trident missiles for this country. Those missiles will mean that we have a whole new generation of nuclear destruction heading for our shores. Apparently we are happy to pay for those missiles. We are also prepared to say that we support President Reagan in not promoting peace between the United States and the Soviet Union.

The Government should carefully examine what has been put on offer by the Soviet Union. Those proposals include the zero-zero option, the withdrawal of missiles to more than 100 km from the frontier between east and west Germany. They also include proposals for the verification of the removal of those missiles. There is a whole host of proposals that could be considered and could lead to the possibility of the start of rapid disarmament.

We can go down the road of negotiation and peace or the road of massive expenditure on star wars, increasing expenditure on other forms of nuclear weapons, such as Trident, and the escalation of the military arms race. Do we want that? Do we want to look for peace?

The effect of the nuclear strategy is enormous. The Government's Defence Estimates for 1987, volume II, reveal that total defence expenditure from 1981-82 to 1987-88 has risen from £12·2 billion to £18·7 billion. The total defence budget has increased by about 50 per cent. during that period, but the nuclear strategic force expenditure has increased by 150 per cent. during that same period. That appears to be the trend that the Government wish to follow.

The House should consider the Camp David text that the Prime Minister agreed in November 1986 after the Reykjavik summit. That text said that priority should be given to an INF agreement and a 50 per cent. cut, over five years, in United States and Soviet Union strategic offensive weapons. It also said that an agreement had been reached on a proposal to ban chemical weapons.

However, that text did not specify that the main negotiating stumbling block is the obsession of the President of the United States and of the high technology and arms industries of the United States to develop a strategic defence initiative. That initiative will lead us to the horrors of nuclear war in outer space, a computer-controlled set off of nuclear destruction and the appalling prospect of total annihilation.

We have a choice before us. Either we go down the road of nuclear madness, nuclear war and nuclear annihilation —the obsession of some to spend greater resources on nuclear weapons will mean that poverty in the world will increase—or we can look in the direction of peace and clasp with both hands the possibility of reaching an agreement, rapidly and quickly.

I hope that the Government will seriously consider the possibility of getting genuine peace negotiations under way with the hope of obtaining nuclear reductions at the earliest opportunity.

2.17 am

Mr. Martin O'Neill (Clackmannan): It is customary to congratulate hon. Friends who have been fortunate enough to secure an opportunity to sponsor a debate. I am a wee bit dubious about congratulating people on having debates at this time in the morning. However, this is an important subject and it is one which, at any time of the day or night, should ensure that there are people interested enough to participate. I believe that we have heard a representative section of opinion this evening.

We must return to this subject because although it featured in the debate on the Gracious Speech events are continuing apace. It is important that we keep the subject under review. That is especially important because whenever there is a prospect of advance or the possibility of a coming together, the Government immediately try to open up the divisions once more.

It is a source of regret that, in a country where there is precious little common ground, certainly among the Opposition parties, there is a consensus—if I may use that word—in respect of seizing the opportunities that Reykjavik and the post-Reykjavik situation have afforded. Sadly, when we look around for the Prime Minister to enter into that consensus, we see her acting out a role that is not dissimilar to that of the right hon. Member for Plymouth, Devonport (Dr. Owen), where other consensuses or confusions seem to be evident. It would appear that the hon. Member for Berwick-upon-Tweed (Mr. Beith) has been endowed this evening with the full authority of whatever remains of that small alliance to express the views of his party.

Labour Members' view of the Government during the past eight years is that they have done precious little to promote nuclear arms control and disarmament, and much to hinder it. In fact, following Reykjavik we saw the

Reagan and Gorbachev discussions inching closer together. However, no sooner had the discussions ended than the Prime Minister, who was not invited to Reykjavik – a testament, it would appear to the weakness and irrelevance of Britain – immediately tried to get into the act by going to Washington to attempt to weaken the resolve of the American Administration. It is certainly true to say that, had the full agreement been secured at Reykjavik, the prospect of the Prime Minister obtaining Trident and satisfying her lust for nuclear weapons would have been greatly restricted. It is almost certain that a wider agreement from Reykjavik would have prevented Britain from going down the road that we are presently travelling to secure about an 800 per cent. increase in the number of nuclear warheads that we would be able to train on potential enemies.

We know that the escalation in Britain's nuclear capability comes at a time when many people – in fact, the overwhelming proportion of the population, according to opinion polls and the like, about 79 per cent. favour a nuclear freeze. Therefore, Trident and the maintenance of the independent deterrent, fly in the face of those attitudes. The implications of almost any improvement in or upgrading of our nuclear deterrent would result in the contravention of the 1967 non-proliferation treaty.

It was significant that in what was a thoughtful speech the hon. Member for Berwick-upon-Tweed omitted any reference to his party's position — or rather his interpretation of his party's position — in respect of minimum deterrence or the upgrading of that deterrent and its consequences for any non-proliferation or test ban treaties to which he would wish to commit his party. It is clear that Britain's adoption of any forms of nuclear weaponry will require testing, if not by the United Kingdom, at least by someone producing such weapons. If that were to be by the French — perhaps the most enthusiastic testers of all — or by the Americans, either way we should have to benefit from what is clearly a violation of what has hitherto been, at least by Labour Members, regarded as an inviolable international agreement.

However, from the Government side, we have heard from the hon. Member for Winchester (Mr. Browne) all the old chestnuts about the 40 years of peace and how that is attributable exclusively to nuclear weapons, and perhaps partially to NATO. The Government have yet to consider the negotiations towards an international convention which would forbid the use of nuclear weapons against a state which neither possessed them nor had them stationed on its territory. We have yet to see any expression from this Government of a willingness to accept the doctrine of no first use.

Certainly, the consideration of the use of nuclear weapons against another nuclear power in retaliation is still at the forefront of the British Government's thinking on deterrence. Certainly, it is somewhat unclear whether Britain would be prepared to come out firmly against the use of its nuclear weapons against non-nuclear states. Certainly, if we could get such a declaration it would provide assurance to those who are at present non-nuclear and who may consider the acquisition of such weapons.

One of the present problems is that many nations are on the verge of or capable of obtaining nuclear weapons and they must be discouraged from following that road. It is hypocrisy for a country such as Britain to say, "It's okay for Britain to have nuclear weapons, but not for any other country to have them." We must go further than simply hiding behind treaties which had some substance when they were first agreed but which in many respects over the past 20 years have become almost irrelevant, given the ease with which relatively poorly developed countries can now obtain nuclear power.

This evening we heard from the hon. Member for Winchester about the problems of securing a zero-zero agreement and we heard that such an agreement would be virtually unacceptable in any form to the Prime Minister. But we have since heard that perhaps it could be reached. The Government's approach seems to be to say, "We may support what is happening because at the end of the day we do not have much say in it", or, "We leave it to the Americans", or, "We have had a go at the NATO planning groups and elsewhere and at the end of the day the Americans will probably know best." They might say "Certainly, all the long-range nuclear weapons and, indeed, the short-range ones are American. They will be decommissioned when the Americans decide." At present the British Government take whatever line they wish so long as Britain can retain some sort of fig leaf.

We in the Opposition are not satisfied with the Government's arguments so far. We recognise that many opportunities may arise for the NATO powers and we urge the Government to seize those opportunities. We recognise that the Parliamentary Under-Secretary is present in place of the Minister of State; the hon. and learned Member for Putney (Mr. Mellor), who is participating in talks on a chemical weapons ban. Certainly, we would welcome any agreement on that. I agree with the hon. Member for Berwick-upon-Tweed that there are many problems regarding chemical weapons, some of which were identified this weekend in the press. It is strange that a Government who claim always to adopt the role of peacemaker can at the same time test dreadful nerve gases on their own people in a form which no other member of the Alliance is prepared to do.

We live in times when there are tremendous opportunities for peace. We recognise that in their own confused ways, both the Soviet Union and the United States are beginning to appreciate that. On the one hand, we see the sophisticated Gorbachev and on the other the naive and confused Reagan. They are both coming to agreement, but on the sidelines this Government appear to be wilfully and maliciously trying to frustrate everything that those powers want to achieve. We hope that the Minister will give us some hope of a change of attitudes this evening and I ask him to give us the opportunity of seeing that hope meet reality tonight.

2.30 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar) *rose*

Mr. Deputy Speaker (Mr. Harold Walker): The Minister may reply if he has the leave of the House.

Mr. Eggar: I thank you, Mr. Deputy Speaker, for allowing me to reply. I also thank the hon. Member for Clackmannan (Mr. O'Neill) for giving me at least a brief chance to respond to this interesting debate which in true form has been initiated by the hon. Member for Leyton (Mr. Cohen). It was nice to be reassured by the presence of the hon. Member for Islington, North (Mr. Corbyn). I

[Mr. Eggar]

thought that I was to miss out on our debates that usually take place on central America, but I was delighted to see that he had his central American clothing with him even if he did not have the usual text. It was also nice to realise that the hon. Member for Berwick-upon-Tweed (Mr. Beith) can take some time off from his fratricidal strife to fight the battle on a wider canvas.

I apologise to my hon. Friend the Member for Winchester (Mr. Browne). I am afraid that my classical scholarship does not extend as far as his with regard to the Carthaginian wars, but I am sure that he will be able to take me aside after the next debate—as I will be seeking Mr. Deputy Speaker's permission to speak yet again—to give me the classical side of the story.

It is only to be expected that Opposition Members will criticise the Government for not doing enough in this area. However, it must be depressing for them to have to continue to play the old gramophone record which may represent a convenient concensus as the hon. Member for Clackmannan stated, but which is a gramophone record that was rejected and thrown into the wastepaper basket for the second general election running by the voters. It was clear on 11 June that the voters throughout the country supported the Government's policy on defence and not that put forward by any of the many opposition parties that have now reappeared.

One of the foundation stones for these policies is the recognition that arms control negotiations, and nuclear arms control in particular, are about preserving security, even if we seek to do that by reducing the number of weapons on both sides. This Government will not compromise on that basic point. We do not believe in arms control which does not meet that basic criterion of reinforcing security. If that means that progress in arms control negotiations at times seems slow, that may be an inevitable consequence of the complexity of the issues with which we are dealing. To call for greater speed in the negotiations ignores the very real need to understand fully what is involved before committing ourselves to an agreement which is binding on the Alliance.

Another of the foundation stones of this Government's approach to arms control is the commitment to full consultations within the Alliance. I remind the House that we do not participate in the main nuclear arms control negotiations, the Geneva nuclear and space talks. Those are bilateral negotiations between the United States and the Soviet Union, but in recognition of the consequences that nuclear arms reductions agreements will have for the security of the European Members of the Alliance, the United States has engaged in the most exemplary process of consultations within the Alliance. I remind the House that NATO is a free association of 16 democratic nations. We must all be given the opportunity to express our views on the conduct of the negotiations affecting our security.

Some may attempt to portray those consultations as European obstructionism, or European blocking of major agreements. Let me say frankly that it far better to resolve all the difficulties within the Alliance before the agreement is signed than to try to do so afterwards. That is what the consultation process is designed to achieve.

The Alliance is wholly committed to achieving an INF agreement, and in that context it continually assesses its nuclear capabilities. It does what is necessary to maintain deterrence. The United Kingdom is not holding back an INF agreement; on the contrary, we are a principal architect of such an agreement.

The House is rightly concerned about nuclear arms control. However, we should not forget the massive threat from Soviet chemical weapons—a threat that has built up despite the United Kingdom's unilateral renunciation of its own chemical warfare capability in the 1950s, and the unilateral United States moratorium since 1969. The dangers from those weapons are spreading. As two hon. Gentlemen have mentioned, my hon. and learned Friend the Minister of State, Foreign and Commonwealth Affairs, is currently in Geneva, and will be making major new proposals to move the negotiations forward with the practical steps that are necessary to make a chemical ban effective. I am delighted that we have received support from both sides of the House for what is a major British arms initiative.

Finally, the British Government——

In accordance with MR. SPEAKER'S *ruling — (Official Report,* 31 January 1983: Vol. 36, c. 19) *the debate was concluded.*

Overseas Civil Servants (Pensions)

2.36 am

Mr. Ivor Stanbrook (Orpington): I must first declare an interest. I served in the Colonial Service in Nigeria, and I derive a pension from my service there. Also I was a service man in the Royal Air Force during the war. I would therefore be a beneficiary of any change of policy that the Government might make as a result of the claim about which I intend to speak.

I welcome my hon. Friend the Minister to the debate. The subject has been raised before in the House—on 1 May last year—and I am fully aware of the official replies to the points that I intend to make. I have no quarrel with my hon. Friend. In the past, the claim has been raised at the highest level—Cabinet level—where it has been refused because, it is said, the money simply cannot be found to satisfy it. I believe, and I hope to persuade the House, that the Cabinet should be ashamed of its attitude.

All branches of the public service of this country, except one, are entitled to include war service in the computation of members' pensions when they retire. That provision was made to allow for the many people who, during the war, were taken on by the Home Civil Service. So that their position would not be prejudiced, members of the Civil Service who were called up were taken on as non-established staff without pension rights. Immediately after the war, it was decided that those with war service should be entitled to count half of it towards their total service for pension purposes, just as those who had non-established service were entitled to count half of theirs. That was seen as equality of treatment between civil servants who had done war service and those who had remained at home.

The principle was adopted in other branches of the public service, particularly in the 1970s, when it was extended to the police, local government, teachers and others. The Colonial Service, which is now called the Overseas Civil Service, was never included in that movement. Credit for war service that had been performed before the first appointment to the Colonial Service has never been given.

The question, therefore, is: why was the Overseas Civil Service excluded from this privilege, which had been given to every other civil and public servant? There are three possible reasons, and in dealing with the claim we may take our choice.

First, there was the legal fiction that a colonial officer was recruited in this country by the Secretary of State for the Colonies and to some extent trained here but that then he was sent to a colony which then, through its Government, employed him and were responsible for his conditions of service thereafter. Therefore, the British Government, not being the employer of colonial officers, never felt that they were responsible for the pensions of those officers. The colonial Governments, even when they became the Governments of independent Commonwealth territories, respected the pension rights of their expatriate staff, but they did not accept—at independence, at least—responsibility for war service that had been performed before the individual concerned joined their own service.

The Colonial Service officer was therefore denied the benefit of a privilege that, by the 1970s, had been extended to every other public servant. Naturally, independent Commonwealth Governments could not be asked to take responsibility for periods of time when their expatriate staff were not working for them. The British Government rested on the notion that they were not the employers and that the people concerned would therefore have to look elsewhere. That is inherently unjust, and that notion is no longer pursued by the Government.

The second line of argument is the one that I apprehend will be used by my hon. Friend the Minister: that the British Government cannot afford the cost. Cost is an element in this problem. The Overseas Development Administration is responsible for the pensions of 46,000 former Colonial Service officers. The additional money that would be required to pay for war service, together with other service, in the pensions of those people would have to be found from somewhere. One accepts that it should not be found from funds that are allocated to overseas aid. The Treasury would have to find the money. It is not overseas aid; it is a matter of honour.

The Overseas Development Administration believes that about 10 per cent. of the 46,000 officers had war service before their first appointment to the Colonial Service. Therefore, 4,600 officers might be entitled to claim an additional pension entitlement. A recent estimate of the cost was £3 million. However, on 1 May 1986 my hon. Friend, the then Minister of State, told me that the cost might be as much as £5 million, or even £6 million. There is no basis for his estimate, save for a glance at the files and the derivation of some evidence from individual cases. The cost element is exaggerated. We must remember that we are dealing with a declining number of people because they are mostly elderly.

The third argument that is somtimes advocated is that officers of the Overseas Civil Service, the old Colonial Service, do not deserve this privilege because of the special conditions that applied to them. Some say that they were so beneficial that they are not entitled to the privilege. Those reasons were touched on by the former Minister of State, who said that Colonial Service officers were entitled to retire earlier than Home Civil Service officers, at "55 rather than 60."—[*Official Report*, 1 May 1986; Vol. 96, c. 1187.]

He said nothing about the shorter careers for those who served in unfavourable climes, in particular, the notion that was well justified for a long time that west Africa was the white man's grave.

That is one alleged advantage. Another is that the commutation of pensions is possible with the Overseas Civil Service, particularly in places where the colony concerned is about to gain independence and the careers of the officers are brought to a premature end. That strikes me not as an advantage, but as a natural consequence of the British traditional policy of granting self-government and independence while ensuring that the pension interests of expatriate staff are respected.

A further argument is that those officers whose careers are brought to a premature end should be entitled to compensation for early retirement, which is not something that is generally accepted in the Home Civil Service. It was suggested by the then Minister of State that Colonial Service officers have the advantage of a second career, such as being a Member of Parliament.

It is true that there is a difference between the Overseas Civil Service and the rest of the public service, but the difference is that conditions overseas were inferior to almost every other branch of the service. It is not and was not an easy life. In general, low levels of pay applied

[Mr. Ivor Stanbrook]

because the salary scales were adjusted not to United Kingdom levels but to what the colony could afford. Therefore, that often being a matter of local negotiation, salaries tended to be rather low.

It was a short career and there were adverse climatic conditions, poor health services and few amenities. The typical colonial officer endured malaria, dysentery and typhoid as normal occupational hazards. I caught typhus when I was out in the bush and my wife saved my life by taking me to the hospital at the provincial headquarters. One night our house in the bush was burnt down by an arsonist who had a grudge against my predecessor. We endured plagues and suffered all manner of pestilence. Every colonial officer led a similar life and loved it because we had the satisfaction of working directly and personally to improve the conditions of life for the people among whom we worked.

We in the Colonial Service with our African friends spent our time digging deep concrete-lined wells to get pure water. We built bush roads to enable lorries to use them and so stimulate trade. We organised the schools. We improved farms. We talked to, trained and helped the people of the colonies to govern themselves. We gave no thought to things like pensions. Most of the people of whom I speak are now elderly, living in the United Kingdom on the pensions that they earned during their service. It is a matter of shame that they, who ruled the empire so well, should be denied the privilege allowed to the most junior clerk in a town hall. The amount of money involved, whatever it is, would make a small, but significant, difference to their lives. It is a matter not of affordability; it is a debt of honour. Why is it not paid?

2.50 am

Mr. Julian Brazier (Canterbury): You, Mr. Deputy Speaker, and the small remaining band of happy warriors look so comfortable at nearly three in the morning that I am sure you will be disappointed to hear that I shall be brief. I should like to follow up a few of the points made by my hon. Friend the Member for Orpington (Mr. Stanbrook). I start by declaring an indirect interest. Most of my mother's relations were overseas servants with the Colonial Service and its sister services and at least one would be a beneficiary of the proposed measure, were it ever to be adopted.

I have little to add to my hon. Friend's eloquent points. It is appropriate that we should debate this matter here. One of the principal aims, perhaps the principal one, of the Colonial Service was to bring this sort of democracy to many parts of the world. This Chamber has been duplicated in some 40 or 50 countries as a result of the work of the Colonial Service.

Life in the Colonial Service was tough. I pay particular tribute to the section to which my hon. Friend the Member for Orpington belonged. He worked in west Africa. To show how tough conditions were, I should like to give an example of an organisation that did not draw on the public purse. Recently, I heard a talk by a missionary from west Africa who told me that, in the part of Africa in which he served, none of the first missionaries to start work in the 1920s, not so long ago, survived for more than 18 months. The oldest was 36. It was, indeed, a hard life.

The war service of many overseas pensioners was not easy. It is an extraordinary anomaly that these people who gave the best part of their lives to serving their country should lose up to a quarter of their pension rights because they chose to spend part of that time serving in our armed forces.

I shall not labour the point. The hour is late. The Government have a good record in war service matters. For examply, it is this Government who, for the first time in 40 years, took the firm decision that war widows' pensions would be paid tax-free and this Government who have taken a number of steps to give much better treatment to members of the armed forces, regular and territorial, who while serving in uniform suffer injuries caused by enemy forces or accident. With this good record, it is sad that this one anomaly has been allowed to continue. I urge the Government to look at it again.

2.54 am

Mr. Stuart Holland (Vauxhall): There are many anomalies in public sector pay and pensions rather than the single one to which the hon. and new Member for Canterbury (Mr. Brazier), who opposes the Channel tunnel, referred.

There are considerable anomalies in the pay of temporary civil servants. I know from personal experience. In the 1960s, I was invited to advise a Prime Minister for pay equivalent to a student grant. When I took the matter up with the establishment officer, I was told that many people would regard it as a privilege to advise the Prime Minister. I said that it was, but that I could not afford to subsidise the experience. That attitude seems to have persisted in certain sectors of the Civil Service. It is regarded as a privilege to serve one's country and bad luck if one's pension is not properly funded.

I can think of other anomalies. Ministers have Departments and several thousand staff. Shadow Ministers, if they are lucky, have one, or half of one, research assistant. The Minister is able to travel on the approval of his superiors and take private staff. The shadow Minister has no budget on which to travel. Shadow Ministers for foreign affairs or overseas development cannot even get public funding for a telephone on which to make overseas calls. They cannot even get a postage stamp.

There are many people who gave war service—and were taken from their jobs to do it — and whose pensions were not funded for that period. Many fought through the war without gaining any public sector pension. Others gave their lives. I appreciate the point about war widows' pensions. That was an outstanding anomaly.

There is an anomaly here, however, which previous Governments probably should have addressed. It is a matter of diminishing and not major cost, and the Government should consider meeting at least in part, the claims concerned. I had to leave the Chamber briefly while the hon. Member for Orpington (Mr. Stanbrook) was speaking, so I do not know whether he referred to hardship cases, but the Government should address that matter.

Many of the colonies may not have appreciated that they were enjoying what the hon. Member for Orpington called progress towards democracy. Rather, they saw their natural resources being extracted and exported at prices which were not reflected in the pay of those who drew them from the ground. Often, as a condition of independence, those countries had to pay pensions to

former civil servants. That is quite wrong, as some of those countries now face falling commodity prices and heavy debt burdens.

I agree with the hon. Member for Orpington that any funds that might be forthcoming should not be regarded as part of the aid budget.

Mr. Deputy Speaker (Mr. Harold Walker): I take it that the Minister has the leave of the House to speak again.

2.59 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): Thank you, Mr. Deputy Speaker. I congratulate my hon. Friend the Member for Orpington (Mr. Stanbrook) on raising yet again this topic. I remember some years ago attending a meeting when he first raised the issue privately with my right hon. Friend the Member for Aylesbury (Mr. Raison), who was at that time the Minister for Overseas Development. My hon. Friend has again argued eloquently and forcefully the case that post-war entrants to the Colonial Service should be able, like other British civil service groups, to reckon half of their military service for pension purposes.

As the House knows, this is a somewhat specialised and narrow issue and sadly, but inevitably, we are bound to traverse much of the same ground, as my hon. Friend predicted, that was covered in the Adjournment debate on 1 May last year. My right hon. Friend the Member for Aylesbury replied to that debate and attempted to put the issue into historical context. It would be helpful if I recapitulated some of the points made on that occasion because I believe that the background is rather more complex than has been presented tonight.

First, it is important to recall why the concession on war service for pension purposes was introduced. The Superannuation Act 1935 provided that the unestablished services staff who subsequently became established without a break in service should reckon at one half its length for superannuation purposes. Recruitment to the Home Civil Service during the second world war was on an unestablished basis. The concession introduced for the Home Civil Service in 1946, therefore, was to remove an anomaly that would otherwise have arisen between wartime and post-war entrants to the service. Recruitment to the Colonial Service during the second world war was on a much smaller scale but generally continued along "normal lines". In other words, unlike the Home Civil Service, appointments could be made on pensionable terms. Although no hard and fast conclusions can be drawn, it appeared that the anomaly in the Home Civil Service that needed to be corrected by the 1946 concession did not arise in the Colonial Service.

It has been suggested that the Colonial Office, which retained control over pension matters until a colony achieved independence, may have overlooked the need to ask colonies to amend their legislation to allow war service to count as pensionable service. I think this scenario unlikely. The recruitment literature at the time gave details of a salary scheme for war service that stated quite specifically that war service before appointment to the Colonial Service would not count as colonial service for purposes of a pension. Post-war entrants to the Colonial Service thus had no expectation at the time of their appointment that war service would count towards their pension. I cannot accept the argument therefore that, by withholding the concession, the Government are defaulting on their obligations.

Expectations among this group of pensioners may have changed because of developments in the 1970s. However, those circumstances are not identical. The public service groups to whom the war service concession was extended during the 1970s – teachers, health workers and so on – have contributory pension schemes. Beneficiaries were required to make a contribution to the cost of implementing the concession. Colonial Service pensions, for officers at least, were non-contributory. Additional public expenditure resources have to be found, therefore, if the war service concession is to be extended to this group of pensioners.

I do not believe that it is sensible to characterise the public services as a single amorphous body. The Home Civil Service and other United Kingdom public services, the Indian Civil Service, the Sudan Service, the Diplomatic Service and the Colonial Service are distinct entities. Conditions of service differ in all kinds of ways, as do superannuation arrangements. In some respects, the arrangements for the colonial service were more advantageous than those of the Home Civil Service. For instance, colonial pension accrual rates were higher and retirement ages were lower. Admittedly, as my hon. Friend made clear, this was in part a reflection of the harsh conditions in tropical areas, but in many respects the post-war years saw steady improvements in those conditions.

Colonial service pensions are index-linked from the age of 55 rather than from the age of 60. Many officers retired at independence, some with immediate payment of pension, while still at an age to begin successful second careers, even if all could not follow my hon. Friend. It is difficult to argue, therefore, that, as a group, Colonial Service pensioners have fared significantly worse than their peers in the United Kingdom public services. Similarly, there is no case for treating them automatically as on all fours with those groups in superannuation arrangements.

The case for granting war service credit to Colonial Service officers in the immediate post-war years, therefore, was clearly not considered self-evident. Extending that concession now to that group of pensioners would, as my hon. Friend the Member for Orpington has admitted, hold an additional public expenditure commitment, unlike the United Kingdom public service groups, to whom it was extended during the 1970s. I am afraid that we do not accept that the cost of the extension of the concession is trivial, even though it may be trivial to the hon. Member for Vauxhall (Mr. Holland), to whom an amount between £3 million and £6 million, to accept my hon. Friend the Member for Orpington's estimate of the cost, must pale into insignificance compared with the £34 billion extra spending commitment that was made during the election campaign by his party.

Mr. Stuart Holland *rose*

Mr. Eggar: On the basis of a sample survey of almost 1,000 personal files completed last year

Mr. Holland *rose*

Mr. Deputy Speaker: Order. The Minister is not giving way.

Mr. Holland *rose*

Mr. Deputy Speaker: Order. It is clear that the Minister is not giving way.

Mr. Eggar: —we estimate that perhaps 5,000 to 6,000 pensioners could be eligible at a cost of about £5 million to £6 million. That is our best estimate. Information on war service in a significant number of cases was either incomplete or lacking so the estimate is subject to a wide margin of error.

I know, as my hon. Friend the Member for Orpington is aware, that the Overseas Service Pensioners Association is not persuaded that the cost would be so high and argues that a figure of £3 million a year is more realistic. Nevertheless we are satisfied that our sample survey, which gives the figure of £5 million to £6 million, gives an adequate order of magnitude that is sufficiently accurate for present purposes.

Mr. Holland: Had the Minister left me alone I would not have intervened. However, he has been saying that there is an anomaly here and an anomaly there and that certain things are not self-evident. What is quite evident is that the Government will not address the quite reasonable claim that is being made and are not prepared to come forward with the funding when it is inconsistent with the rest of what has happened. As to whether £3 million is sizeable or not, the Minister may recollect that I said that, although it may not be the case that that should be met in full, it certainly seems that there is an anomaly. That is evident but the Minister simply wants to avoid the point.

Mr. Eggar: The whole point of what I was saying is that it is not possible to compare directly the Colonial Service with service in the other public services. There are a great number of differences, to some of which I have drawn attention.

With regard to the question as to whether £3 million or £5 million to £6 million, which is our estimate, is a significant sum, I am interested that the hon. Gentleman suggests that part payment should be made without telling the House how he would go about deciding which part. Would he select specific pensioners for special treatment or would he pay only a quarter of war service credits? He cannot get away with an airy fairy assertion that he would try to be reasonably prudent. He was coming out with almost an alliance-type policy. I would have expected a more robust and clearer statement from the Opposition Front Bench. *[Interruption.]* The only alliance Member who has been around has spoken once so, unfortunately, is unable to contribute to our debate. The hon. Member for Berwick-upon-Tweed (Mr. Beith) wanted an evening off from his fratricidal strife and he has to come in to address the House on the question of nuclear weapon controls.

The claim, which has been argued so forcefully by my hon. Friend the Member for Orpington, has been considered carefully in previous public expenditure survey discussions. So far, the Government have not felt able to accommodate the extra commitment. That remains the position, although, as my hon. Friend the Member for Orpington knows, my right hon. and learned Friend the Foreign Secretary and my hon. Friend the Minister for Overseas Development are keeping the matter under close review. I am sure that the points that were raised by my hon. Friends the Members for Orpington and for Canterbury (Mr. Brazier) will be given due consideration. However, I regret that I cannot give any undertaking as to whether or when the Government might be prepared to allow the reckoning of war service for pension purposes for former members of the Colonial Service.

Abolition of Domestic Rates Etc. (Scotland) Act 1987

3.10 am

Mr. Michael J. Martin (Glasgow, Springburn): I am grateful for the opportunity to debate the poll tax once again. I deliberately call the tax a poll tax, in spite of the Government calling it a community charge, because that is how it is known north of the border. The more it is debated in England and Wales, the more well known it is as a poll tax. In fact, the Prime Minister gave it that description not so long ago.

I clearly recall the debate on Second Reading on 9 December 1986 when there was no shortage of Tory Members who supported the poll tax. In fact, Michael Ancram delivered the winding-up speech. He steered the legislation through Committee. He was supported by Michael Hirst, who represented Strathkelvin and Bearsden, Alex Fletcher from Edinburgh, Central, Barry Henderson, Gerald Malone, John MacKay, Albert McQuarrie, Alexander Pollock, John Corrie, and Peter Fraser. All those former Members welcomed the tax. They said that it was the greatest thing since sliced bread and that the people of Scotland would queue up to vote for the Government. Two reasons why those people no longer represent constituencies are the destruction of our industrial base in traditional industries in Scotland and the high level of unemployment, particularly among the young, that is hitting the people of Scotland. Another reason must be the poll tax. In places such as Edinburgh and Strathkelvin and Bearsden, people realised just what the Tories were going to foist on them. The guinea pig was to be not the whole of the United Kingdom, but Scotland. Voters were queueing up to vote for Labour candidates.

Even some present Conservative Members did not do too well. They all sang the praises of the hon. Member for Stirling (Mr. Forsyth), who is not here to defend the poll tax for which he campaigned before other Tories in Scotland even thought about it. He did not do too well either. At the 1983 election, he had a 5,000 majority, but that fell to 900 at the last election. The Secretary of State for Defence, the right hon. Member for Ayr (Mr. Younger), did not do too well. A few more votes for Labour and he would have been out. The only thing that saved him was the fact that, for many years, he has played the role of the perfect gentleman. Certainly, the poll tax did not help him. Even the Secretary of State for Scotland did not do too well. The arrogance that the Government displayed throughout Second Reading and in Committee was such that the people of Scotland considered that the legislation was the final blow to them. It was a final attack on their standards of living. I am surprised by that.

The reason why I am here at this time of the morning is to put on record that we are now getting English Conservative Members of Parliament saying that there will be a revolt of Tory Back Benchers against the poll tax. I note that the Whip is nodding his head and saying that that is not true, but the former Prime Minister, the right hon. Member for Old Bexley and Sidcup (Mr. Heath) and a former Cabinet Minister are on record as saying that they do not like the poll tax. In fact, the right hon. Member for Henley (Mr. Heseltine) stated that on two occasions within Cabinet and argued against such a tax. Even the hon. Member for Ealing, Acton (Sir G. Young) got into the act.

I am glad to see that there are converts to the argument that the Opposition have been putting forward, but it is a pity that some of the former Members I mentioned went through the Division Lobby in support of the Scottish Tories to impose the tax in Scotland. Their credibility and standing in the community would have been far better had they been prepared to say at that time that they were not interested in seeing the tax imposed in any part of the United Kingdom.

It is shameful that the Tories who are against the tax should say, "Why don't we let it be tried in Scotland?". I take exception to the community that I represent and the people of Scotland being used as guinea pigs. If the Government are putting forward the argument that the tax is much better than rates, it should be implemented throughout the United Kingdom at the same time.

The hardship it will cause is such that people in local government, who are not elected to take part in our political arguments here, are now coming out and saying that this will cause hardship in Scotland, and in England and Wales, if it is implemented in England and Wales.

The director of finance for the Glasgow district council, Mr. William English, who is respected in local government circles throughout the country, has said about the rating crisis in Glasgow that if the poll tax were introduced tomorrow it would mean that every person over the age of 18 would have to find £292. Many households in my constituency contain at least five adults and they would each have to pay £292, which means that one household would be required to pay £1,460 a year, not including any rates rises imposed. That would impose a great deal of hardship on many families.

This will apply in housing estates, where the people are among the poorest, but I know that the Minister will say that housing estates are the responsibility of the authority. I do not want him marking any part of my constituency, because the part of Glasgow in which I was brought up as a boy was mentioned as a deprived area so often that the place got a bad name. I have no intention of giving any place a bad name. I mean no disrespect to the people of Possilpark in my constituency, but the area was built in the period between the wars. The people were taken out of the worst slums in Glasgow. They were so poor that the old Glasgow corporation had to give them furniture. They did not have beds, tables or chairs. Those problems of generations ago still exist in Possilpark. When I was in that area during the election, I found that, although there was a good community spirit, the people were the first to admit that there were many problems. The poorest people in Scotland reside in that community, yet the Minister is expecting some families to pay £1,460 in poll tax. That is neither right nor fair. There are not many hon. Members in the Chamber this morning. However, I hope that when hon. Members read *Hansard* they will recognise that hardship will be imposed on many families.

The Minister will no doubt say that the Government will take care of low-income families and that provision will be made for those on supplementary benefit. However, we have not heard the full story of what will happen to those on low incomes—those in the catering, retail and garment industries, where the Government have abolished the wages councils that protected the workers. Some people are working in sweated conditions and are being exploited day by day. More and more the story is coming out that people are hired one day and sacked the next. They are on very low incomes; some are lucky to earn

[Mr. Michael J. Martin]

£70 a week gross. The Government keep repeating the magical figure of 20 per cent. as being all that they will have to pay. The Government are distorting the picture because it is a minimum of 20 per cent. Some people on low incomes will be required to pay up to 95 per cent. of the poll tax because of the sliding scale. I want to put on record that the 20 per cent. that the Government keep mentioning is not the full picture.

As I have often mentioned in the House, my area used to have a booming railway industry. It was once the finest railway engineering construction site in the country, and it was famous throughout the world for its expertise. Many people were pensioned off from that industry, and I know that you, Mr. Deputy Speaker, are familiar with such pensioners. They were labourers in the workshops and did not earn big money, but they got a bit of a pension. That was compulsory. They retired with two pensions, and they live with dignity and respect because of that extra income. Under the poll tax, they will not pay the minimum of 20 per cent. That bit of extra pension will be taken into consideration and some of them will be required to pay more than the 20 per cent. that the Government quote. There will be difficulties in communities throughout the land. I hope that the Minister will consider these matters seriously, as they were not properly debated in Committee. It will be the downfall of the Tories in Scotland.

The effect on local government is devastating. The Government say that high-spending local authorities will have the most to complain about and that those that are prudent and behave themselves have nothing to fear from the poll tax. That is nonsense. As I have said, Mr. William English, who is highly regarded as Glasgow's director of finance, has put the facts and figures to CoSLA, to various local authorities throughout the country and to Ministers, and, as I understand it, his figures have not been contradicted. I should explain that Mr. English is extremely worried.

The Secretary of State for Scotland, in his first speech in the House after the general election, congratulated Glasgow on the good work that it was doing. In his position of Secretary of State he took credit for what had taken place. He cannot say that irresponsible local authorities have the most to worry about and then congratulate Glasgow when he knows that Glasgow is complaining about the tax. However, he has congratulated the city on its housing initiatives, its garden festival and other projects. The right hon. and learned Gentleman talks about irresponsible authorities, but he is on record as saying that Glasgow is not irresponsible.

The bureaucracy in my native city of Glasgow will be a nightmare. The rates system, with all its faults, was a property tax that was relatively simple to collect. A tax was imposed on every building or house. Glasgow officials now have to start worrying about second homes, for example, because they will attract a different tax from that levied on first homes. If hon. Members are fortunate enough to have accommodation in London and a second home in Glasgow, difficulties will be created for local government officials. There are not many hon. Members in that position, but the issue of first and second homes will worry officials.

In Glasgow, 560,000 people will be required to pay the poll tax. Only half that number are paying rates. The population in a city such as Glasgow is constantly on the move, and that is also the situation in Dundee. In Aberdeen, with the oil industry, the movement must cause an even greater headache for local government officials. The poll tax will be easily avoidable, and there will be those who are on the move who will avoid it. There will be those who forget to register and others who move and forget to register at their new home, for example. There will be those who avoid the tax deliberately and others who overlook registration. It is calculated that in our major cities about 20 per cent. of the tax will not be collected as a result of unemployment and associated difficulties.

About 80 per cent. of local government expenditure will come under the control of central Government. The rate support grant, which is one of the main sources of income for local authorities, and all other grants will be controlled by the Government. That will mean that the remaining 20 per cent. will be the only area in which local authorities will be entitled to implement a rise.

Critics of the Labour party will say that local authorities should have thought about increases, but time and again the Secretary of State has said that he will make allowances for inflation. However, this year, with the manual workers' pay increase and the teachers' pay award, we are aware that the allowances made by the Secretary of State have resulted in a shortfall in local government finance. Once the poll tax has been introduced, the increased demands on local government finance will be put on the domestic rate. The local authorities will not be allowed to put the increase—an increase caused through no fault of the authorities—on to the non-domestic rate. The poll tax will place an unfair burden on local authorities.

I envisage that families will be split up because of the poll tax. Those who want to stay together—most do—will face intolerable pressure. That pressure will result from the fact that, as a result of the poll tax, each boy or girl over the age of 18 will be expected to fork out about £300. There will be terrible pressure on parents to ask their sons or daughters to leave home.

The poll tax will bring back the days of the depression. I have no memory of those days, but my parents have bitter memories. I clearly recall my mother and father telling me stories about old communities where, because people's means-test money was being cut, young boys and girls were asked ot leave home so that some extra money from the parish could be allowed into the house.

Because families will face a charge of £300 per person, young boys and girls will be asked to move out. Some responsible young people, who will say that they do not want their parents to be burdened with their problems, will leave home. That already occurs because of unemployment, and the Government are putting more pressure on the poorer families.

In Committee we heard talk of summary warrants. Such warrants will be discussed again and again as more and more people do not and cannot pay up. Because of the problems in our society we have witnessed the welcome sight of lawyers moving their offices from the city centres to the main streets of housing estates. However, in Glasgow and other cities we have seen the establishment of offices for people who are messengers-at-arms and sheriff officers. I have no desire to see sheriff officers moving into premises in a housing estate. However, the poll tax will encourage that development.

I can also envisage that some local authorities, which support the Government at the moment, will offer rewards to neighbours to tell on those neighbours whose sons and daughters are staying at home and who are, therefore, not paying enough poll tax. At the moment we have detector vans going round to find out whether people are watching television without a licence. Will we see detector vans going round our cities and rural areas finding out if there are more people living in a house than there are paying the poll tax?

The Minister should go back to his boss, the Secretary of State, and tell him that the people of Scotland have rejected the policies of the Tory party, including the poll tax, and that this legislation should be taken away, forgotten about and buried, along with the Tory candidates who lost their seats at the recent election.

3.34 am

Mrs. Maria Fyfe (Glasgow, Maryhill): The most remarkable aspect of the poll tax was that the Tories thought that it would be a vote winner in Scotland. They told 2 million voters that if the Tories won the election, they would have to pay a tax that they had never paid before, and then they were astonished when those people voted Labour. I ask the two Conservative Members who are present to reflect carefully on that, not only to save their colleagues' skins on a future polling day but to consider how far out of touch the Conservative party must have been with Scottish public opinion. They went on to force the legislation through despite all the warnings from opinion polls in Scotland, from the Scottish media and the advice of all the professional bodies that are involved in rating valuation and local government accountancy.

It was with some bitter amusement that earlier tonight I sat here and listened to Conservative Members raise all sorts of questions about the poll tax as it would apply to England and Wales. Clearly, they did not think too strenously about those points before they voted last May to apply them to Scotland. Nevertheless, if they are having second thoughts now, I hope sincerely that they will be big enough to recognise that if it is wrong for England and Wales it is wrong for Scotland also.

However, I fear that those Conservative Members who are conscience-striken are struck merely by the size of the Tory defeat in Scotland. They will be outweighed by the number who do not understand local government finance but who are prepared to toe the line, and by those who understand very well that the entire idea is not about fairness but is, in reality, about enforcing lower council spending, cutting jobs and services and making Labour councils take stick from their electorate for implementing Tory policies.

Conservative Members have argued that the rating system is unfair. Nobody ever said that it was more than rough justice, but the price of one's dwelling is a rough and ready guide to one's wealth. If fairness were truly the problem, why did the Government come up with a scheme that is so monstrously unfair? If simplicity were the aim, why devise a scheme that the local government accountants have described as an administrative nightmare? If this is a supposedly simple alternative to rates, there are difficulties that Conservative Members representing seats in England and Wales may not yet have considered. People who move in and out of institutions will end up paying their own community charge and a contribution to the institution's collective charge. What about the separated spouse who finds his or herself "jointly and severally" responsible for the ex-partner's bill? What happened to the idea of every individual being liable for his or her own tax?

I wonder whether the Minister has considered the impracticability of enforcing the responsibilities of the designated responsible person on a household because, as my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) mentioned earlier, people who are accustomed to the present system of an annually updated voters' roll will not — if they think about it at all — realise that the new register is a rolling one. Such a person will perhaps not notify the council, but the council will discover that that person is there and he will be presented with a bill for the full backdated amount, plus interest, plus £50 penalty or a penalty of 30 per cent. of the debt if that is more than £50. People with no intention of evading, and who are no more disorganised than the average Member of Parliament, will end up with substantial debts.

Can the House imagine a local authority pursuing all the small debts that will arise? I shall outline briefly some of the possible cases. They may include claimants and pensioners who have not paid the few pounds that they owe under the 20 per cent. rule, people who are homeless or who move from place to place frequently, young people with no independent income of their own, or carers who will be forced to take responsibility for their dependants' financial affairs.

Chasing up such people will cost a disproportionate amount of money and create public criticism of the council, not of the Government, who created the mess in the first place. It is a highly ingenious scheme and I give full marks to the Machiavellian who thought it up. Either the council will chase up those debts and receive public odium for its pains, or it will do without and either increase the poll tax of those who do pay, or of course, be forced to cut services and jobs when it was elected to protect them.

Another possibility is that all this administrative chaos will be avoided by having a comprehensive national register with computers keeping tracks of everyone's whereabouts. If hon. Members think that that is far-fetched, the Institute of Cost and Management Accountants has already warned of the need for a supplementary national register if the poll tax is to work. Where do we end up next? with identity cards for one and all.

Conservative Members have claimed that individual poll taxes will be high only if allegedly profligate Labour-controlled councils impose too high a level of spending, but the facts contradict them. Glasgow district council, of which I was until recently a member and on which I spent four years as deputy convenor of finance, held its rates steady for three years and this year declared a small reduction. The average rate bill is £514 and notice that I said "bill", not "rateable value". The former seemed to confuse Conservative Members on a previous occasion. The city accountants calculate that the poll tax will be £292 per head, so a two adult household will pay more than before and where there is a third adult a further £292 will be payable.

The national business rate has not yet been mentioned. If the plight of carers, young people without an independent income, the mentally handicapped and the homeless does not make an impact on Conservative

[Mrs. Maria Fyfe]

Members, perhaps the pleas of small businessmen will. The standard business rate will penalise businesses in the lower-rated, mainly rural areas. According to the National Federation of Self-Employed and Small Businesses, it would mean 50 per cent. increases in local tax bills. That would remove one of the few incentives that many rural councils can offer to businesses to encourage them into their patch. There will be a loss of business to those trades, fewer jobs and rural local economies will be further run down.

Many English and Welsh Conservative Members will have voted for the Act in Scotland in ignorance of its impact on our country. They must be presumed to have acted in ignorance of its electoral impact on Scotland. Last week a Government spokesman said that the poll tax had not made the Tories any more unpopular than they already were from the revaluation exercise. Indeed, he though the detected a minimal increase in support by the time the election came round. He should chew on the poll figures for himself and not rely on being bottle fed by a civil servant's not too well researched brief.

I ask Tory Members whether they want all these problems in England and Wales too. Does not the scale of their Scottish defeat create just a niggle of doubt about their own safety? Would they have believed it if anyone had told them before the election that the right hon. Member for Ayr (Mr. Younger), the Secretary of State for Defence, would have his majority reduced to less than 200? Will they not accept that if they persist in treating Scotland as a laboratory for their experiments before trying out proposals in England they can hardly claim with any credibility that they believe in the concept of a United Kingdom?

The Government should support the contention of my hon. Friend the Member for Springburn and be prepared to withdraw the Act and start again on local government financing in a way which takes account of the needs and views of the people who elected us and who also elected local authorities to govern locally, not merely to act as administrative outposts of the regime in power at Westminster today.

3.47 am

Mrs. Margaret Ewing (Moray): There can be little doubt that the concept of imposing a poll tax in Scotland proved to be one of the most unpopular acts of the previous Government, and the results of that were seen at the general election. As a candidate during the campaign I was aware that the poll tax, as it has become known, was a major issue at public meetings, on doorsteps and at every workplace that I visited. The public as a whole has responded angrily to the concept put forward by the Government.

In a parliamentary reply only last Wednesday the Minister indicated that the Secretary of State had received 966 individual responses and 240 responses from organisations about the proposals. The Minister declined to break those figures down to who was in favour and who was against, but it is widely known that the vast majority of the responses were hostile. Certainly those responses recorded in the press showed that many of the major organisations in Scotland from COSLA to the Association of Assessors were very dubious about the Government's plans.

Opposition to the proposal did not come simply from the supporters of Opposition parties in the general election campaign. Many Conservative supporters expressed concern, doubts and antagonism over the proposals. It is insulting for the Government to assume that all Tory voters cast their votes on the issue of greed. Many Tory voters were conscience stricken and horrified by the implications of the tax as it was proposed. The poll tax flies against the whole idea of a tax based on the ability to pay.

During the election campaign in the constituency of Moray — a seat previously held by a member of the Committee on the poll tax Bill — we analysed three different areas in the main town of Elgin to assess the implications of the poll tax. We considered three different areas — a leafy suburb with large detached villas, a section dominated by terraced houses in th centre of town representing the kind of house which is often the first home of a married couple, and finally we considered a section of the council estates. We found that those in council houses would suffer most under the new arrangements, the people in terraced houses would suffer next and very few in the leafy suburbs would benefit. The analysis was based on the electoral register and on those registered within the community to vote and therefore eligible to pay tax. It seemed that virtually everyone would suffer, but the penalty would fall most severely on those least able to pay — those who lived on council estates. That analysis is true of all sections in Scotland. This regressive tax is alien to the whole concept and psyche of the Scottish people. The Minister should take it away and rethink it.

Will the Minister tell us how he intends to respond to the Church of Scotland and to other churches about their concern over the poll tax? In a written answer last week it was revealed that 32 churches had written to the Minister. They asked what had happened to the original promise given during the debate in the last Parliament and in the Green Paper "Paying for Local Government," to preserve the benefit of the existing rate relief for charities in the form of a discount from collective community charges. They view with dismay the failure of the Government to honour the undertaking in the Abolition of Domestic Rates etc. (Scotland) Act 1987. The churches have been active on this issue and they wrote to the Minister. In his reply, he said that the present reliefs available to churches in respect of non-domestic rates will continue. Will the Minister spell out explicitly what that means? He has not given a straight answer to the request to know whether the initial promise in the Green Paper has been observed by the Government.

I want the Minister to comment briefly on the non-domestic rates and their implications for Scotland. At present, rates are still based on rateable values. The Government admitted in the Green Paper "Paying for Local Government" that business rates in Scotland were paid at a generally higher level than elsewhere. No concession has been made in the interim, although the Government accepted and conceded the argument when the sports clubs stated that they were placed in an unenviable position because they were expected to pay at a higher level. Has the Minister considered the possibility of granting some interim relief to the many small businesses in Scotland which are now in a perilous position?

There has been no effective response from the Government to the pleas of small businesses that the uniform rate envisaged in the Abolition of Domestic Rates

Etc. (Scotland) Act will be a disadvantage to the rural communities. In Moray, many businesses are concerned that they will be unable to sustain the uniform rate applicable throughout the length and breadth of the country because those businesses do not have access to the larger markets experienced by their counterparts in larger cities. That would be a gross disadvantage to rural communities, and it would lead yet again to rural clearances and the rundown of the rural economy.

As the daughter of a ploughman, I also wonder what thought has been given to how farm workers are expected to pay the community charge. Can we expect farmers to give each farm worker an additional £250 for every member of his family living in the tied cottage who is eligible for rates? It would be nice to think that they would, but I suspect that farm workers will be expected to find the money out of their wages, which are still appallingly low in comparison with those of most other workers.

What will happen to the crofting communities of Scotland, which have previously received 50 per cent. exemption from paying rates? What concession will be made to them? Are we to expect yet another highland clearance?

Those are all major points on which the Minister must come clean if he is intent on pursuing the folly of ensuring that the poll tax is imposed in Scotland.

The Scottish National party has always argued that the funding of local government should come through a local income tax. That would ensure that taxation was related to people's ability to pay. It seems ludicrous to me that the Government did not even consider a feasibility study on how local income tax could be implemented. Some European nations operate such a system. Are we so different that we cannot implement it?

The Labour party—at least, according to the hon. Member for Glasgow, Cathcart (Mr. Maxton) — is determined to stand

"on the plank of retaining rates." — [*Official Report*, 25 June 1987; Vol. 118, c. 124.]

I believe that most people understand the anomalies that were abhorrent in the previous system. In my view, the poll tax is a much worse system. Surely we want to eradicate the anomalies of the previous system and bring forward a much more positive and radical approach to the funding of local government.

Finally, let me say to the Minister that the people of Scotland object very strongly to the idea that they should be used as guinea pigs in this exercise. Over the past two weeks, I have been appalled to read many reports from senior members of the Conservative party, both inside and outside the House, arguing that the poll tax should not be implemented south of the border until there has been an opportunity to examine how it has operated in Scotland. That is surely an arrogant attitude to take towards the people of Scotland. The Act of Union of 1707 stated that they would be taxed equally with their neighbours south of the border, but we now have unequal taxation, which brings into disrepute the Act of Union to which the Minister so loyally adheres.

More appropriately, if the Government had any concern for the well-being of the community of Scotland, they would take away this ridiculous legislation and bring forward the local income tax concept of other European nations. They would ensure that the people of Scotland were given a system that enabled them to pay for the local government that they wish, without penalising the poorest sections of society.

3.53 am

Mr. John Maxton (Glasgow, Cathcart): Let me first thank my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) for raising this important issue, and congratulate my hon. Friend the Member for Glasgow, Maryhill (Mrs. Fyfe) and the hon. Member for Moray (Mrs. Ewing) on their contributions. I also congratulate the Minister first on his promotion, and secondly—perhaps more important—on being one of the few Scottish Tories to survive the general election. He must be proud of the fact that his position was not as seriously eroded as were those of most of his Scottish colleagues.

When we debate the abolition of domestic rates in Scotland we have to examine the failure of the Scottish Conservative party. My hon. Friends have already said that this was the Act that was to save the Tory party in Scotland and bring about its revival. It was the major plank of the Tories' election campaign. Except for his election address, the only leaflet that was distributed by my Conservative opponent in Cathcart dealt with the poll tax. That was true of most Scottish constituencies. Leaflets drew attention to the benefits of the poll tax and the horrors of the rating system.

Despite the claim that everybody would benefit from the poll tax, the people of Scotland firmly rejected it. My hon. Friend the Member for Springburn read out the roll of dishonour. He referred to those who had lost their seats. It was right that he should do so. However, my hon. Friend did not mention that seven of the 10 or 11 Tories who were members of the Standing Committee that dealt with the Bill lost their seats. Mr. Michael Ancram, the lead Minister, the man who staked his political career on the poll tax, lost his seat. The Whip, Mr. Malone, who guided the Bill through its Committee stage, also lost his seat. Now there is a "Scottish" Whip who does not even represent a Scottish constituency. Mr. Michael Hirst, one of the most vociferous supporters of the poll tax, lost his seat. Strathkelvin and Bearsden has the highest average domestic rate bill in the United Kingdom. If any area in Scotland stood to benefit from the poll tax, it was Bearsden, but Mr. Hirst lost his seat.

When this Government put the poll tax up front in their election campaign, the Scottish people told them what to do with it. It is an insult to democracy and to the people of Scotland to allow the poll tax to continue. When she answered a question that I put to her last Thursday, the Prime Minister asked me whether I was proud to be a Member of the United Kingdom Parliament. The implication was that the United Kingdom Parliament passed the Bill and that therefore everything was all right, was it not? I am not proud to be a Member of a United Kingdom Parliament when the Government so obviously ignore the democratic wishes of a major nation that forms part of the United Kingdom. "The United Kingdom" means three or four kingdoms that are united. Scotland is one of those kingdoms.

If the Government had had any morality or any sense of democracy they would have said in the Queen's Speech that they intended to introduce a limited Bill to repeal the Abolition of Domestic Rates Etc. (Scotland) Act 1987. If they do not do so, they will face enormous problems—

[Mr. John Maxton]

for example, over the register. I do not intend to rehearse all the arguments about the fairness or unfairness of the rating system. I disagree with the hon. Member for Moray about local income tax. Most countries have some form of property tax. That is what rates are. The point that rates are grossly unfair does not stand up to close scrutiny. The Government have completely misinterpreted the figures for the number of people who pay. They can get down to their figure of 21 per cent. of people who do not pay rates only by using the people who received rebates, partial rebates or by using those instances where husbands or wives are the ratepayers. The number of people in Scotland who are liable to pay rates, if husbands and wives are included, is about 79 per cent. of the population. Only 21 per cent. of the population is not liable to pay anything towards the rates, assuming that a young adult who is living with his parents makes no contribution towards the rate bill, which in many cases is unfair on the young person.

The present system of rates is not an unfair tax, but the poll tax will shift the rates burden from those who are better off to those who are poor. The Government say that it is unfair for a widow who is living in a big house to pay the same as a family of five people. I have calculated some figures relating to my constituency. In Corrour road there are two adjacent properties. In one lives a widow who is paying £1,500 in rates. The Government would say that that is an unfair burden, but I know that she is a wealthy widow who has been left very well off and that she can afford to pay that amount. Next door is a family of five adults. They are also paying £1,500 in rates. If one calculates the sums involved, the widow will be over £20 a week better off under the poll tax. She will pay only some £290 instead of £1,500. But what about the family of five adults next door? They will be paying some £1,300 a year, which is less than they are paying now. The well-off large family will still be better-off. The widow will be much better-off, the family will be marginally better-off, but they will both be better-off.

Who will pay for the family and the widow to be better-off? It will be people such as another widow who lives in my constituency in Castlemilk. That widow will be worse off because whereas at the moment she pays nothing because she receives a full rates rebate she will now have to pay a minimum of 20 per cent. That 20 per cent. will have to make up for the wealthy widow being £20 a week better-off.

The widow in Castlemilk will conscientiously keep herself on the register, but it will be extremely difficult for local authorities to compile that register. During the election I knocked on a door in Hillpark in my constituency and the lady who answered the door said that she was voting for me. I looked at the register and asked whether her son was voting for me and she said, "Yes." I said, "What about Mr. and Mrs. Parker who live here?" She said, "No, they do not live here, they were the previous tenants and they moved to England three years ago." Yet they were still on the electoral register.

Mr. Michael J. Martin: Track them down.

Mr. Maxton: That may happen, but who will track them down?

Despite all the denials in Committee, there is no question but that the major source of information for the poll tax register will be the electoral register. The person who compiles the poll tax register will have to choose between employing large numbers of people or obtaining the information from the electoral register. Finance officers in the Lothian region say that a minimum of 50 people will be needed in that one region to go around continuously seeking information, doing a lot of prying into people's personal affairs and knocking on door after door.

The person compiling the register would have to search for the other couple who lived in the Hillpark house to ascertain whether they were living there. Will officials have the power to say, "You say that they moved to England three years ago, but we want proof. We want to come into your house. We want you to show us that they are not now living here." That is an intrusion into people's privacy and it is nonsense that authorities should be forced to spend time compiling the register.

My hon. Friend the Member for East Lothian (Mr. Home Robertson) has asked Ministers a question about the register. They have admitted that the electoral register is faulty in many regards. It may be between 5 and 10 per cent. out when it is compiled. Once it has been running for six months, it may be up to 15 per cent. out. How will the poll tax register be compiled? It will not be feasible. If the electoral register becomes the major source of information, as inevitably it will, people will take themselves off it to try to evade payment of the tax.

The register will present a major problem. Some people will not pay the tax because there is a register. Others will not pay it because they will evade it. They will say, "We will not pay," or "We cannot afford to pay." In the past, I have given the example of the 80-year-old widow in the middle of February who lives alone in her damp house in a part of Glasgow and who will be given the choice—I agree that it will be her choice—as to whether she pays her electricity bill and keeps her house heated, or turns on the fires, knowing that she will not be able to pay the bill, or pays the poll tax. That is the choice that she may well have to face. To the Minister and, I admit, to me, it is only a few pounds and it does not mean very much, but, to a widow living alone on her old-age pension and perhaps supplementary benefit, it is a large sum. I wonder whether the Minister, when he hears of someone dying of hypothermia following the poll tax, will have the same sang-froid about this nasty business.

Young people will try to evade the poll tax. Other people will be forced to pay it. There will be the ludicrous sight of local authorities using the full rigours and whole panoply of the law, including warrant sales, to try to get back £50, £60 or perhaps even £20 or £25. The tax will be collected monthly and the authorities will say that they must ensure that it is collected within six months. The law officers will be chasing people for these paltry sums. In some cases, it will cost more to collect the debt than it is worth. Local authorities will eventually tell the Government, "It is just not on. We will not do it. We are not prepared to see young people harried from address to address to get the money. We are not prepared to put officers into an old-age pensioner's house to take away the television set to pay her poll tax. If you want to do that, you can, but we will not."

We are creating a nightmare to which Conservative Members seem to have woken up. They now realise that the proposed system is unfair, unworkable and undemocratic. The right hon. Member for Old Bexley and

Sidcup (Mr. Heath), the right hon. Member for Henley (Mr. Heseltine) and the hon. Member for Ealing, Acton (Sir G. Young), who was one of the leaders of the campaign and advocated the experiment in Scotland, have all come out against the poll tax, although most of them supported its introduction in Scotland. They realise that what happened to the Tory party in Scotland as a result of making the poll tax a major part of their campaign may well happen to them in the next general election. They realise that they may be wiped out just as the Scottish Tory party was.

Perhaps the Secretary of State for the Environment was right when he said on radio that but for the poll tax the Scottish Tories would have done considerably worse. Perhaps the Minister is delighted that the poll tax was introduced because he would have lost his seat without it. Although I would like to believe that that theory is correct, I believe that the poll tax lost the Conservatives votes in Scotland and that English Tory Back Benchers are afraid that the same will happen to them.

If there was any democratic justice, if the Government had any regard for Scotland and the wishes of the Scottish people, if they had any desire to have the wishes of the people of Scotland properly represented, they would withdraw the tax immediately. Whether they continue with their plan in England and Wales is up to them, but they have no mandate to continue with such an iniquitous tax in Scotland, and they should withdraw it.

4.12 am

The Minister of State, Scottish Office (Mr. Ian Lang): I congratulate the hon. Member for Glasgow, Springburn (Mr. Martin) on his success in the ballot and on his choice of subject for debate, although not on the timing of his success.

I was not sure whether the hon. Gentleman's theme would be whether or how the Abolition of Domestic Rates Etc. (Scotland) Act 1987 should be implemented, so I shall try to cover both. I should like to thank the hon. Member for Glasgow, Cathcart (Mr. Maxton) for congratulating me on my promotion—and, I think, by implication, survival. We have debated this matter across the Committee Chamber at about this hour more than once, so this is familiar territory although I disagree with his assessment of why so many of my colleagues lost their seats at the last election.

The real issue which underlies the debate and which has not been touched on much is the fact that the present domestic rating system is discredited and that the Abolition of Domestic Rates Etc. (Scotland) Act 1987 contains the only workable package on offer for doing anything about it.

Mr. Maxton: I wonder how the Minister can claim that the rating system is discredited in Scotland when the only party that stood fair and square for it and made that clear was the Labour party, which gained nine seats.

Mr. James Wallace (Orkney and Shetland): The Opposition got no more seats than they did in 1979.

Mr. Lang: The hon. Gentleman points out that the Labour party received fewer votes than it received not just in 1979 but I think in every election before that since the war. I do not agree with the hon. Member for Cathcart as to the effect of the issue on the electoral result, but I am interested that he confirms the continuing commitment of the Labour party to the rates system. That is a sad reflection on the lack of constructive thought in the Labour party on this important and fundamental issue.

I make no apology for reminding the House what is wrong with domestic rates. I shall do so briefly, because our proposals were debated at great length and in great detail last Session. We spent something like 125 hours in Committee alone.

First of all, domestic rates are unfair. The bulk of local authority services relate to people rather than property and payment for them through a property tax is therefore unrelated to the use that individuals make of those services. A good deal of time in our earlier debates was spent comparing the hypothetical single person with the hypothetical family of four adults in an identical house next door who pay the same amount in rates. The message which came across very clearly was that our opponents do not care about the predicament of single people in that position. They are also unfair because they are paid by too few people. Just under 50 per cent. of the population are ratepayers and, as the hon. Gentleman said only 29 per cent. pay full rates, while the balance have partial or full rebates. This means, quite simply, that the burden of local authority expenditure is unfairly placed on too few shoulders.

Secondly, domestic rates are illogical. They depend on a system of valuation which takes very careful account of the factors that may affect the rent that a particular property might command. But this has reached the absurd position where, for example, someone will pay more for local services—having their bin emptied and things such as that—if he has a double garage where the cars sit side by side compared with one where the cars have to be parked end on. This sort of thing simply has no relation to the question of paying for local government services.

Thirdly, the rating system inevitably means the turmoil of revaluation. We saw the effects of that in Scotland in 1985 when revaluation faced many Scottish householders with what were seen as quite arbitrary and unpredictable impositions. Over 100,000 householders faced increases of more than one third in their rate bills between 1984-85 and 1985-86.

It seems that our opponents have no answer to those problems. So far as one can discern what Labour party policy would be—and neither 125 hours in Committee nor the Scottish manifesto gave many clues in that area—it would involve the retention of rates on the basis of capital values. That would do nothing to remedy the unfairness or illogicality that I mentioned. The alliance, if we can still call it that, would like local income tax, as would the Scottish national party, as the hon. Member for Moray (Mrs. Ewing) mentioned, but it has never come forward with properly worked out proposals of its own. Again, after 125 hours of Committee, we still eagerly await the full details of its proposals.

The hon. Member for Springburn emphasised the circumstances of poor families and the pressures on young people to leave home, but the young will be eligible for rebates assessed on their own circumstances and not on a family or household basis.

During the course of the ADRES Bill through Parliament it was repeatedly made clear that the provision of a rebate scheme was an essential part of the community charge proposals, and provision is made for such a scheme in the Act. I confirm that a rebate scheme remains a key element of the Government's proposals.

Mr. Michael J. Martin: Will the Minister at this stage, before the poll tax is implemented, send out circulars or make them available in housing estates and libraries to explain what rebates those young people will receive?

Mr. Lang: It will be our intention to publicise widely the way in which the scheme operates when it is introduced and ahead of its introduction. Therefore, I feel certain that that point will be met as matters proceed from now on.

The Government remain committed to the essential philosophy of having a minimum contribution that will go some way to restoring a sense of local accountability, which is lacking at present. Equally, it is recognised that the minimum contribution means that many people will, for the first time, be making a contribution towards their rates. Thus, when the rates for income support are set in the autumn of this year—this meets the point raised by the hon. Member for Cathcart with his example of the widow and her heating difficulties—they will include the average amount that we expect householders who are income support claimants to have to meet as their minimum contribution to domestic rates. That means that claimants will be compensated for the average minimum payment that they will have to make but, at the same time, preserve the vital principle of local accountability.

Our intention with regard to rebates, therefore, gives the lie to the repeated claims that the community charge is unfair and takes no account of the ability to pay. It is remarkable that, after lengthy debate of the community charge proposals during the Bill's passage through Parliament, that point still has not got through.

The hon. Member for Moray mentioned ministers of religion. The personal community charge is a personal liability which does not depend on residence at a particular address or directly or indirectly on the nature of a person's employment. The Government do not, therefore, propose to replicate in the new system of community charges any equivalent of the tax concessions that are at present available in respect of payments made by employers towards the rate liabilities of employees who, like ministers of religion, are required to occupy particular domestic property as a condition of their employment. It is in a personal capacity that they will have liability and it is in a personal capacity that they, like others, will be eligible for rebates depending on their circumstances.

Mr. Maxton: The Minister said that the Government are not going to take account of people's professions. Surely it is true that the Government are going to take some account of those who are in the armed services and who, having been stationed in England or Wales, move to Scotland. Surely the Government are going to ensure that they get some extra payment in order to pay the poll tax. I understand that the idea is that they should be paid an overseas allowance for being stationed in Scotland.

Mr. Lang: The hon. Gentleman is raising a different issue altogether. I was replying to the point raised by the hon. Member for Moray concerning ministers of religion.

The hon. Member for Moray raised some other specific cases on which I shall comment briefly. She mentioned crofters, whose circumstances were discussed extensively at all stages of the Bill. The circumstances of crofters are very diverse and there is no case for singling them out for special treatment under the new system of personal local taxation. Rebates will be available for those who need them. The hon. Lady also discussed farm workers; that will be a matter to be settled between employer and employee. It is not something on which the Government should attempt to give a hard and fast line. Payments made as part of contracts of employment will be a legitimate business expense; that was made plain during the passage of the Bill.

I shall now turn to the process of implementation. My right hon. and learned Friend the Secretary of State has already made clear our intention to proceed with the implementation of the Act. The first step will be to make a commencement order under section 35. No parliamentary procedure is involved in this process. I envisage that a draft of the commencement order will shortly be the subject of consultation with the Convention of Scottish Local Authorities and, while I cannot yet give a firm date, I envisage that commencement will take effect before the end of August.

Bringing the Act into force will mean, for example, that assessors will then have the functions of community charges registration officers, whose functions are to prepare, maintain and keep up to date the register. We envisage that preparatory work will be carried out over the coming months, with the process of convassing beginning in spring or early summer of 1988. The detailed rules for the operation of the new system will be set out in a number of regulations to be made by my right hon. and learned Friend over the next few months. It may be helpful if I sketch out the main framework of these. We expect there to be about half a dozen main sets of regulations, of which the most significant are as follows.

First, there will be a set of regulations dealing with the definitions of domestic subjects, which are, of course, those on which no rates will be payable in future. The basic definition in the Act covers properties that are valued as houses at present, and the purpose of the regulations will be to include certain other premises, at present non-domestic, where people live. These will mainly comprise various forms of institutional accommodation such as halls of residence and nurses' homes. It was made clear during the passage of the Bill that residential care homes, nursing homes and hostels providing care on a similar basis would not be made domestic subjects, so that they would remain liable to rating and their residents would be exempt from the community charge.

The domestic subjects regulations will also have to deal with fairly complicated matters such as the definition of domestic garages to ensure fairness of treatment for those which are valued with dwellinghouses and those which are not. Again, the hon. Gentleman may recall echoes of that during our debates in Committee.

A second important set of regulations will be those relating to registration procedures. In sections 13 to 20 of the Act, there are a number of powers of prescription relating to the form and content of the register, the start of the canvass and the content of canvass forms, the notification to individuals of the contents of their register entry and the time limits within which they may appeal in various circumstances.

Thirdly, there will need to be regulations making definitions affecting the liability of certain groups. The most obvious example is students, who, by virtue of section 8 of the Act, will pay only a reduced percentage of the community charge. It has been made clear that this will be 20 per cent., in line with the minimum contribution which will be paid by those who are entitled to the

maximum rebate. Other definitions will be required under section 30 to provide for the exemption of prisoners in custody and long-stay hospital patients.

A further set of regulations will be needed to lay out the timetable for setting community charges and non-domestic rates to replace the present rate-setting timetable. This will have to take account of the need for the system to be able to handle the issue of a greater number of bills, so the timetable for setting rates and community charges will probably be earlier than it is at present. The collection of community charges will also require regulations—for example, to set out the information which is to be shown on community charge bills.

There is a considerable list of regulations, but work is well advanced on the preparation of the necessary material as a basis for formal consultation in the fairly near future. To help the process of implementation, we have made arrangements for a study to be carried out to prepare a specification of computer system user requirements. We intend that this should be made available to local authorities next month, and wer are confident that it will be helpful to them in providing a basis on which to design their own systems.

Mr. Maxton: The House would be grateful if the Minister, in dealing with the regulations that he will have to put before the House, would give some idea of the time scale on which the regulations are likely to be placed before the House and also what parliamentary procedures they will be placed under. Will it be a positive or negative procedure in terms of statutory instruments? Obviously, Opposition Members are extremely concerned about that. We assume that each will be placed as a separate statutory instrument that can be prayed against or debated.

Mr. Lang: I have stated the number of regulations that will be required and which will embody a number of different provisions, as I have described them. As to the timetable, it will be in this Session of Parliament. I do not anticipate that any instrument will be laid before the House before we adjourn for the summer recess. My understanding and recollection is that they will be laid under the negative procedure.

I hope that this somewhat detailed explanation of the next step towards implementing the Act has been helpful to the House, particularly in demonstrating the extent to which progress is being made on the development of the detailed rules.

In recent days, much has been made of the proposition that the Government's proposals for England and Wales may be changed as they go through the House. Although it would be quite wrong of me to anticipate what may be done here or in another place, I am confident that the fundamentals of the reform already enacted for Scotland will in due course apply to England and Wales. Scotland is not a guinea pig, as the hon. Member for Moray said. Rather, Scotland is the trail blazer. Scotland is having the advantage of the provisions because the need for them in Scotland was made much greater during the course of the past year or so.

Mr. Wallace *rose*—

Mr. Lang: I would rather not give way. The hon. Gentleman was not involved in the debate.

But I can make it clear that, if refinements are made to the proposals, we will of course consider whether any parallel changes need to be made in Scotland. None of this is, however, in any sense a justification for delaying the timetable of implementation so clearly set out in the Abolition of Domestic Rates Etc. (Scotland) Act and so clearly approved by Parliament.

The debate has been valuable in enabling me to place the Government's position clearly on the record; first, to reaffirm our determination to abolish domestic rates and to demonstrate the fairness of our proposals, in contrast to the hopeless inadequacy of the position of the Opposition; and secondly, to make it clear that we will be proceeding with the implementation of the 1987 Act on the basis that we have always envisaged, so that the benefits of these changes can be enjoyed by the people of Scotland without further delay.

Lighthouse Service

4.30 am

Mr. James Wallace (Orkney and Shetland): I welcome this opportunity to raise the issue of the lighthouse service in the United Kingdom, because it must be many years since there was a substantive debate on this important subject. This opportunity is timely, given the number of issues that have recently caused some public debate and controversy surrounding the cost and provision of lighthouse services.

The orders for increasing the light dues and extending them to cover fishing vessels over 10m in length have not yet been debated in the House, although they were debated in another place. That is regrettable, given that the motions praying against the orders have attracted a considerable amount of support; more than just the usual formal notice of opposition that one sometimes gets. Nevertheless, the orders increasing the level of light dues have attracted considerable opposition from those involved both in the shipping industry and in the ports.

It is widely accepted that our merchant fleet has been facing a worrying decline for many years. Although this is not the occasion to go into that, obviously there are concerns that the increase in light dues is a further imposition of a burden upon an already beleaguered industry. It will affect our ships more than it will affect foreign vessels, because British ships come into British ports more often than do foreign vessels and will more often have to face the increased charges.

I believe that the increase will make our ports less competitive, not least with those ports immediately across the Channel in western Europe. Of all the countries in the European Economic Community, only Greece and the Republic of Ireland—which to some extent is bracketed with the United Kingdom when we talk about lighthouse services and charges—have lighthouse charges.

It has been argued by the Department of Transport that only one-seventh of the difference in costs between a European port and a British port can be attributed to light dues. This does not appear to square with the figures put forward by the General Council of British Shipping, which suggests that in Antwerp the cost per container is about £25, yet in the United Kingdom that cost will be about £90 once the new light dues provisions are put into effect, £40 of that being attributable to light dues. The difference amounts to about £65, more than two-thirds of which would appear to be due to light dues.

I ask the Minister, in replying to the debate, to give an indication of how his Department arrived at such a relatively small proportion of the difference between the costs and charges of British ports and those with which we are in considerable competition in western Europe.

Looking forward, we would like to see our ports, not least on the west coast, being able to take up some of the advantage of having a Channel tunnel, once it is built, and to become the terminal ports for western Europe for traffic from North America. It would be regrettable if a further increase in light dues were to put them at a competitive disadvantage and not allow them to take the opportunities that may open up for them in the next 10 years.

The extension of light dues to fishing vessels is viewed by the industry as being exceptionally unfair. They were imposed with little or no consultation. Admittedly, once the previous Secretary of State said that he intended to do it he consulted, but prior to that there was little or no consultation with the industry. They have been imposed on fishing vessels over a certain length, and do not relate to their activities or to their ability to pay. Not taking into account the ability of individual vessels to pay the dues could be said to be the fishing industry's version of the poll tax. It has caused considerable resentment in the industry.

This is another burden on our fishing fleet that is not borne by those with which it is in most competition. I think especially of Danish and Norwegian fishing vessels, which do not have to pay the charge. Our fishing fleet will have to pay it at a time when so much effort is being made to bring European nations into line. We are putting our fishing fleet at a deliberate disadvantage by expecting it to pay that additional amount.

The argument for imposing dues on the fishing fleet has not been convincing. In fact, it is riddled with inconsistencies. On the face of it there is some logic in saying that the user must pay, but not by any stretch of the imagination has that been taken to its logical conclusion. There is no provision for yachts to pay. I can well understand the great practical difficulties involved, as there is not a register of yachts as there is for fishing vessels. Nevertheless, if the charge is to be imposed on the logic of user pays, immediate resentment is caused if we cannot fully follow through the logical consequences of that policy.

I understand that there is no charge on the Royal Navy, although it uses the Racal-Decca navigator system. Whereas previously it paid an estimated £800,000 per annum to Racal-Decca for the system, that charge is now being imposed on the general lighthouse fund. The Royal Navy is being relieved of that cost and it is being imposed on those who have to pay light dues. That is not the proper way to resolve any problems in the defence budget. It brings home to us the basic unfairness of the system as a whole.

When writing to the fishermen's associations, Mr. Battersby — the assistant secretary of the marine directorate at the Department of Transport—said, when referring to general lighthouse authorities:

> "The navigational aids they superintend and manage (which now include Navigator) are used by a great variety of shipping, much of it passing our coasts and not calling at our ports."

He is quite right. The general lighthouse authorities are providing services to shipping that goes around our coasts but does not come into our ports and does not pay. It is a fundamental problem, because people are using but not paying. The Government must face that problem. If, for understandable reasons, they are not prepared to accept the logical consequences of their policy, they should be prepared, out of general taxation, to make at least some contribution to the lighthouse authorities to help them to fund their services and to ensure that the whole burden is not placed on relatively few people. If other EEC countries can do that, with the exception of Greece and the Republic of Ireland, perhaps it is time that we consider that option.

As the orders have now taken effect, does it follow that by extending the charge of fishing vessels representatives of the fishermen's associations are now automatically to be included on the Lights Advisory Committee? The Department of Transport should be taking steps towards encouraging the setting up of a users' consultative committee. That was recommended in Arthur Young's report of 1984. I understand that the Northern Lighthouse

Board consults far more widely than those who pay, and that would be a good example to follow. It is my impression and understanding that over the past three or four years the Department of Transport has been reluctant to extend the ambit for consultation, taking the view that it is only those who pay who should be consulted. The Northern Lighthouse Board's view is that all users have an interest, regardless of whether they pay, and that as consumers they have a worthwhile contribution to make when the subject of navigational aids are under discussion. By including only those who are paying, the general lighthouse authorities are subjected only to the views of those whose prime objective is to keep down expenditure. I am not necessarily criticising that approach, but that seems to be the sole thrust of the views of those to whom the GLAs are expected to listen.

I understand that the British Ports Association is invited to the consultations, even though it does not have a direct interest. It would be encouraging if the Minister were to say that the scope of discussion and consultation is to be extended far beyond those who come within the category of payers, to those who are also users.

The reduction of expenditure is uppermost in the minds of many, not least the General Council of British Shipping. There seems to be a notion that with the advancement of technological aids the need for the type of safety aids that are provided by LHAs is diminishing substantially. A report was commissioned by the Lights Advisory Committee and undertaken by Dr. Strange, who, having made studies and examined the passage of certain ships between Portland Bill and the Thames estuary, suggested that if ships were fitted with modern electronic position fixing equipment there was scope for a significant reduction in the number of aids provided by the lighthouse authorities. I am not sure what status that report has, and I do not know what credence will be given to it, but it has some clear limitations. It cannot be assumed that all foreign vessels will use the Decca navigator system. It cannot be assumed either that ships under 500 tonnes will be similarly equipped. The report does not take account of occasions when equipment breaks down or of the position of yachtsmen and lifeboats.

Despite the provision of electronic aids, a number of ships have collided this year. In late January, or early February, in fog off Felixstowe there was a collision between Townsend Thoresen's Nordic Ferry and a Spanish cargo ship. On 1 May there was a collision off Dover in poor visibility between the Cambridge Ferry and a French operated vessel the St. Eloi. On 30 May, in the Channel in fog, there was a collision between the Skyron, a Liberian tanker, and a Polish cargo ship, the HEL. Despite the great advancement of modern technological equipment, collisions still take place. We are not able to say that we can dispense or readily reduce the visible aids that the lighthouse authorities have been providing over many years.

In a report on navigational aids by Dr. D. Kieley, which was published this year, reference is made to the numerous people who still rely on such aids. The Royal Navy has said that reliable and proven methods of visible fixing are always used whenever possible and the Scottish fishermen say that even the most modern electronic and technical devices can fail from time to time for unaccountable reasons and that as not all vessels are new, it seems clear that any future system of navigational aids should retain much of the existing shore-based facilities. I hope that there will be recognition of the fact that, albeit that technology advances, for some time to come there will be an important reliance on the more traditional types of aid that have been provided effectively over many years by the Commissioners of Irish Lights, the Northern Lighthouse Board and Trinity House.

Another area of recent dispute is that relating to sound fog signals. Following a resolution of the International Association of Lighthouse Authorities that sound fog signals were no longer a general requirement, steps have been taken to discontinue a number of sound fog signals around our coasts. Indeed, a number of assistant lighthouse keepers in my constituency have recently received their redundancy notices.

I believe that there has been too much haste and anxiety in trying to follow the IALA policy decision. I have studied the roll call of nations that supported that decision and I suspect that many of them have not had to contend with the problems of fog – at times thick fog – with which we have to contend around our coasts. In pursuing that policy decision I believe that insufficient account has been taken of the apparent proviso in that policy:

"Some low power fog signals may still be required to assist fishing and pleasure craft."

What consultations took place before the IALA reached that decision? What consultations took place with the various industries and users involved? Since that policy decision, what consultation has there been with the fishing industry and those who might be using pleasure craft about the consequences of the discontinuance of sound fog signals?

As an example, I think particularly of North Ronaldsay, an island in my constituency. It is basically a crofting island, with many transport problems. It has a small population, but it has a lighthouse. That lighthouse is an important source of employment. The island also has a very small fishing industry – a number of local people fish in the local waters. Indeed, one of the few opportunities for increased employment is in fishing. The fishermen of the island wrote to the Northern Lighthouse Board protesting about the proposals to discontinue the sound fog signal on the island. Although I have not seen the reply, I have been advised that the board suggested that if things were that bad, perhaps they should not go to sea. It also said that if 30 boats had been involved, rather than three, it might have made a difference. On North Ronaldsay, given its population, three boats represent a sizeable part of the working sector. It would be regrettable if it was the decision of the Northern Lighthouse Board to discontinue the sound fog signal, as that would have an adverse effect on the promotion of the fishing industry. This industry could not only improve people's livelihood, but could be a useful source of future employment.

The decision of the Northern Lighthouse Board also suggests that at times economic rather than safety reasons are the guiding criteria. Indeed, when considering the minutes of the Northern Lighthouse Board, one realises that, despite the emphasis on the fact that each lighthouse has been considered on its own merits and that safety is paramount, the tenor of the discussions is about whether money can be saved.

If we consider Sumburgh Head in my constituency, we see that the minutes state:

"The decision to retain Sumburgh Head fog signal could be justified by the high incidence of fog and although there

[Mr. James Wallace]

was little passing traffic there was some fishing activity in the area. The Engineer-in-Chief outlined the potential savings from possible keeper reductions and running costs and eventual discontinuance of the fog signal on automation although a stand-by generator would still be required to power the Radio Beacon. It was eventually decided, however, that the fog signal should be discontinued."

It is clear from that that the savings to be made outweighed the advantages that there would still be for fishing activity in the area.

As regards Cantick Head in my constituency, the minutes reported:

"There was no case to retain this fog signal as there would be savings from the reduction in keepers and possible future capital expenditure."

My contention is that this is not an area in which savings should be the guiding principle, but one in which the provision of the service and safety should be the overriding principles. It is a matter of considerable concern that there has been such a rush to adopt the IALA policy, not with any substantial regard to the service provided by the sound fog signals, but as yet another way of trying to meet the financial targets set for our lighthouse authorities by the Department of Transport.

The same pressures are undoubtedly being applied with regard to the future of the lighthouse tender vessels. I understand that the report that was prepared by Arthur Young reached the Department during the past week or two. It has still to be published for public consumption, and perhaps the Minister will suggest when that is likely to be. I do not think that it will be helpful if, without having seen that report, I were to indulge in too much idle speculation as to what it might contain. However, we know that to a considerable extent the report was commissioned with cost-cutting zeal and with an eye to trying to improve the balance sheet.

It is important that the Minister recognises—I am sure that he does—that those currently engaged in the service have, over the years, built up considerable expertise on the various navigational aids that they service and maintain and also of the various shores and approaches to the lighthouses that are supplied from the tender vessels. I wonder whether we are facing a position where that expertise might have to be dissipated. Is it indeed in the best interests of the operation that we should have—this may well be the case—one vessel trying to cover the entire service from Muckle Flugga to Spurn Head? Indeed, can one vessel do that? I should be interested to know exactly what the Department of Transport's interest is in this case.

I am sure that much of the detail will have to be worked out by the lighthouse authorities themselves. If the Minister will give some suggestion of the division of interests and responsibilities between his Department and the lighthouse authorities that will be useful to those of us who may well have constituency battles to fight on this issue. I am especially aware that many of the crew of the Pole Star are constituents of mine and, of course, the number of vessels and the crewing that will be retained is vital.

I am also aware that the town of Stromness on Orkney is the base for the Pole Star and it would be affected critically if the new configuration of ships were to remove the Pole Star from Stromness. The families who are based there and who live there are an important part of the population and shop in the town. Most of the services and the supplies for the boat are purchased from local shopkeepers. Any decision to move the vessel away from Stromness could have important economic consequences for the town. I give notice to the Minister that this issue will be debated at great length if the outcome of the report is not satisfactory for my constituents.

There is a fear that getting rid of a number of ships will inevitably lead to the contracting out of some services to private operators who do not have any knowledge, and who have not had the opportunities to build up the knowledge, of the special needs and of the duties that have been undertaken for many years by the lighthouse authorities. We do not want privatisation by the back door simply to massage the balance sheet. What is most important is that we maintain a good service, which is what we have had up to now. Why upset that?

My concluding remarks relate, first, to savings. I ask the Minister what the position is now regarding the contribution made by the Republic of Ireland towards the cost of the lighthouse authorities? Receipts from the Republic are less than expenditure. I understand that there is an arrangement whereby the Government of the Republic make up so much of the difference. How has that worked out, and is there scope for more to be contributed from the Republic? We are in the unusual position of one sovereign nation appearing to subsidise the services that are supplied to another sovereign nation, when there might be competition between the two.

Secondly, what is being done to try to monitor the administrative efficiency of the lighthouse authorities? In its response to the increase in light dues the General Council of British Shipping suggested one lighthouse authority instead of three. I would certainly advise against that. The Scots would not readily accept any attempt to take over the Northern Lighthouse Board. It is a question, not just of national pride, but of economics, because with more lights than Trinity House the annual cost has been consistently less than half those of Trinity House. I am well aware that Trinity House has much greater responsibilities than simply the lighthouse service, but I would have thought that that would provide it with an opportunity to develop economies of scale. Yet, the cost of general lighthouse administration appears to be greater.

Similarly, between 1980 and 1986 the head office of Trinity House increased its staff by 20, whereas those engaged on other locations were reduced by 228. The Northern Lighthouse Board increased its administrative staff by three, whereas those in operations were reduced by 103. Therefore, it seems that more chiefs are administering fewer field workers. Perhaps a timely review of the administration of the service would not go amiss.

The lighthouse service is important in remote rural areas and problems follow from the reduction in the number of those who work for the service and from automation. Now there are threats of discontinuing the sound fog signals and fears for the future of the lighthouse tender vessels. When there are closures in the coal industry, for example, when many redundancies are pending and particular areas are hit, British Coal Enterprise Ltd. is there to relieve the unemployment that is caused as a result.

The effect on much smaller communities of the loss of the odd job here and there is not noticed, although proportionately that can have just as great an effect on the community. The automation of a lighthouse may well

bring with it the removal of a young family from an island or remote rural area, which in turn can affect the future of a local school. I have already mentioned the importance of the lighthouse shipping service to Stromness. I hope that the Government will be sensitive to the effects of any cost-cutting exercise on these communities.

I know that the Northern Lighthouse Board, to which I have frequently spoken about this issue, is aware of the effects, but it cannot do anything about them. It is not within its remit to take account of the social and economic consequences for a community of an automation programme or any alteration to the lighthouse tender vessels. It is anxious in cases of individual redundancy to take into account the fact that employees not only lose a job, but often a tied house, and it wishes to enhance the redundancy payments to take account of that. Naturally, it would look to the Government for assistance with that and perhaps if the Minister cannot respond to that point this morning he will write to me about it. I would happily correspond with him to see whether anything can be done to enhance redundancy payments.

Similarly, we should enable the lighthouse authorities to pay a rent allowance to those who should perhaps be encouraged to find their own home, either to buy or to rent, so that they do not become as dependent on a tied house as in the past. I understand that Trinity House has operated a system of rent allowances, but that has not been the case north of the border. If assistance could be forthcoming to enable the Northern Lighthouse Board to do that, I am sure that it would be welcome.

We need a broader perspective. We must accept that we need people on our coasts and that everything cannot be left to automation. There are good security reasons for that and when ships go aground it is useful to have people on the scene, not merely automated machines. In New Zealand and Canada there has been a rethink of the whole programme of automation.

We have a good service, which has been provided for many years. I seek an assurance from the Minister that in the development of the service the first and foremost consideration will be safety and the quality and efficiency of the service, and that that will not in any way be subordinated to the interests of the balance sheet. I am not denying the importance of that, but I hope that the valuable quality of the service will be recognised and that its work can continue.

4.59 am

The Minister of State, Department of Transport (Mr. David Mitchell): It is understandable that the hon. Member for Orkney and Shetland (Mr. Wallace) should raise this subject in tonight's debate. I know that he takes a personal interest in the subject on behalf of his constituents especially those in the service of the Northern Lighthouse Board. The subject of the debate is an invitation to cover much wider matters. However, the hon. Gentleman's timing is unfortunate. Not just because it is 4.59 am but because a number of the matters he raised are directly related to the Arthur Young tender vessels study which is about to be published and it would be improper of me to disclose its contents in advance.

However, considerable attention has focussed on the lighthouse service in recent months, and this reflects a range of developments and studies bearing on the activities and responsibilities of the general lighthouse authorities. I am sure all Members on both sides of the House have a high regard for the dedication and traditions of service of those employed in the lighthouse service and I pay tribute to them. The authorities are bodies with long and respected histories of high standards in the service of the mariner. I recognise that they are engaged in a difficult period of transition and change, reflecting increased automation and new technology in the area of marine navigational aids. The problems this brings in human and management terms are understood. I have a high regard for the readiness of the authorities' staff to adapt to new circumstances.

The hon. Member for Orkney and Shetland referred to the financing of the lighthouse services. I accept that the United Kingdom, with Ireland and Greece, are in a minority within the EC in charging light dues — though nearly half the members of the International Association of Lighthouse Authorities rely on dues of some kind to finance their lights. We in the United Kingdom remain of the view that the user should pay, within what is administratively practicable. I can hold out no prospect of the Exchequer taking on these costs. I accept some of the criticisms from the shipowners and ports that aspects of the current light dues regime — which has remained substantially unaltered since the turn of the century — have a disadvantageous effect on some traffics such as liner container vessels and part cargoes, and that some of this traffic may be diverted to a near continental port for transhipment. However, the reasons for transhipment are complex and go beyond the issue of light dues. We are nonetheless examing the scope for technical changes in the light dues structure which I hope will go some way to remedy some of the anomalies.

It is however inevitable that a substantial element of the costs will continue to fall on commercial shipping, because the revenues which might be raised from other users can never amount to more than a small proportion of the costs. The main category of user not contributing to these costs is small pleasure craft. Here it has not proved practicable to devise an enforceable system which would yield worthwhile revenue after collection and enforcement costs from other sources.

I fully understand the concern of the shipowners and the ports about the 14 per cent. increase in light dues which had to be imposed earlier this year. That increase has to be seen, however, as one coming after a long period when it had been possible to cover the difference between costs and revenue by drawing on the considerable cash reserves which had accumulated in the General Lighthouse Fund. However, these reserves were reducing rapidly, and an increase was unavoidable to bring revenue closer in line with current operating costs. There was also a new requirement — about half the increase — to be met as a result of transferring the £3·6 million annual operating costs of the UK Decca Navigator transmitters to the GLF. Reflecting this transfer, we have also for the first time extended light dues to the larger fishing vessels — but 60 per cent. of vessels — those under 10 metres in length — will still not have to pay. The Government believe that the new arrangements are a good deal for fishermen, who have seen substantial reductions in the market price of receivers. Most of those who previously rented sets will in fact save money.

The hon. Gentleman raised the question of representation for fishermen on the lights advisory committee. That

[Mr. David Mitchell]

is a matter for the committee, which has already approached the industry to invite its members to be represented.

Despite this year's increase, light dues are steadily declining in real terms. They are down 33 per cent. from the 1975-76 peak, and 18 per cent. lower than in 1981-82. The Government also reduced dues by 10 per cent. in 1983, in contrast to the increases of 23 per cent. and 40 per cent. imposed by the Labour Government in 1975.

The Government's policy objective is to contain and reduce lighthouse costs to secure efficiency and economy in the operation of the service. We have taken a number of constructive steps. There is now a much stricter control over the GLA's budgets, and it is set demanding cash limits which, to its credit, it is striving to meet, or even to better. A number of studies are now in progress.

I must stress that, although the costs that must be found for the lighthouse service fall on ship operators and not on the Government, we are determined not to take any risks with safety. I am sure that the hon. Gentleman will be glad to have that reassurance.

A major study has recently been undertaken by Arthur Young, the management consultants, into the tender vessel requirements of the three lighthouse authorities. I know that this study is of particular interest to the hon. Member for Orkney and Shetland, as one of the NLB tender vessels is based in his constituency, and he has already raised the matter. We have now received the consultants' final report, and my right hon. Friend will be making an announcement about it very shortly. Copies of the report will be placed in the Library.

This study was commissioned jointly by my Department and the three lighthouse authorities, and I believe that it is the first comprehensive joint appraisal that has been made of the fleets and the requirements that they have to meet. The report makes a wide range of recommendations, but, as I am sure the hon. Gentleman knows, it would be improper for me to anticipate my right hon. Friend's statement. We shall, of course, consider the report carefully in close consultation with the Authorities and with the lights advisory committee, which represents ship owners, shippers and port authorities.

I know that the hon. Gentleman has a particular interest in that the Northern Lighthouse Board currently bases its ship "Polestar" at Stromness, and he raised that in his remarks.

The consultants' report makes some recommendations about different fleet configurations, and suggests illustrative alternative locations for vessels. The operation of the vessels represents about a quarter of the current running costs of the lighthouse service. Those costs fall not on the Government but on ship operators, who are under considerable financial pressure.

The hon. Gentleman raised the matter of the Kiely and Strange reports. Let me add, in connection with electronic aids replacing traditional ones — which he also mentioned — that reports on navigational aids have commanded wide interest in the marine world. Earlier this year my right hon. Friend the former Secretary of State published an independent report by Dr. D. G. Kiely, a consultant electronics engineer, recommending how developments in marine navigational aids should be applied in the coming years. The report contains an extensive analysis of likely technical developments, and examines those developments in relation to the implications for United Kingdom marine policy and the likely requirements of all classes of marine users. It makes a large number of recommendations, and the views of interested parties have been invited. We shall be considering Dr. Kiely's detailed recommendations in the light of views expressed by the marine community. I am sure that, when that is done, account will also be taken of the hon. Gentleman's comments.

The hon. Member also referred to the Strange report. The Lights Advisory Committee has urged on my noble Friend the Minister for Aviation and Shipping a review of the traditional aids provided by the general lighthouse authorities. In support of this, it has commissioned a study by Dr. John Strange to examine the shipowners' contention that many of the traditional lights, buoys and beacons have been superseded by those of modern electronic position-fixing equipment carried on board ships. Dr. Strange concludes that the number of traditional aids should be reduced as electronic aids gain wider availability. I think the hon. Member will admit that because of the duplication that would necessarily be involved, one could not expect two systems to be kept permanently in being.

The LAC report is a timely contribution to the continuing examination of the costs and requirements of the GLA's services. It would be wrong to pretend, however, that the resolution of these issues will be easy. There will always be a continuing need for lights and daymarks as hazard warnings—a point recognised in the Kiely report. There are also many conflicting views and interests to be reconciled. They range from the largest tanker vessels through to the weekend yachtsman. The lighthouse authorities, who bear the responsibility of providing aids to safe navigation for all users, have already questioned some of the conclusions that were reached by Dr. Strange. My noble Friend will be taking forward consideration of all these complex issues in consultation with the lighthouse authorities.

The hon. Member referred to fog signals, or fog horns. That is a management matter for the authorities, which they will no doubt carry through as they think fit, in consultation with the users. In the light of the recent recommendations of the International Association of Lighthouse Authorities, that fog signals should be dropped as a major navigational aid but retained where needed as a hazard warning, the GLA, including the Northern Lighthouse Board, will have to hold consultations with the vessel users for whose benefit the fog signals exist. The Government are not involved in the matter. I hope that the hon. Member will raise it directly with the Northern Lighthouse Board which is responsible for the safety of navigation.

Mr. Wallace: The Minister has said that restrictive financial targets have been set by the Government for the lighthouse authorities. I referred earlier to Sumburgh head, Copinsay and Cantick head. Cost cutting seems to be paramount. Fog sound warning devices, particularly for fishing vessels, do not appear to have been considered. Does the Minister believe that when the board is considering these important matters it should bear that point particularly in mind?

Mr. Mitchell: The board has to balance all the considerations and make a sensible judgment. I said earlier that we do not intend that there should be any safety risk. Safety is the paramount purpose of the board's activities.

The hon. Member referred to the proportion of light dues that account for the difference between United Kingdom and Continental port charges. United Kingdom port costs are about 60 per cent. above those in comparable Continental ports for the liner container trade. A study undertaken by the Department of Transport in 1985 estimated that light dues, on average, accounted for only one seventh of the difference.

The hon. Member also referred to the Royal Navy. The Ministry of Defence still pays for its use of the Decca Navigator under an agreement with the Racal-Decca company. It has not been relieved of that responsibility under the new arrangements. The hon. Member also referred, understandably, to consultations with users. The Arthur Young study of the lighthouse service in 1985 recommended a new lights users committee, in addition to the current lights advisory committee that represents the shipowners and ports. One must guard against the proliferation of committees and the concept of separate payers' and users' committees seems of doubtful value. The general lighthouse authorities have regular and satisfactory consultations with users. The fishing industry has been invited to be represented on the Lights Advisory Committee with regard to any extension of light dues for some fishing vessels.

The hon. Member for Orkney and Shetland raised the matter of Irish lights. A financial agreement was reached in 1985 whereby the Irish Government now makes an annual contribution to the costs that are incurred in the Republic. After a transitional period, Irish sources of light dues and contributions will meet 50 per cent. of the costs in the Republic.

Enhanced redundancy terms for lighthouse keepers are initially a matter for the general lighthouse authorities in their capacity as employer, but approval from the Department would be required to sanction any increase in expenditure in redundancy compensation.

The keepers who are in the service of the Northern Lighthouse Board have sought improved terms to compensate for the loss of tied housing. The redundancy terms, which are based on those of the Civil Service, are already generous and for keepers they already take account of their tied housing. The Department had to reject an earlier proposal which would have added between £2 million and £4 million to the costs of the automation programme, but we are prepared to consider some more modest proposals if the NLB believes that there is a case for them. I hope that the hon. Gentleman and his constituents will find that helpful.

I hope that what I have said will reassure hon. Members that we are aware of the problems that face shipowners on the one hand and the authorities and their staff on the other. The Government's primary concern is to secure an efficient and cost-effective system of navigational aids that are appropriate to the needs of marine users.

It is not in dispute that a service to the mariner is required if safety at sea is to be maintained, but it is a service which is necessarily adapting to changing circumstances and technology. With the co-operation of the lighthouse authorities our objective is to continue the process of reducing the costs of the service and improving its management.

I hope that the hon. Gentleman will feel that during the course of this short debate I have been able to cover most of the points that he raised and that he will take some reassurance from them.

5.17 am

Mr. Roger Stott (Wigan): I apologise to the House and to the hon. Member for Orkney and Shetland (Mr. Wallace) for being absent at the beginning of the debate. Unfortunately, the provision of public transport in the capital city at 4 am is not what it should be and I have the dubious pleasure of having walked to the House from Lambeth.

I listened with interest to that part of the hon. Gentleman's speech that I heard. The hon. Gentleman spoke with knowledge of his constituency and with concern, which is shared by many of us, about the position that is currently enveloping the lighthouse service.

I think that the hon. Gentleman played some part in the debates on the reorganisation of the pilotage service. Many of us on the Opposition benches were concerned about the way that the Government were proposing to allow exemption certificates for masters and foreign masters who use British ports on a regular basis. They would be able to gain exemption certificates and they would not necessarily need a pilot. In my view, and that of the United Kingdom Pilots Association, that was a retrograde and detrimental step. The current thinking in the Department of Transport, whether on pilotage or lights, does not satisfy many of us in respect of the safety provisions that we all feel are necessary for British merchant shipping.

I readily accept that there is an argument that modern electronic navigational techniques make lights and buoys unnecessary. That may be so, but it assumes that a ship and those navigational aids are functioning properly. If there is any problem on board ship and the aids are not functioning properly, those involved have to resort to traditional navigation methods using lighthouses, buoys and the Decca navigational system. I contend that that system is essential. No matter what it costs, it needs to be maintained and available at all times as a fallback. I do not think that the House would readily agree to any reduction in the provision of safety around our coasts caused by the withdrawal of lighthouses, foghorns, buoys or any other type of navigational aid currently in place. I understand what the Minister says about the current review and his unwillingness to comment until its findings are made public. Perhaps we can debate that matter when those views are made public.

I am conscious of the time. I see that the hon. Member for Mid-Kent (Mr. Rowe) is waiting for the next debate and that my hon. Friend the Member for Makerfield (Mr. McCartney) is duly in his place at 5.20 am, so I should like to make a final point. It is a great pity that, because of the general election's intervention, we were denied the opportunity of an hour and a half's debate on the Opposition prayer on the increase in light dues. I have to say in honesty to the Minister that, even at this early hour of the morning, I found his defence of the increase in light dues utterly pathetic. The total cost of the provision of lights around the United Kingdom is about £40 million. In overall Exchequer terms, that is a drop in the bucket. It is insignificant. It could well be paid out of central Exchequer funds, as it is in almost every major maritime country, but instead the Government have done as all

[Mr. Roger Stott]

Governments have done—my Government did it just as the Minister's Government are doing it now—and have imposed a levy on ship owners and port authorities. According to the Port Users Association, an increase of 14 per cent. in light dues means an increase of about £1 million for certain ship owners. That must be a massive disincentive for ships to come to the United Kingdom.

The Minister is as aware as I am of the demise of the British Merchant Navy and our port industry. The Government should have constructive policies and a proper strategy for shipping and ports, instead of putting a spanner in the works by increasing light dues. I reject the ethos behind the Minister's speech, which implies that it is not possible for the Treasury to take on board what is a minor cost to it but a major cost to the shipping industry. It is time that the Government sat down and thought about the damage that they are doing by simply hiking up the costs and charges imposed on an already overburdened shipping industry.

5.23 am

Mr. David Mitchell: With permission, Madam Deputy Speaker. The hon. Member for Wigan (Mr. Stott) started with some rather snide remarks about the lack of transport services at 4.30 am in the capital city. If it were appropriate, I would have referred to the hon. Gentleman as the foolish virgin for not having made prior arrangements to ensure, as other hon. Members have, that he got to the House on time.

The hon. Gentleman raised the subject of the traditional aids which he seeks to defend, almost brick by brick and stone by stone, as though no technological advances were taking place. If the hon. Gentleman reflects on what he said, I am sure that he will feel that there is some inconsistency in his expressing a desire to retain all of the existing aids while technological advance means that there are other ways in which to secure safe navigation.

The hon. Gentleman referred to a 14 per cent. increase in light dues and said that it is not justified. About half of that cost arises from the Decca Navigator being a cost now taken on by the general lighthouse fund which was not formerly carried by that fund, so we are talking about a 7 per cent. increase in costs. Moreover, it is not a 7 per cent. increase in one year. Lighthouse funds have drawn on reserves recently. It is not possible to draw on reserves for ever. The hon. Gentleman must demonstrate that the reserves are still larger than they need to be. He did not, and unless he can make out such a case, he cannot deploy an argument against a 7 per cent. increase.

The hon. Gentleman takes the view that the Exchequer should pay, although a previous Labour Government concluded that dues should continue to be paid on the traditional basis. He said that the cost is £40 million, but it is £63 million. He said that it is a burden on the United Kingdom shipping industry, but he fails to take account of the fact that 90 per cent. of light dues are paid by foreign shipping. He is suggesting that this sum should be paid by United Kingdom taxpayers. The logic behind that statement is not as impressive as I would expect from the hon. Gentleman. It is perhaps understandable that his logic is not as impeccable as normal at such an hour of the morning.

No doubt we shall return to these matters, when I hope that the hon. Gentleman will be thinking a little more clearly.

Social Workers

5.27 am

Mr. Andrew Rowe (Mid-Kent): I listened with considerable attention to the interesting attempt to separate the men from the buoys. I am delighted that there is little danger of your becoming automated, Madam Deputy Speaker. If I am to step out of order, I would far rather have your eyes flashing at me in disapproval than some automated blinker.

The point of the debate is to try to clear up some of the misunderstandings about social workers which I do not think it is unfair to suggest are shared by some hon. Members and are widely held by the public. For that reason, it is a sensible subject to raise in the debate on the Consolidated Fund Bill even if I were the only hon. Member to speak. I am delighted, however, to see the hon. Member for Peckham (Ms. Harman) and my hon. Friend the Member for Twickenham (Mr. Jessel) here to add their considerable understanding to the debate.

I speak partly as the outgoing chairman of the parliamentary panel for personal and social services, but I do not expect—I do not think that I am qualified—to dazzle the cognoscenti of the social worker world. I hope that any experts who read what I have to say will not be too contemptuous of the simplicity of my approach.

What is a social worker? Twenty four thousand 800 qualified and unqualified social workers are employed by social service departments in England and Wales—one for every 1,900 persons. This exludes the probation officers, who are also social workers, but who are in a different service. This compares with one general practitioner for every 2,000 persons in England and one police constable for every 550 persons.

By no means are all social workers young and inexperienced. For a long time there was a belief that most social workers were dolly birds with neither experience nor good training. One third of the intake to the certificate of social service training courses at the start of a career are aged between 35 and 44. The spread of age thoughout the profession is comparable to that in any other profession.

Social workers are to be found mostly in social service departments, but around 16 per cent. of them work in the voluntary sector, some work in private practice and some are attached to the armed services. It is perhaps also worth saying in this child's guide to the profession, that where teachers have pupils and doctors have patients, social workers, like lawyers, have clients.

Social workers mostly do what Parliament tells them to do. More than 36 principal Acts govern their work. We in the House shower regulations upon them as if we wanted to give them some sort of ticker tape welcome. Their duties include the requirement to help children either in trouble or at risk of being so, both in their own homes and when removed from their homes and to help disabled and handicapped people in residential care and in their own homes. The pressure to empty the huge institutions not only moves an individual from residential care into the community but also transfers financial responsibility from the National Health Service to local authorities.

It is worth noting that efficiency improvements in the hospital services, such as the faster turnround of patients and the greater use of hospital beds, throws added burdens on to social service departments, usually with no additional resources allocated to meet them. They also have a duty to help to look after the elderly. This is a rapidly growing source of demand that is outrunning the provision of resources. Our present Ministers have done a great deal to get more resources in real terms, but in 1984-85 — the last year for which I have figures — the number of meals provided, the number of home-help hours and the number of local authority-supported residents in old people's homes had fallen to 91 per cent., 85 per cent., and 74 per cent. respectively of the 1978-79 levels. What is more, the age of the elderly has increased. In my own constituency, Kent County Council spends 85 per cent. of its budget for the elderly on the over-85s.

The clients of social services departments are disproportionately from among the poor and disadvantaged, but we should remember that thousands of clients have difficulties that have little or nothing to do with being poor and the tendency, prevalent in our society, to attach importance to a service relative to what one might quote as the importance of its clientele has only to be described to be seen to be disgraceful.

What sort of people are social workers? Social workers are taught that it is more important to listen than to talk, more important to assist a client to work out his or her own solution than to direct and better to help a client identify and use their own or their family resources than to depend on outside help. As the Barclay report said:

> "The aim of social workers will always be to create a relationship with their clients so that the tasks are accomplished in partnership by people who share some measure of trust and understanding."

If that is the goal, social work will attract into its ranks men and women who are different from most recruits into other professions, even those concerned directly with helping others. Many policemen will get caught up in the complexity of human motivation or the subtleties of cultural difference but, on the whole, police recruits want to be able easily to differentiate right from wrong and to see that the wrongdoer is caught and punished.

For many lawyers, it is precisely the ability to separate the key issues in a legal dispute and to achieve the best for their client that is their strength. To weigh one family member's interests against another is often to betray that trust. That is why our adversarial legal system often exacerbates family disputes.

If, as has been said,

> "social workers will always be bound to put into practice in their work a respect for persons and to see other people in all the complexity of their life, relationships and environment",

it is small wonder if they sometimes come, like Voltaire, to believe: "Tout comprendre c'est tout pardonnez." Therein lies another danger.

If one has a profession that not only recruits compassionate people in the first place but then spends much of their training teaching them how to ensure that their clients receive all the resources to which they are entitled, encourages them to develop family and community networks of support and to become more articulate and effective in standing up for themselves, its members will naturally tend to become the champions of the poor, the deprived and the powerless. Indeed, for many social workers that becomes a major role and many critics of social work base their attacks on a perception that individual social workers are less effective in pursuing that role than they feel they ought to be.

I believe that that places social workers in a serious double jeopardy. It leads many of them into accepting a narrow and often transiently fashionable view of what are

[Mr. Andrew Rowe]

and are not acceptable policies. For example, many social workers seem to believe that public provision of services is incontrovertibly superior to private provision. I have met social workers who seem to think that if a pensioner, for example, chooses to pay for private residential accommodation and outlives his or her capacity to keep up the payments they should be, as it were, punished by being put much further back in the queue for local authority help than someone who, for whatever reason, has never made the effort to contribute in that way. That has to be nonsense.

If, on the whole, people in Britain are to continue to enjoy the rising real incomes and stability of personal savings that the Government have delivered successfully over the past eight years, the partnership between private resources and public funds has to be accepted joyfully and effectively defined and developed. There is also the danger of undermining one of the objectives of good case work; the liberation of a client to enable him or her once again to determine their own future. If the habit of blaming the system becomes too ingrained, it can easily lead to ignoring altogether the part played by some clients in the creation of their own difficulties.

It is noteworthy that that theme never appears in, for example, the classic study of study work practice, the Barclay report. Not only is it bad social work; it is bad politics. It hands to those who do not want to know the real condition of the poor a perfect excuse for not listening to the voice of social work when it is raised on their behalf. That is one reason I welcome the decision of the four professional associations to establish the parliamentary panel and why I have been pleased to play a small part in it.

It is not only appropriate but necessary for social workers to inform Government and the public about the work that they do and the conditions in which they do it. I am equally sure that that task has to be performed with accuracy, relevance and as clear an understanding as possible of the practical choices open to Government and to social services departments. For far too long, medicine or the economics of benefit have dominated discussions of policies that are directed at improving the conditions of the least fortunate in society. It is high time that social work and social services played a role proportionate to their importance. Yet social workers are required by Parliament frequently to act both as rationers and gatekeepers, on behalf of the taxpayer saying no to clients' demands for more benefit or better services. More often than not, it is their decision whether a child stays at home or is taken into care, whether an old person gets a place in a home or stays with the exhausted carer, or whether a mentally handicapped person stays in an institution or goes out into the community.

They are powerful decisions, and are seen by the public to be so. Moreover, if a decision goes badly wrong—if a child who is kept with a family suffers abuse or dies—the press and the public will not hesitate to vilify a social worker. They will instantly forget that, yesterday, they enjoyed articles that lambasted social workers for destroying homes and removing parents' rights. They will seldom remember that social work is dangerous. In the past three years, four social workers were killed on duty. That is more than the number of police deaths. Few field workers have not been physically assaulted in the course of their work. Frightened social workers must find it even harder to do the sensitive work of finding the strengths in a client group and helping someone to build on them to climb out of their personal abyss.

The present furore about child abuse will, I hope, be salutary and bring everyone's attention to bear on the muddle that is society's attitude to its own members. I welcome the appointment that was announced today of a senior woman judge to examine the issues raised in Cleveland. I have no intention of seeking to prejudge them here, but I will say that, in Britain, we have nugatory training for people in how to be parents, nugatory support networks for parents, and severe restraints on the right of anyone to intervene between parents and their children.

When one in three marriages ends in divorce and step-parents multiply, these deficiencies are daunting. When we add to them the fact that every social worker knows that when a child is taken from his home, his chances of returning satisfactorily to it diminish sharply after a mere six weeks and become sadly dim after 12 months, it is hardly surprising that they are reluctant to remove a child in the first instance. That is why the work of the interdepartmental working party reviewing the legislation on children is important. It seeks to define the sort of partnership between a local authority and parents, which holds out some hope of a successful outcome for a child who is taken into care for a period.

It also seeks a system that will cut down the delay in working out a proper arrangement. At present, the system can take nine months or more to deliver a proper regime of care for a child who is at risk. What is more, many of us feel strongly that the present adversarial system for dealing with children's cases is wholly inappropriate. When I worked in Scotland, I played a part in the introduction of children's hearings — a largely non-adversarial system for trying rapidly to reach an agreed regime for children in trouble.

Will the Minister tell us when we can expect real progress towards a similar system in England and Wales? Call it a family court or whatever, but we need something.

There are other burning issues in social work; one is training. For five long and substantially confused years, the Central Council for Education and Training in Social Work has argued about a third year of training for professional social workers. Ministers are soon to pronounce on their latest and, I have to say, much their best version of its proposals. I think that the new director and chairman of the central council are some of the best news for social work for a long time.

Everyone agrees that social workers need more training; everyone agrees that the present mix of CSS and CQSW is unsatisfactory. The question is whether a combined pre-entry training lasting some three years, and adding some £40 million to the training bill, is the best solution. It is the solution that the Beckford inquiry pressed for. Would it be better to offer the third year later and, if that were the decision, would it be honoured in practice? We also know that between 80 ad 90 per cent. of all residential staff have no professional qualifications. What can and should be done about that? Perhaps the Minister will give us some clues this morning.

Mr. Toby Jessel (Twickenham): Is there not a risk of putting too much emphasis upon technical and professional qualifications and too little emphasis upon common sense?

Mr. Rowe: One person's common sense is another person's prejudice, but one has to be extremely wary of being mesmerised by training. I remember Lord Kilbrandon saying: "If we are not careful, the way we are going now, we will have to have a qualification before helping an old woman across the road." But I take my hon. Friend's point. Ther is a substantial risk that qualified social workers constantly run into problems with which they are unable to cope.

I ask whether they would be better off having a longer pre-entry time for training, or whether it would be better to have the extra time later in their career when they have hit their head on the ceiling with their knowledge once or twice before they absorb any more. That is a serious question about which there is considerable division in the social work world, although the present proposals by the central council have been welcomed by social workers.

Then there is accountability. At its crudest, what is to be done about the unfit social worker and about the use of the term 'social worker', which at present describes anyone, including bricklayers? I have just seen an advertisement of a bricklayer building a wall and being called a social worker because he is doing it in an inner city. The term 'social worker' covers everyone from bricklayers to agony aunts.

Many people in social work believe that the time has come for the Government to create a social work council which will be empowered to regulate the profession. But there are hazards in the proposal. If it were still further to undervalue the non-professionally qualified people in social work, or if it should occupy itself with trade union matters rather than the broad sweep of social work professionalism, it would become like the stick in the fairy tale, which the scolding old woman summoned out of the sack, to her lasting chastisement. Yet it is surely strange that a major profession should have so little control over its affairs. I should be glad to hear from the Minister some of her thoughts on that.

Two other matters and then I am done. The first concerns one of the central tenets of social work practice; working with others and making maximum use of all resources. The Cleveland affair has demonstrated dramatically the importance of different professions working together to a common end, but it should be the same in all facets of social work.

There is no doubt, for example, that in developing community care the closest co-operation between professions, voluntary organisations and members of the public is absolutely essential. In my part of Kent we have so far achieved miracles of rehabilitation for many clients as they leave hospital for a place in the community. It is all due to skilful and dedicated working together.

That is why I was appalled to learn that in some areas, health authorities, suddenly aware that they are losing resources and influence as patients turn into clients, are establishing separate, health-dominated community care systems. Even worse, Mr. Utting — chief social work inspector at the Department of Health and Social Services — told the parliamentary panel for personal social services that not only did he not know that, but he probably never would have known of it as it was of no direct concern to the Department. I ask the Minister to comment on that potentially disastrous waste of resources and on the Department's role in preventing that.

I wish to draw attention to the huge importance of both the voluntary sector and the volunteers to social workers and their clients. Simply to mention the National Society for the Prevention of Cruelty to Children, Dr. Barnado's, Age Concern or the Spastics Society is sufficient to remind the House how rich we are in devotion and expertise outside Government ranks. I mightily applaud the growing willingness of social services departments not only to work with voluntary organisations, but to clarify and define their mutual roles. Volunteers form a vein of ever-richer value, whether that is tapped by organisations such as Community Service Volunteers or directly by social services departments and hospital authorities. One person in five in Britain already offers help on a regular — at least monthly — basis.

It is devoutly to be hoped that the process will continue as more and more people have disposable time, disposable income and varied skills and experience to offer, and at a much earlier stage in their career than hitherto. Social workers will need to become ever more skilful at working with them. In that way society can, perhaps, go some way towards healing itself. For far too long we have cared with our voices, clamouring for someone to do something about the problems that are too complex, too distressing, too messy or too dangerous for us to face. That someone has usually been the social worker, trying desperately to meet the conflicting demands made of him by the prejudices, fears and carelessness of the rest of us. We in Parliament, like the rest of society, owe a great deal to social workers. Above all, we owe them understanding and support in their difficult role.

5.52 am

Mr. Toby Jessel (Twickenham): I congratulate my hon. Friend the Member for Mid-Kent (Mr. Rowe) on his profoundly thoughtful speech in the debate that he initiated on social workers. It is of value to the House and the country that, from time to time, hon. Members enter into the discussion on the work of certain specialised professions. My hon. Friend has done that in depth, and we are in his debt.

I wish to share my hon. Friend's general tribute to social workers and the value of their work both to the community and to individuals in need of their help. I hope that my hon. Friend did not mind my intervention. We live in a society that places undue emphasis on professional qualifications. Of course people need to be good at their jobs, and of course they need to know how to do them. There must be some means of testing to be sure that they know how to do them, and that is the purpose of a professional qualification. However, a professional qualification is a necessary, but not in itself a sufficient, condition of being able to do a job well. In addition, to do a complicated and important job people need gift, flair, insight and wisdom, and those cannot come solely from book learning, technical expertise or even from experience. They must also owe something to talent. Nowhere is this more necessary than in social work. We are all aware of the difficulties under which social workers have to operate and of how easy it is, with hindsight, to be critical when things go wrong. We are all aware of the special need for insight as well as professional qualifications.

I wish to refer to a constituency case involving social workers. For the past few days a little girl aged four and a half years has been in the burns unit of Queen Mary's hospital, Roehampton, having been badly scalded by

[Mr. Toby Jessel]

boiling water. The case is distressing and worrying, and yesterday I felt it necessary to draw the facts, as far as I knew them, to the attention of the Twickenham police.

Just over a year ago the social services department of the Richmond upon Thames borough council was warned that the little girl in question, Joy Scott Chaney, could be in danger. The warning came from a highly responsible and respected person who runs an excellent playgroup. Having noticed a considerable amount of bruising on the child, this lady was sufficiently concerned to bring the matter to the attention of the social services department of the Richmond upon Thames borough council.

A circular had been sent by the council to all independent playgroup proprietors. It said:

"If you have any concern about a child in your care, please contact the social work team for your area."

That is exactly what the lady did. A case conference was called. I quote from the case papers:

"On the evening of 27 June 1986 the playgroup proprietor"

whom I shall not now name

"telephoned Mrs. Dolton, an assistant day-care advisor, to express concern about serious bruising that her staff had noticed on Joy's arms and abdomen in the course of the week. Mrs. Dolton subsequently referred the matter to the Twickenham intake team for investigation. On 30 June 1986, Mr. Burridge, duty social worker, visited the kindergarten and was informed that frequent bruising had been noted on the child during recent months and recorded in a note book by staff as follows:

24 April 1986—Very severe bruising noted on Joy's forehead. Father stated that she had tripped over his foot whilst out shopping.

28 April—Joy covered in bruises, some very livid, behind her left knee especially.

6 May—New bruising noted on child's arms, two the size of a 5p coin on the front of her arms just above her elbows and smaller, less distinct ones in a row on the back of her arm.

15 May—New bruise noted in the mid-back of the left thigh.

19 May—Large bruise and lump noted on forehand and graze on nose. Child stated that she fell over whilst at somebody else's house.

13 June—Large bruises noted on the child's legs on return from holiday. Mother informed staff that there was 'nothing to worry about' and that Joy was unhappy and just needed to settle again.

17 June—Bruising on front of Joy's legs, especially around her knees. (She was wearing thick tights.) There was also bruising on her left inner ribs, the size of a 5p coin.

27 June—Fresh bruising noted on the middle of child's back and more on the right side of her waist. Also a very nasty bruise the size of a large egg on the right side at front waist level and more on her thighs the size of a 10p coin. Whilst at the kindergarten Mr. Burridge noted the extent of bruising on the child on a skin map, having observed Joy at play."

At a subsequent conference, two weeks after the previous case conference—*[Interruption.]*

Mr. Deputy Speaker (Miss Betty Boothroyd): Order; I can barely hear the hon. Member for Twickenham (Mr. Jessel).

Mr. Jessel: At a subsequent conference, medical opinion suggested that the bruising could have been caused entirely by a blood condition. However, medical opinion in this matter is not unanimous.

Yesterday I showed the papers to a distinguished doctor, the former dean of a medical school of one of the great London teaching hospitals. He was thus responsible for the training of hundreds of doctors. He was highly sceptical of the suggestion that so much bruising, occurring in a short time of a few weeks, could be explained solely in terms of a blood condition coupled with ordinary childhood collisions.

On the face of it, it appears that the view of the former dean of the medical school was one of common sense. The doctor who examined the child was a junior doctor, a registrar, with nowhere near consultant status. That doctor should not have had the last word. I believe that in such sensitive matters we should all make a point of remembering the wise advice of Sir Winston Churchill:

"Experts should be kept on tap and not on top."

A second case conference decided that the child's name should not be placed on the child abuse register—based on the advice of the doctor to whom I have just referred. The child's health and development were to be monitored by out-patient appointments at the West Middlesex hospital and by the general practitioner and the community health services. It was agreed that there was to be

"no on-going social work involvement as the parents are opposed to such intervention".

I believe that this last decision was wrong.

Once it was decided not to place the child on the child abuse list, there was insufficient follow-up by the Richmond upon Thames social services department. Little if anything was done to inform the infant school attended by the child that the child may have been in danger. It has since become clear that both the head of that infant school, Stanley road infant school at Teddington and the nursery class teacher had cause to feel somewhat worried about the child during the ensuring year.

I am concerned that when the child was taken into hospital with severe scalding the social services department was not informed. It appears that, following the two case conferences, there was an element of complacency in the social services department of the borough council about the dangers that the child faced.

I do not think that anyone can criticise the playgroup proprietor for referring the case to me. She is a responsible person, the wife of a solicitor, and her playgroup is of first-class repute. That lady had first gone through the proper procedures by referring the case to the borough council. With her experience and knowledge of small children, she had felt cause for continuing concern about this child, and events have tragically proved her right.

I hope that the borough council will look into its procedures to see what can be done to reduce the risk to other children. I ask also that my hon. Friend make inquiries about what happened, with a view to preventing any recurrence.

6.5 am

Ms. Harriet Harman (Peckham): Madam Deputy Speaker, may I first say how much I welcome the fact that you have taken the Chair and say what a pleasure it will be to speak in this debate with you presiding over it. I should like to welcome the fact that the hon. Member for Mid-Kent (Mr. Rowe) has chosen this as the subject of his debate.

In 1982 Peter Barclay said that social workers had two main functions—the organisation of social work and counselling. That remains the case today but th demands that are being made on social workers and the context in

which they carry out those two functions are altering dramatically. Social workers are required to paper over the cracks in an increasingly divided society.

The cruel increase in unemployment subjects families to stresses and strains that lead to increasing demands, which need an increasing response from social workers. The increasing demands that are placed by unemployment on social work are recognised by the Association of Directors of Social Services, by the British Association of Social Workers and by many other professional organisations.

The dramatic increase in the number of people who are dependent on benefits means more work for social workers as they try to help people who are struggling on inadequate incomes. The deteriorating conditions in the inner cities mean that more people turn to social workers for help. Social workers may, for example, try to help a family through a crisis that is caused by inadequate housing. In my own constituency I know that social workers are increasingly involved in desperate attempts by families who are under pressure and who are trying to get rehoused in a situation where the housing pool is disintegrating rather than increasing. In the inner cities, social workers are often called upon, for example, to help a woman who has become addicted to tranquillisers that might have become necessary initially because of anxiety caused by repeatedly being burgled. In the inner cities, social workers are often called upon to help youngsters who are starting to drop out of school and who start to sniff glue.

I am talking not only about an increase in the work load of social workers but about work that is becoming more stressful, difficult and frustrating as the circumstances of their clients become more and more difficult. As the hon. Member for Mid-Kent said, social workers are increasingly subject to attack. We know that the incidence of attacks by clients on their social workers has increased dramatically. I do not believe that we know the full extent of that because social workers are reluctant to report such incidents because they want to encourage and help their clients. They are trained to put themselves second and not to speak out about their own problems. Therefore, I do not think that we know the full extent of physical attacks on social workers. There should be some initiative to collect information nationally about the level of those attacks which are of growing concern.

Social workers go—and must go—to places where even the postman is not prepared to go and where the milkman may have ceased delivery. Doctors will not visit certain estates, yet it is expected that social workers will go, often on their own, into people's homes, in circumstances in which many other professionals or employees would not go. I hope that the Minister may take the opportunity to report to us on the progress of the inquiry into the death of Isobel Schwatz.

I have already mentioned the increase in the problems caused by Government policy that cause problems for the clients whom the social workers help to look after. Demographic changes have also increased the work load for social workers. Obviously, we welcome the fact that people with disabilities have a much greater survival rate, but that often means that they need more help. People are living a great deal longer, which means that more people need social work help, even if it is only to assess their need of other services.

Mr. Rowe: Does the hon. Lady agree that it is 11 years since Amelia Harris did her great study on old people? Does she agree that our understanding of old people in need, particularly the statistics for them, is badly in need of updating?

Ms. Harman: Absolutely. We are dealing with a whole range of statistics which are out of date because of the shape of the population and the increasing number, not only of elderly people, but of very elderly people.

The changes in the approach to social work, most of which are welcome, have also increased the responsibility on social workers. It has been recognised that services must be more consumer friendly which has meant allowing those who need the services to plan and choose their services. Obviously, that requires social workers to be more flexible in allowing their clients to have a say, which places extra demands on social workers. That change from handing out paternalistic, patronising, pre-packaged services, as was sometimes the case in the past, has placed an extra demand on social workers.

It has been recognised that greater help must be given to carers and that social work departments cannot leave people who are caring for elderly or disabled relatives on their own and excluded from social services. That again, has opened up a whole new area of demand on social workers. Care in the community, as the Government are currently operating it, has cast on to the shoulders of already over-committed social workers the responsibility for supporting in the community people who would previously have been in residential care. I know that it causes social workers great anxiety that they have the responsibility of assessing the needs of someone who is moving into the community from an institution and of smoothing that path when the social workers do not have adequate back-up facilities in the social work department to make the transition an easy one for all concerned.

Several steps in relation to social work are overdue. The hon. Member for Mid-Kent mentioned the funding of a third year of social work training. Obviously, we all believe that social workers should have common sense and we can all think of examples where more common sense was needed, but that does not mean that we should ignore the growing consensus for a third year of training. If it is right to demand high standards of professionalism and competence, it is right to recognise the training implications of those demands.

It is also important to provide sufficient funding to social work departments to meet the additional problems that I have identified as arising from unemployment, poverty and the extra responsibilities of community care. The Government have had rather a cheek in claiming the credit for an increase in spending on personal social services when that increase has been largely in Labour-controlled authorities which have refused to make cuts and insisted on improving and expanding services to meet the growing demands.

It is outrageous for the Government on the one hand to tell social services departments to spend less, and on the other hand to claim the credit when spending by social services departments improves. The Government cannot have it both ways. I accept the points raised by the hon. Member for Mid-Kent about the general social work council, and that point needs more attention and discussion. It is certainly heading in the right direction.

I want to make several brief points about child abuse and child care. The public must choose whether they want a witch hunt or good social policy. I believe that we cannot

[Ms. Harman]

have both. At the moment there appears to by hysteria and witch hunts, rather than a sensible discussion of child care policy. The hysteria and witch hunting that developed following the tragic death of Jasmine Beckford are now developing in Cleveland. It provides a climate in which it is impossible to make sensible and calm judgments about what is in the best interests of individual children and in which direction the policy for helping children at risk should lead.

I know that it is difficult not to be emotive, because we are talking about vulnerable children who cannot speak up for themselves and the topic invokes revulsion in everyone. On the other hand, we are also concerned with the rights of parents to bring up their own children and the terror that can be struck in parents' hearts at the thought that a child will be taken away. This is an emotive issue, but it is important that we do not allow a climate of hysteria to be whipped up.

It is also a shame that no parliamentary time has yet been set aside for child care law reform. There is a wide concensus about the work that has been carried out in that area and parliamentary time should be set aside for implementing those plans.

It is also a shame that there is no firm proposal yet on when we are to see the introduction of family courts. Some of us feel like parrots, as we have to raise this issue so often. The problem is that there is no longer any reason not to introduce family courts. There is unprecedented agreement on the need for such courts and the form that those courts have taken. I do not believe that events in Cleveland would have developed as they have if the Social Services, the medical authorities and the parents had had the benefit of the involvement of a family court early in the development of the incidents and reformed child care law as the framework within which the family court could operate. I welcome the Government's inquiry. I hope that it will conclude speedily and will stop finding excuses for not taking measures that all in the profession are agreed are necessary.

6.18 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): Madam Deputy Speaker, may I begin by joining the hon. Member for Peckham (Ms. Harman) in saying that it is entirely appropriate that you should be presiding over our activities at this strange hour of the morning. I suspect that this might be the first time ever in the House when both Opposition and Government Benches and the Chair have been occupied by women. We give notice to the rest of our colleagues that women are on the march and I hope that more women will join this place and help to serve our people.

I want to congratulate my hon. Friend the Member for Mid-Kent (Mr. Rowe) on his success in the ballot, in one of our quainter rituals of the House, I congratulate him on introducing such an important subject upon which he spoke with the erudition and sensitivity which the subject has long required but which it has not always met in the House.

My hon. Friend referred to the parliamentary panel on personal social service that was set up in the House during the previous Parliament. He knows that when I was a Back Bencher I was in touch with that committee. The establishment of the panel was long overdue and its work is very valuable. My hon. Friend will also be aware that I served for seven years on a major metropolitan social services committee and chaired that committee. I learned then about the terrible things that people do — particularly, perhaps, to their children. But I also learned about the incredible courage, fortitude and endurance of many others, especially the long-term sick and the disabled, and those coping with such people. I recognised, and hope at all times to act upon, their demand to be treated first as human beings and citizens, so that they retain their rights—and, indeed, their obligations—along with the rest of us. But most of all I learned a healthy respect for the skills and the insights of social workers, and I am glad to say that I agree with a great deal of what has been said tonight.

Social workers work in many settings and for many different employers. It is worth remembering that they do not all work for local authorities, and that they are not all employed in the same way. They work in hospitals, fieldwork teams and residential institutions; often they work unseen in the domiciliary setting of other people's homes. A large number work for voluntary organisations, and about 24,000 work for local authorities. Nowadays, nearly all of those who work for local authorities are qualified in one way or another.

Social workers who work in the social services departments are charged to perform tasks that mainly arise from the powers and duties given by their employers to Parliament. They are the majority. In this important sense, social workers are public servants working on behalf of their employers and of society—in other words, the rest of us.

My hon. Friend the Member for Mid-Kent referred to child care law, and I shall go into some of the issues in detail. However, before I do so, it is worth remembering and perhaps reinforcing the fact that social workers are involved in far more than child care. They are involved with every age group, particularly the elderly, and especially those without close relatives. They are involved with the mentally handicapped—even more so with the strenuous efforts now being made through the community care programme to improve the quality of life for those people. They are involved with the mentally ill, and in that respect psychiatrically trained social workers have a particular part to play.

Social workers are often in the role of gophers—intermediaries—and, as a result, they may take the blame when others fail to deliver. The successes are not always seen, and I believe that the efforts required to produce those successes are rarely understood and frequently underestimated by the general public. That is well illustrated by Wally Harbert, OBE, director of social services for Avon county council, writing in last week's *Social Services Insight*. In a wry and humorous piece about how the status of social workers might be improved, he suggests that one answer might be to introduce insignia for presenting to persons in other organisations who have distinguished themselves in personal social services activities—a sort of Legion d'Honneur. He says:

"It would go to head teachers who retained troublesome children in their schools, geriatricians who found beds for dying patients, paediatricians who made the same statements in court about child abuse as they made in case conferences, and housing officers who found accommodation for mentally

ill people. A special award would be for newspaper editors who produced such unlikely headlines as *Social Worker Saves Child*.

I must say that I have considerable sympathy with that point of view.

Local authorities determine their own priorities, and it is for them to decide how they should meet the need for social work and other aspects of the important work that we have been discussing. In the rate support grant settlements, the Government set indicative figures for individual local authority services. Those figures take account of the demographic and similar pressures on the personal social services. In successive rate grant settlements, the year-on-year increase in the personal social services indicative figure has been higher than for local government services as a whole in order to reflect those pressures. Between 1978-79 and 1987-88, expenditure on the personal social services grew in cost terms by 34 per cent., and by over 10 per cent. more than was required to meet demographic and other pressures. In 1986-87, the net current expenditure growth was 8·5 per cent. This year, the provisional figure is 4·7 per cent. That makes a total of a 13 per cent. increase over the past two years. The money is available.

Government plans have usually reflected the fact that personal social services are subject to such pressures as the growth in the number of elderly people — particularly the very elderly — increasing numbers of difficult children, and the need to take on the taper of joint finance and unemployment. That has been calculated at 2·5 per cent. per year, from which 0·5 per cent. has been deducted to take account of efficiency savings. In this year's expenditure group report, a further 1 per cent., or £27 million, was added to take account of the need to build up services in the community. Potential savings were also netted off to deal with other pressures, such as AIDS and drug abuse, and also with the need for substantial additional investment in social services training. The new figure—a 3·5 per cent. increase—has been fully reflected in local authority current expenditure levels for 1987-88 and amounts to an additional 7 per cent. in cash terms.

I was also asked about meals on wheels and other domiciliary services. We covered some of these issues in our debate on 14 May 1987. As I said then, the number of meals served by the meals on wheels service has risen by £43 million a year during the life of this Government, and 70 per cent. of those meals are delivered to people in their own homes. The number of home helps has increased by 14 per cent. There are now 53,000 full-time equivalents. A substantial army of people are helping others to remain in their own homes.

This rate of growth is rather less than the rate of growth in the directly managed services of the National Health Service. It is due to the fact that this Government run the NHS services more directly than the personal social services which, as the hon. Member for Peckham rightly pointed out, are often run by Labour-controlled councils whose priorities are different.

My hon. Friend the Member for Twickenham (Mr. Jessel) referred to a particularly sad case: to the injuries to a little girl who so incongruously is named Joy. He has passed the papers to me. I shall look urgently into the matter, and I hope to be able to deal with it.

Mr. Jessel: The papers that I have passed to my hon. Friend refer to the bruising that was caused a year ago. In my speech I referred to recent serious injury by scalding. It is the conjunction of those events, rather than the events taken separately, that is so serious. One child has suffered far too many injuries.

Mrs. Currie: Without yet having had an opportunity to study the papers, I agree with my hon. Friend's last comment, and I shall be very glad to look into the matter.

The hon. Member for Peckham referred to the inquiry into the death of Isabel Schwarz. I shall find out exactly what the state of play is as at 14 July and will write to the hon. Lady. If she wishes me to do so, I shall put that information in the Library.

Mr. Rowe: I have been informed today — Monday in this House — that the inquiry into that case reopened on Monday and that again it is in closed session because of the nature of some of the medical evidence.

Mrs. Currie: I am most grateful to my hon. Friend. He is several hours ahead of me on that issue.

The Government take very seriously the violence that is inflicted on social workers and other care services staff. My hon. Friend Lady Trumpington chaired a working party on violence against not just social workers but NHS staff and those who work in social security offices. That responsibility has been taken on by my hon. Friend Lord Skelmersdale, the new Under-Secretary of State. In the last few days the chief inspector, Mr. Utting, has sent papers to all the local authorities. We believe that they will assist local authorities in the management and organisation of their services so that problems and conflict can be avoided. When there is conflict, the staff will be able to cope with it.

In May, the Association of Directors of Social Services sent out some thoroughly sensible guidelines. Partly as a result of recent tragic cases involving the death of social workers and attacks upon them, some progress is now being made. There is better training of staff. They now know both how to avoid problems and how to deal with them.

Several hon. Members mentioned the child care law and the necessity for reform. The Government accept that the existing child care legislation is confused, and that it is confusing for social workers in doing their work, and that it urgently needs reform. Our proposals are set out in the White Paper and have followed, in many instances, the views of the Select Committee of which I was a member. We believe that the proposals will lead to a greater clarity of purpose, will bring parents and public bodies into a closer partnership and will be more fair than the current arrangements to children and their families. The Government are committed to enacting this legislation at the earliest opportunity.

Perhaps it is appropriate, since we have talked a lot about reforming the law, to bear in mind exactly what the White Paper has suggested that we might do. We will take into account in the exact formulation of the proposals that will be put before the House, the results of the current inquiries. Broadly speaking, I feel that many of the suggestions that we have made in the Select Committee report and in the White Paper are along the right lines, and I would be glad to hear the views of hon. Members as to whether they feel that to be the case.

The White Paper's proposals are wide-ranging. The key points include a positive statement of the role of local authorities in promoting the care and upbringing of children within their families, which will generally be in the

[Mrs. Currie]

child's interests. Local authorities' existing statutory responsibilities towards children for whom they are caring away from home will be recast. The changes will build on existing welfare principle that governs local authority decisions about a child for whom they are caring. The local authority will be under an obligation to safeguard and promote the health, education, development and welfare of the child, and in particular to afford him opportunities for the proper development of his character and abilities. The authority will continue to be required to give due consideration to his wishes and feelings in these matters and to his religous persuasion and racial and cultural background. In addition, the authority will continue to be under a duty to review the child's position every six months.

Children and young people who are leaving care may face difficulties in adjusting to the change in their circumstances, so two changes to local authorities' duties are proposed. First, they would be required—we wish to make it as strong as that—to advise and assist children and the young people for whom they are caring so as to promote their welfare when that care ends. Secondly, the prevous duty to advise and befriend all those who leave care after leaving school, provided that their welfare requires it and that they request it, which currently lasts until 18 years of age, will be extended to cover those up to the age of 21 years. Those proposals are in the White Paper in chapter three.

For children who are looked after under voluntary arrangements an emphasis will be on a partnership between parents and the local authority in caring for their child. The local authority's responsibility for planning its care to extend to all such children, including those who are handicapped, will be emphasised for, I think, the first time.

There will be clearer and greater emphasis on the local authority's parental responsibilities for children who are committed to its care by a court order. In particular, there will be a rationalisation of the 20 or more legal provisions by which a child can be committed to the care of a local authority.

There will be a new and simplified list of legal grounds on which a court order committing a child to local authority care can be made. The new grounds should cover cases where substantial harm is likely in the future as well as those where harm has already occurred. Local authorities should no longer be able to take parental rights over a child in their care without references to a court and we hope that changes to court procedure will be introduced to ensure a fairer and more expeditious means for the court to determine what is best for the child. Recent attention to issues in Cleveland and elsewhere mean that some of the provisions are even more important than they were when the White Paper was written.

We want to see a full involvement of parents in court proceedings and more involvement of relatives, friends and foster parents. We will be extending the court's present power to hear cases where access to a child in care is denied to cover cases where there is dispute over the reasonableness of the access that is granted.

Clear rights of appeal from decisions in magistrates courts will be introduced for local authorities and parents, in addition to the existing appeal rights for the child. We hope to recast the law governing private and voluntary facilities for children, leading particularly to improved arrangements for facilities for under-fives and hopefully a more rational approach to facilities for older children.

Hon. Members will realise that that is a major piece of child care legislation and is a considerable reform. As presently drafted in its preliminary form, it already runs to over 100 clauses. It is therefore right and proper that it be introduced when sufficient time is allowed in the House for its discussions to proceed without hindrance. We look forward to doing that at the earliest opportunity.

My hon. Friend the Member for Mid-Kent and the hon. Member for Peckham mentioned the importance of introducing some non-adversarial system for discussing family and child proceedings, and called for the formation of a family court. That matter was raised by the Select Committee on Social Services at the time I served on it and it has been repeatedly suggested from the 1970s. The matter is under discussion. As yet, I have no further progress to report.

To cover both education and training prior to qualification and post-qualifying training, there is a shared responsibility between the Government and the local authority employers. The Government spend £11·25 million annually in support of the Central Council for Education and Training in Social Work, of which £7·5 million is grants for students and direct support of training. In 1987-88 we have made provision for an extra £10 million to be made available to social services departments for training. We estimate that local authorities spend some £20 million a year on internal and external training, which is not a small sum.

We can see that improvements are needed. Our acceptance of that obligation was clearly set out on 6 April 1987 in the letter from my hon. Friend the Minister for Health to Professor Saul, in which he said:

"It is therefore clearly right that CCETSW should be examining these problems and considering what might be done to bring about improvements. I must say however, that the arguments for the proposals contained in Consultation Paper 20.6 do not provide a sufficiently clear or sound basis for the Government to give you a final decision."

Therefore, we have asked the CCETSW to do more.

We shall look carefully at the proposals that we expect this autumn from it.

I concur with the statement by my hon. Friend the Member for Twickenham that training alone is not enough. We need to ensure that we recruit people of maturity and common sense. In my view, common sense is not a bad thing in any form of work. It is particularly valuable when dealing with the fine judgments that a social worker is called on to make. It is important that we motivate and support them and retain their skills later for the service of clients. There are considerable parallels here for the other caring services.

I have heard what was said about the profession's desire to regulate itself and the proposed general social work council. Our position is, broadly, that it is not in the first instance for the Government to act anyway. We shall listen carefully to arguments from the employers and the professions. We want a convincing case to be made that it is in the public interest that the profession should be regulated in any of the proposed ways. It is worth going into that aspect in a little more detail because it helps to illustrate some of the difficulties that face those who would turn the social work profession into some model which is based on one of the other professions and has the same difficulties.

There is renewed interest among professional social services associations in seeking support for a GSWC in some form, but the main role and functions of the regulatory body are not yet the subject of agreement between the associations. Indeed, there are large gaps between them. We have at all times shown a willingness to listen to the debate and we have encouraged greater agreement on the fundamentals. My hon. Friend the Minister for Health had a meeting with the British Association of Social Workers on 28 January this year when some of these issues were explored in depth.

The claim of social work to be a professional occupation rests in part on the existence and the transmission to practitioners of a set of values finding expression in an ethical code. Training courses leading to the certificate of qualification of social work normally give attention to social work values and ethics. But not all those practising as social workers, particularly in residential and day care settings, have had the opportunity for professional training.

BASW, which has about 10,000 members, adopted a code of ethics for its members in 1975. The Social Care Association, with 5,000 to 6,000 members, is consulting its members this year about the introduction of a code. Not all social workers, however, are members of those organisations. The way forward according to those bodies is through the establishment of a national regulatory council which they hope will protect the interests of personal social service consumers and maintain satisfactory standards of conduct and practice among all social services staff in contact with clients. Also envisaged is the incorporation of the functions of the Central Council for Education and Training in Social Work in the new council, which would include the promotion of training, the approval of courses of study and the awarding of certificates to successful students.

The Barclay committee report of 1982 provided a comprehensive review of arguments for and against the creation of a general social work council. Among the counter-arguments put to the committee were that such a council could be part of the creation of a self-protecting elite group of social workers, that the definition of social work is still unclear and accordingly that it is uncertain which staff would be eligible to be registered; and that as local government is the principal employer of social workers, its conditions of service provide sufficient means to regulate the conduct of social workers and other social services staff.

Such arguments, which came mainly from local authority associations and NALGO, reflect their stance in the current debate about a regulatory body. Local authorities have responsibility for the quality and standard of work done by their staff. Social service staff function as the agents of the local authority, not as independent practitioners.

The earlier lack of agreement expressed to the Barclay committee by professional associations persists. The Association of Directors of Social Services envisages that all people with a recognised social work qualification who are in practice should be eligible for registration. By contrast, the SCA argues for a broader approach in which registration would be a requirement for all staff in personal social services — qualified or not — who hold positions of authority over clients. BASW's firm stance, which broadly accords with that of the ADSS, is subject to current review. NALGO has issued a statement of opposition. That is not a very strong basis of agreement on which the Government can support further moves.

Mr. Rowe: Whether a council is the right way forward is something that will be considered during the next few months. What worries me is that, in inter-professional discussions, there is a tendency for the old established professions, notably medicine, to assume a seniority and authority which is often unjustified. It is in the public interest to foster good practice which is found in several areas so that, when they earn it by expertise and experience, social workers are accorded the kind of professional seniority which, at the moment, too often goes by the board.

Mrs. Currie: I recognise the force of the feeling behind my hon. Friend's assertions, but I am sure that he agrees that we must aim to achieve teams that are genuinely multidisciplinary and teams that are genuinely teams. People should share all their skills to assist clients.

The current debate and the papers produced by professional associations have been brought formally to the attention of the CCETSW. I would be unhappy at entering endless negotiations about the status of social workers when we are more interested in the quality and standard of social work. I am keen to ensure that we do not lose sight of the client and his or her needs, or of the employer — usually the local authority — its statutory responsibilities, the taxpayer and the ratepayer.

There is considerable public ambivalence about social workers. I hope that this debate will play its part in helping to resolve the public's feelings about the role of social workers. We all feel some concern when we recognise that perhaps some over-zealous bureaucrat is meddling in people's lives. Yet we call them in to protect us from the difficult problems of the real world outside. We hand over to social workers the flotsam and jetsam of our society and then we criticise them for perhaps being too interested in those who have little opportunity to stand up for themselves. We criticise when social workers are too cautious or when they are over-eager. The British public persists in the belief that there is a formula for social work, whereas each case is different.

I think it was in the Barclay report that social workers were described as brokers in lesser evils. Perhaps that sums up exactly the role that they have to play. The Government value what is being done by social workers. We recognise that the work is important, difficult, stressful and frequently dangerous. We recognise that the work involves the exercise of considerable influence over people's lives, often with pressure and conflict. We want to ensure that, as far as possible, social workers are well equipped and supported in the work that they do. I put on record my appreciation of everything that they do and try to do.

Fire and Civil Defence Authorities

6.45 am

Mr. Ian McCartney (Makerfield): It gives me great pleasure at this hour, having sat all through the night giving moral support to hon. Members on both sides of the House in a number of interesting debates, to see the end of this marathon sitting ahead. I hope that at the end of the morning's celebrations I shall have been able to shine some chink of light on the matters that I wish to raise with the Under-Secretary.

It is no accident that I raise the issue of Government funding arrangements for fire and civil defence authorities as I am still a member of the Greater Manchester fire and civil defence authority. In the period between abolition and the setting up of the new authority I was a member of the transitional organisation. Since the setting up of the authority I have been the Labour party spokesperson and whip on the authority and as such have been involved in detailed discussions about the running of the authority, both in terms of its policy towards the development of the service and how that service is funded. Interlinked with that, there has been the role of civil defence obligations within the all-purpose authority.

I want to mention three items in the debate. The first item relates to the fire service and the delivery of service by fire fighters. The second item relates to capital allocations and expenditure limitations in the civil defence and the third item relates to the inclusion of fire authorities in the Local Government (No. 2) Bill in respect of the privatisation of certain aspects of the fire service. I do not want to go over all of the ground about the whys and wherefores of abolition.

Much of what I complain about stems from the hurried way in which the Government carried out that operation and failed to take into account the nature of the single purpose bodies they were setting up and the way in which those bodies, not only in the short term but in the long term, have to be funded in a way different from other local government organisations.

The fire and civil defence authorities are all subject to precept limitations under the Local Government Act 1985. This means that the Home Office prescribes the maximum expenditure level—MEL—for each joint authority. The grant entitlement is calculated by reference to grant-related expenditure and other calculators set by the Department of the Environment. The precept raises the difference between those two calculations and the entitlement that flows from the calculations is prescribed as a maximum by the Home Office.

The two target areas have been met by two separate Government Departments. The MELs set by the Home Office, which also provide establishment levels and establishment costs, average about 80 per cent. of the total expenditure. That is important in respect of that high level of investment in manpower when changes take place in expenditure levels and how critical that can be to the service in respect of maximum expenditure levels.

The grant-related expenditure assessment is calculated by the Department of the Environment on a hypothetical assessment of need to spend based on total population, density and fire calls. There is no consistent relationship between those two targets, and the statistics for 1987-88 show unsatisfactory, unexplained discrepancies. For example, the grant-related expenditure assessment as a percentage of maximum expenditure limits for Merseyside is 97 per cent., for West Midlands it is 97 per cent. and it gradually goes down the scale. It is 85 per cent. for London, 84 per cent. for my authority in Greater Manchester, 83 per cent. for Tyne and Wear, 81 per cent. for South Yorkshire, and, at the bottom of the pile, is poor old West Yorkshire. The result of that discrepancy is the loss of block grant for spending at Home Office target levels with consequent increases in precept levels. This year the Merseyside precept is 6·3p in the pound. In West Yorkshire, an authority of a similar size and nature, the precept is 11·59p in the pound. Yet, there is no indication that the standard of fire cover in West Yorkshire is almost twice that on Merseyside. That is the result of the central financing systems. The fire authorities are working to common standards. They are controlled at establishment level by the Home Office and are subject to Her Majesty's inspectors audit. On the face of it there is no justification for the differences and the result is an imposed burden on precept payers in many metropolitan areas.

The absurdity is best demonstrated by the London fire and civil defence authority, which receives no block grant because GREA is so far below maximum expenditure levels. That arises because of totally erroneous assumptions by the Department of the Environment on financial resources available to the authority. I am genuinely hopeful that at the end of this debate the Minister will provide the House with a satisfactory explanation for that wholly unsatisfactory state of affairs.

The effect on Greater Manchester fire and civil defence authority in the past 12 months has been serious. The Home Office set the maximum expenditure limit at £44,232,000. Albeit as a consequence of the Secretary of State for the Environment's indiscretions earlier this year, the redetermination process was suspended and the maximum expenditure limit was eventually converted into the precept level of 9·75p in the pound. However, if the Secretary of State, old Nick as he is commonly known, had got his way, he would have set GREA at £37,241,000. That is £7 million below the Home Office's own assessment of my authority's requirements simply to stand still in the current financial year. If that figure had been imposed on us we would have had drastic cuts in our budget in terms of manpower, ridership factors and in relation to our successful Whelephant operation, which is known throughout the United Kingdom and Europe as the most success attempt to teach children and others in the education process about fire and the prevention of fire. Therefore, an error of judgment by the Secretary of State has prevented us from being paid £7 million less this year than the figure set by the Home Office Minister.

The Association of Metropolitan Authorities has been considering the matter for the past 12 months and on 26 May its sub-committee met to discuss papers prepared by the Home Office and the Department of the Environment addressing the options about the discrepancies on GREA and the Home Office determined expenditure limits for all of the metropolitan fire authorities. The AMA felt that, despite the obvious delay in completing the fire risk areas exercise some one-off proposal should be made to the Home Office for 1988-89 which would

"recognise the total expenditure resources required by individual authorities in order to meet their statutory functions and support their (Home Office) approved establishment levels;

minimise the differences in GREA's and ELs so that the precept levels within the metropolitan areas would be similar

and reflect the provision of a (largely) homogeneous service provided to nationally determined standards as monitored by Home Office inspectors."

The authority subsequently asked for information from constituent metropolitan fire authorities that would help them in negotiations with the Home Office. That exercise has highlighted major discrepancies between authorities with a commonality of interest. At this hour, I do not wish to tax the House or the Minister with a further list of statistics. Therefore, I recommend to the Minister the AMA report that was approved on 8 July 1987, a copy of which I understand has been sent to his office.

The views of the AMA have all-party support. I do not attempt to use the difficulties between the Home Office and the Department of the Environment for party political purposes. All of us who have worked for fire and civil defence authorities recognise that they are here to stay for a considerable time. Even if the Labour party wins the next general election, fire authorities will remain in place for a considerable time thereafter. Therefore, we are in the real job of trying to come to an accommodation with the Minister about appropriate funding for single purpose authorities. That was basically highlighted by the London fire and civil defence authority on 9 July, when an all-party resolution was approved, stating that the current methodology for GREA is unsuitable for assessing expenditure levels and that more regard must be paid to the standards of fire cover set out by the Home Office, a review of which is presently being undertaken not only by the London FCDA but by most metropolitan fire and civil defence authorities.

Two matters must be considered by the Minister. One is what we shall do in the short term, and the other is what we shall do in the long term. In the long term, we must examine a system that is based on the risk categorisation exercise from which all other factors such as needs and resources ultimately come. I have noted that the Home Secretary's working party discussion paper is examining some of the AMA options in developing GREA for 1988, 1989 and 1990, based on establishment levels, total calls, pensions and fire prevention work, but as yet no firm decisions have been forthcoming from the Department. Such delays have been unhelpful to fire and civil defence authorities who are desperately trying to plan without the obvious abilities of multi-purpose shire counties to support levels of expenditure by virement of GRE between service heads, or using contingencies and balances that are almost always available within larger budget heads such as those commonly available to shire counties.

Fire and civil defence authorities are not in the business of trying to rob Peter to pay Paul. There is no suggestion, nor would I support any proposal, to move funding from the shire brigades to assist metropolitan brigades. We require an interim agreement for 1988-89 on the recognition by all of us that a long-term formula must be agreed for 1988, 1989 and 1990. There must be some political discussion between the Home Office Ministers and those who are responsible for the day-to-day running of fire and civil defence authorities. The AMA has been asking for such a political level meeting since July 1986, and so far, for various reasons, such a meeting has not taken place. Time is now running out to agree a joint package that will meet the needs of the fire service and suit the ratepayer's pocket. At the end of the day, I shall look to the Minister to give an indication to the House when he will meet fire and civil defence authorities via the AMA this summer. If he is not available, I shall ask the Minister of State to do so as soon as possible.

The Government, through their abolition proposals, created the single purpose authorities such as the FCDA's. They must ensure that they are adequately funded. One approach to consider in 1988-89 is that maximum expenditure should be calculated by reference to the original 1987-88 redetermination submissions, updated for inflation and other committed expenditure. I leave that for comment from the Minister.

I now turn to the problems of civil defence, in particular to the funding arrangements for the planned programme of implementation. Despite the original hostility between local authorities and the Government about attitudes to civil defence, there is now a common purpose about the way in which the Government should proceed about using funding arrangements for civil defence in terms of meeting emergency situations in local communities.

At a recent meeting which I attended at the Home Office, to report on what the Greater Manchester fire and civil defence authority was doing to implement the PPI, it became clear from the representatives of the F6 division of the Department that there was no common ground between those officials and the Department of Environment about the way in which 100 per cent. funding grants for emergency centres would be financed via the fire authorities and districts. We have the ludicrous position of the Minister's Department being prepared to provide fire and civil defence authorities and district councils with 100 per cent. funding to update emergency centres, yet the Department of the Environment, on the other hand, penalising authorities by including the calculation in the capital expenditure limits.

The Government cannot seriously expect metropolitan district authorities such as Wigan, which are having their capital expenditure limits squeezed to allow that kind of virement to take place at the expense of social services, housing and education. Because of that difficulty and the disagreement between the two Departments, which has still not been resolved, we have a position where neither ourselves nor the Minister's Department can move forward in any real sense with the refurbishment of emergency centres in metropolitan districts.

On 3 July, F6 wrote to the Greater Manchester fire and civil defence authority about this matter. I quote from the letter, which states:

"We understand the difficulty authorities face with the capital costs of establishing emergency centres. The Home Office has raised the matter with the Department of the Environment and with the Treasury but the issue has been subsumed into a wider reconsideration of local authority finance. We will not be letting the matter lie but there is nothing further we can say at the moment. As promised, we are currently giving consideration to the question of the running costs of emergency centres."

That small paragraph is indicative of the whole attitude towards fire and civil defence authorities in all its guises. The Department of the Environment and the Home Office cannot get their act together, never mind agree with the fire and civil defence authorities.

I turn to privatisation and the incredible decision to include fire services within the scope of the Local Government (No. 2) Bill. I indicate to the Minister that the AMA and others of a responsible view will be looking for

[Mr. Ian McCartney]

an exclusion in the Bill, similar to that contained in the Bill for the police service vehicles. This should also apply to fire service vehicles.

In addition, it is important to place on record the problems associated with the maintenance of fire brigade vehicle workshops, because it is essential that the issue is not simply put aside in the Local Government (No. 2) Bill. We must ensure that fire appliances have 100 per cent. reliability, extending for 24 hours a day, 365 days a year. The public must have confidence in the fire brigade and that confidence can be ensured by having both the vehicles and the equipment on the vehicles fully operational in a first-class condition. I hope that, in all the circumstances, the Minister will state his intention to meet with the AMA as soon as possible to consider all the points raised in the debate this morning.

7.5 am

Mr. Clive Soley (Hammersmith): I wish to begin this very brief intervention by saying what a pleasure it is to see you, Madam Deputy Speaker, in the Chair.

I congratulate my hon. Friend the Member for Makerfield (Mr. McCartney) on his speech. He covered a technical area very competently. He was, perhaps, a little optimistic when he hoped for a chink of light. Even at this time of the morning, that is a bit much. However, when he then said that he hoped for a satisfactory explanation from the Minister, that really was raging optimism.

I served on the abolition Bill, which, as my hon. Friend recognised, is really where all this trouble started. If the Minister were to give my hon. Friend a satisfactory explanation, he would stand at the Dispatch Box and say that that Bill was a total and utter disaster, especially in relation to the fire and civil defence services. Lord Whitelaw's own words showed that the thought it a nonsense to set up a separate authority. The Home Office never wanted it, it never liked it, it thought that it was a contradiction in terms and it recognised that it would lead to major financial problems in the administration of the services. As my hon. Friend said, organisations such as the AMA recognised in advance of the Bill that it would be nothing but bad news for the fire and civil defence services.

The Minister has the opportunity—and I suggest that he takes it—to return to his Department and arrange meetings with the AMA at the level suggested by my hon. Friend, and to begin to talk realistically about the funding of such organisations. My hon. Friend was right to point out the need for a longer-term view of the arrangements for the fire and civil defence services. We do not doubt that we should be looking for proper local authority arrangements again rather than at this mismatch of centralised control, lack of sensible funding related to local needs and so on. My hon. Friend has provided the Minister with an opportunity to recognise past mistakes and to say that he is prepared to begin talks along the lines suggested by my hon. Friend.

I think that the Minister, in his wisdom, recognises that this area went badly wrong under the abolition Bill. Whatever the rights and wrongs of the Government's intentions on the wider aspects of abolition, this area has caused acute problems. If the Minister is not to duck the challenge from my hon. Friend, he should be bold enough —as I am sure he can be at times, as I have seen it in the past—to recognise that there is a major problem to which he needs to respond along the lines suggested by my hon. Friend.

7.7 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): In common with other hon. Members, I welcome you, Madam Deputy Speaker, to the Chair in your new capacity.

I congratulate the hon. Members for Makerfield (Mr. McCartney) and for Hammersmith (Mr. Soley) on raising a matter of considerable importance. Before I deal with the main points raised, with particular reference to the fire authority function, I wish to comment briefly on the civil defence aspect raised by the hon. Member for Makerfield.

The hon. Gentleman made the point that capital controls work in an eccentric way, and I well understand that. He will know that a review is taking place into the capital control—or capital expenditure—system. The points that he raised about civil defence capital grants will be considered in the context of that review.

Mr. McCartney: I understand that, but that does not alter the fact that the Department has been pressurising local authorities to put pressure on district authorities—irrespective of the review—to commit some of their capital expenditure to a refurbishment programme. The Minister has admitted that the current review is considering whether any expenditure in an authority at district level reflects on the total capital expenditure. The Minister cannot have it both ways. The Government have had 12 months to resolve the matter, and until they do so there is no chance of authorities finding moneys from the housing, education and social services budgets to meet the planned programme of implementation.

Mr. Hogg: I have not conceded anything. I said that the Government are reviewing local authority capital expenditure controls, and that in that context capital allocations for civil defence will be considered. That is a statement of fact, not a concession. I shall not go beyond that and I shall not anticipate the outcome of the review.

I shall deal with the broader questions that the hon. Gentleman raised, which concentrate largely on the mismatch between the GREs and expenditure limits. Before doing so I shall summarise in brief form the controls that exist for the fire and civil defence authorities. There are essentially two controls, those of manpower and finance. I propose to deal with manpower fairly rapidly, as it is not an issue on which the hon. Gentleman concentrated. He will appreciate that my right hon. Friend the Secretary of State for the Home Department exercises a statutory control over the establishment, support services and management arrangements of the seven FCDAs. These controls will operate for the first three years of the existence of the seven FCDAs. That will mean that they come to an end in 1988-89.

The second and much the most important area of control is something that relates to financing. By section 68 of the Local Government Act 1985 the FCDAs were deemed to be subject to the rate limitation controls that were created by the Rates Act 1984. That operates for the first three years of their existence. Effectively, the authorities are treated as being rate-capped, and there is a maximum precept that they are authorised to levy on the constituent districts.

The hon. Gentleman will appreciate the fairly complex procedure that has to be followed to determine both expenditure levels and precept levels. I could explain the procedure to the House, though I question the merit of doing so at 12 minutes past seven in the morning, but I shall do so if the hon. Gentleman wishes.

I take up the issue that is worrying the hon. Gentleman, which is the mismatch between GREs and expenditure levels. There is a difference between the GREs and expenditure levels, and there is a difference between the functions of the two. Expenditure levels are set by the Home Secretary, and GREs by the Department of the Environment. They are intended to have different functions and purposes.

Grant-related expenditure is used as a yardstick for use in the distribution of block grant. Its assessments are a means of distributing block grant on an equitable basis. The GRE formula for the fire service was reached after consultations with local authority associations. It is based on common principles that are applicable to all authorities. The GRE of a fire and civil defence authority does not determine what an authority should spend, nor does it determine what it can spend. Grant-related expenditure is a yardstick for all fire authorities. It applies to all fire authorities, and is not confined to the FCDAs. The object of the GREs, imperfect though it may be, is to apply a common yardstick throughout the country for fire authorities.

The expenditure level is a different instrument, with a different purpose. It is part of the process by which the precept limit is set. It takes account of the particular circumstances of each fire and civil defence authority. It is hoped and intended that the expenditure level will ensure that adequate fire protection is provided for the public and fire crews. The expenditure limit determines what an authority can spend, apart from the amount allowed for contingencies that is taken into account when setting the precept limit. It is not possible for the authority to set its budget in excess of the determined expenditure limit.

However, to take a broad view, the function is different. There is a distinction between the GREAs and expenditure levels. They are not intended to achieve the same purpose and there is no particular reason why the two should be in total harmony. I appreciate that there are problems that necessarily flow from mismatches—the hon. Member for Makerfield has described some of them—and it is for that reason that a review is taking place with regard to fire risk categorisation. That review is intended to bring the GREAs more into line with expenditure levels. It is desirable that GREAs should be more in line with expenditure levels, but there is no compelling reason why that should always be so.

To contrast the expenditure limit against GREA in order to determine the actual level of expenditure is not, in itself, a sensible thing to do. The functions of the two criteria are different. Although I appreciate that there is a need to bring the GREAs more into line with the expenditure levels—a review is being undertaken to that effect—it is not essential that that should happen. The hon. Member for Makerfield will be aware that we have not had a full response to the fire risk categorisation review. Only a minority of the authorities have replied on the question of fire risk categorisation. Therefore, it is not yet possible to say when the review will be complete. I hope that that review will be completed in the foreseeable future. Certainly I should like to see a greater matching between GREAs and expenditure levels.

The hon. Member for Makerfield suggested that a meeting should be convened between the Association of Metropolitan Authorities and Ministers at the Home Office. It is fair to say that the letter addressed to my right hon. Friend the Home Secretary was received in his office on 10 July. I am not in a position to commit my right hon. Friend or indeed my noble Friend the Minister of State, Home Office, who has direct responsibilities for the fire service to such a meeting. I am sure, however, that at an appropriate time Ministers would be extremely pleased to meet the AMA to discuss the problems that the hon. Member for Makerfield outlined.

Mr. Soley: Does the Minister accept, perhaps at this time in the morning with a spirit of generosity, that if Lord Whitelaw's advice had been accepted the fire and civil defence authorities would not be in their present difficulties? In those circumstances, will the Minister convey to the Home Secretary, the importance of meeting the AMA as a matter of urgency and recognising that the problems that it faces have been put upon it largely as a result of the Government's legislation on abolition.

Mr. Hogg: I shall not make any concession along those lines. The hon. Gentleman is well able to make his own points. He has done so, and those who read *Hansard* will understand them. The hon. Gentleman must not be the least bit surprised if I say that, much as I should like to agree with him—I spend much of my time agreeing with him—on this issue I shall not make the concession that he wants me to make.

Mr. McCartney: The Minister has already given the game away—the Department is already conducting a review. That review is needed because the figures do not add up. The discrepancies have been growing. I find it absolutely amazing, even at this time in the morning, that the Minister can, in the space of 10 minutes, suggest that there is no good reason why there should be any correlation between the two calculations, but then admits that there is a working party endeavouring to bring about that correlation.

Mr. Hogg: The hon. Gentleman was either not listening, or he did not understand. The plain fact is that he does not comprehend what is going on.

It is desirable that there should be as much of a match as possible between GREAs and expenditure, as I have said, but, as I have also said, it is not essential, because the functions of the two are different. However, it is desirable, which is why we are having a review to ensure greater consistency between GREAs and expenditure levels. I do not contemplate that they will be the same. That is certainly not an essential requirement, nor is it necessarily an essential part of the review. However, as I have said, greater consistency between the two is desirable and, when more of the authorities have replied, we shall be in a better position to assess whether we will be able to achieve that desirable result.

As I was saying before that pleasing intervention from the hon. Member for Hammersmith, who I gather wants to get away rather urgently so I shall wind up the debate promptly because I never wish to be discourteous to him——

Mr. Soley: I cannot stand the idea of the Minister going through all these verbal gymnastics at this time of the day. He will do himself an injury, if he has not done so already. Yes, I am leaving shortly, to tell the police at a local college about how bad the Government are on law and order. However, let us leave that discussion until a little later this morning.

My hon. Friend the Member for Makerfield has a fair point and all that the Minister is struggling with — I understand why and accept that it is not his fault — is the fact that the Government got themselves into a mess between the requirements of the Department of the Environment and those of the Home Office on the abolition Bill. Lord Whitelaw recognised that openly and honestly, and it was frequently referred to during the passage of the abolition Bill. If the Home Office would now say, "Yes, we recognise that that abolition process created acute problems, especially in areas such as fire and civil defence", and would go to meet the bodies to which my hon. Friend referred, especially the AMA, on that basis, the Minister would be impressed by the willingness to co-operate to try to make what has become a mess work much better. The Minister must have an interest in that. Indeed, his verbal gymnastics clearly displayed that he knows that it is a mess. Let us get on and sort it out.

Mr. Hogg: The hon. Gentleman said that he was going to talk to the police about how bad the Government's policies on law and order are. I advise him not, in any way, to try to impress the police with the desirability of his party's policies on law and order, because the police would all fall out of their seats laughing. *[Interruption.]* In fact, the hon. Gentleman knows that and is smiling now. Indeed, he must be embarrassed by the prospect of presenting to the Metropolitan constabulary the policies of the Labour party on law and order because the police would hoot with laughter. However, that is by the way, and we shall let the hon. Gentleman off on that matter.

As for the hon. Gentleman's references to my right hon. and noble Friend Lord Whitelaw, the hon. Gentleman has already made that point and I have already told him as clearly as I can that I shall not make the concession for which he has asked. I am just not going to do it. Although repetition from the hon. Gentleman is humorous, and no doubt enchanting, it will not get him anywhere at all. I was merely trying to conclude my speech to allow the hon. Gentleman to go off to Hendon, which is what he wants to do.

The essential question is whether fire cover in the joint authority areas that we have been discussing is adequate or inadequate. All the other gymnastics that the hon. Gentleman has mentioned, and through which we have been going, are interesting and relevant to that question, but they are not the principal issue. In such cases, the principal issue is always whether the service is adequate or inadequate. Incidentally, I was deeply disappointed not to hear from the hon. Member for Makerfield any analysis of that, because surely it is the major issue. All that stuff about GREAs and expenditure levels is splendid, but it does not go to the main issue, which is simply that the fire cover in the relevant areas is adequate.

Mr. McCartney: I do not want to prolong this issue because other hon. Members wish to speak. However we need no lessons from the Minister about adequate fire cover, when the Department of the Environment wants to take £7 million off this year's budget, a budget that was set by the Minister's own Department.

Mr. Hogg: The hon. Gentleman improves his case not a bit. The question, as he knows well, is whether the fire cover provided in these areas is adequate. Even in his area of Greater Manchester the proposal for financing represents a 7·5 per cent. increase on 1986-87, which seems to be a significant increase. It is interesting that the hon. Gentleman has not thought for one moment to suggest that the fire cover is inadequate. As I feel sure that the Opposition parties are willing to take every point, whether bad, indifferent or perhaps good, that can be taken against the Government, the fact that they fail to suggest that the fire cover is inadequate makes my point in a singularly compelling way.

Economic Performance (North-West Region)

7.25 am

Mr. Alistair Burt (Bury, North): I thank the House for finding time for me to raise this important topic. It is particularly pleasant to do so under your benevolent eye, Madam Deputy Speaker, bearing in mind how much you know about our area.

The north-west is generally reckoned to stretch from Crewe to Carlisle, and whether it includes Cumberland and the Lake District depends on the statistics being used. The heart of the area is certainly Lancashire, Cheshire, Merseyside and Greater Manchester. It is the United Kingdom's most densely populated area. My constituency and the metropolitan borough of Bury is right at the heart of the north-west.

I am not unique in the House in having been born and brought up in the constituency that I represent—I am aware that there are others—but it gives me a special feel for the area. For that reason I speak for the area not as an outside, objective observer, but as someone who has the heart of the area close to his own heart.

The area is representative of the country as a whole as such it typifies both the optimism and pessimism that the Government face since their election. If Opposition parties seek to use the north-west as an example of what they term divided Britain, I fear they will be genuinely disappointed. At the general election, 34 Conservative Members, 36 Labour Members and three Liberal Members were returned, so it cannot be classed in any way as a Labour party stronghold. Indeed, one reason why we still sit on the Government Benches and the Labour party is on the Opposition Benches is the Opposition's failure to capture seats that they needed to win in the north-west and their rejection by voters in the north-west.

Mr. Tony Lloyd (Stretford): It is curious that the hon. Gentleman should follow that train of thought. Can he explain why the Labour party now has more seats than the Conservative party in the north-west?

Mr. Burt: I did not seek to suggest that we had more. The Opposition sometimes suggest that the north-west is a great red area, and that is simply not true. The Labour party recovered marginally from being in the minority. In the last Parliament there were more Conservative Members than Labour Members representing the area and the Labour party's recovery, in the context of the Conservative majority of over 100, is rather marginal. The Labour party expected to do far better in the north-west, but it failed to do so. That is why we are still sitting here.

If a foreign visitor were to come to some parts of the north-west, he or she would shake his or her head at the extraordinary claims of abject poverty and deprivation that he or she might have heard during the election from the Opposition parties. However, if the foreign visitor came to other parts of the north-west, he or she would shake his or her head ruefully and wonder what this talk of prosperity was all about. The region, therefore, like the country at large, has plenty of areas of prosperity but also areas of considerable concern.

In the north-west we tend to suffer from over-concentration on the affairs of our two great cities, Liverpool and Manchester. We have inner-city problems, but I welcome the Government's recent initiatives, such as the Trafford park urban development corporation, the development of Liverpool and particularly the success of the Albert dock. I am glad to see that the Government are tackling inner-city problems in the north-west.

It should never be forgotten that there is a great deal to the north-west outside these particular urban areas. That is sometimes forgotten and glossed over by the outside world. It is remarkable that our foreign visitor, who now sees areas of prosperity and deprivation close together, could have made comments on this disparity at almost any time during the past 300 years. Relative poverty and prosperity side by side are nothing new and it is nonsense to suggest that the phenomenon has arisen since 1979. We should get that one out of the way straight away. However, the problems posed by disparities of wealth now affect our generation, our constituents and the north-west. Therefore, the economic performance of the north-west, coupled with its determination to succeed, is the way forward for us all.

Even in the House, it is sometimes necessary to restate the obvious. That is doubly so in the case of the north-west due to the remarkable lack of knowledge of the area in some places where considerable investment decisions are made. I hope that it will be helpful to the House to consider a little of the north-west's economic history and show how the base of its economy has changed.

Traditionally, of course, the area has been dominated by heavy manufacturing industry — textiles, mining, engineering and paper. There was a concentration of textiles, engineering and paper in my constituency. Those traditional manufacturing industries have been in a long-term decline which certainly predates 1979. Indeed, the textile industry has been in difficulties since the turn of the century.

The reasons for the decline in manufacturing industry in the north-west are not hard to find, and they are almost standard for the rest of the country. They include a decline in markets, poor investment decisions, sometimes poor labour relations, the end of empire and the growth of overseas countries providing more and more of their own manufactured goods. All those factors have affected industry, and employment has declined constantly.

However, that is the old north-west. People sometimes forget that the land that gave birth to Arkwright, Kay, Hargreaves and Crompton is the same land that gave birth to the chemicals at ICI, to the development of Unilever and the development of the world's greatest glass-making company, Pilkington. The new was beginning to replace the old.

The other day I listened to an extract from one of Winston Churchill's famous wartime speeches about fighting on the beaches. In that speech he was referring to the new world at some stage needing to come to the assistance of the old. The analogy with industry is simple. New industries in the north-west are coming to the aid of those who used to be employed in the old industries. The pattern of employment in the north-west is changing.

Unfortunately, a generation of film and television producers of the 1950s and 1960s has perpetuated the myths of the north-west. While we all enjoy "Coronation Street," and no one would wish to see it disappear from our screens, sadly, down south it fuels an image of the north that can sometimes be dangerous.

Mr. Tony Favell (Stockport): My hon. Friend is portraying the north-west painting a proper picture of itself and so encouranging investment and people, but would he dwell on the picture that the Oppostion paint of the north-west, as a down-at-heel part of the country which is dirty and full of unemployed people when that picture is not true in many parts of the north-west? For example, Stockport, which is an industrial town, now has unemployment of 8·8 per cent.

Mr. Burt: Of course, my hon. Friend is correct. One of the problems faced by the north-west in recent years is the difficult balance between portraying its good side and its bad. It would be wrong to ignore the problems in the north-west. However, laying over-emphasis on those problems paints a rather unfair picture. The balance must be right. Sometimes, for political reasons, Opposition Members overlay the problems, and that is no way forward for the north.

Mr. Tony Lloyd: This point is fundamental to the whole debate about the north-west. In our great cities, the traditional centres, there are pockets of such desperation and economic devastation, which the hon. Gentleman must accept has occurred particularly over the past few years. If he does not begin to approach questions, such as what is to be done with the inner cities, he is ignoring the basic problem of the north-west. What is to be done in those inner-city areas?

Mr. Burt: I suggest that the hon. Gentleman reads what I said at the beginning of my speech more carefully. I do not dissent from his comments. However, to concentrate solely on the problems of the inner cities in the north-west is to distort the picture of the north-west completely. I fear that concentration on those problems by Opposition Members and the ignoring of the rest of the development of the north-west gives the wrong picture of the area to those who have the power to make investment decisions.

We are not an area of the begging bowl. There is a lot going for the north-west, and it is wrong to approach the people who can provide jobs with a begging-bowl mentality. As I said to my hon. Friend the Member for Stockport (Mr. Favell), I shall return to that theme later, because it is important, but I certainly do not try to ignore the problems of the north-west. As the House should know, I have been open-minded and outspoken about them in the past.

If the base of the north-west economy is examined, a familiar pattern emerges, as in the rest of the country. Like all manufacturing countries, we have seen a decline in the number of pople employed in manufacturing industry and a consequent increase in the number employed elsewhere. The regional trends publication shows that in 1979 41·2 per cent. of people in the north-west were employed in what might be called traditional manufacturing industries and in construction, compared with 55·7 per cent. of the population employed in what might relatively be called the service sector. By 1986, those figures had changed, 33·3 per cent. being employed in traditional manufacturing and construction and 63·9 per cent. in what might loosely be termed service industries. Interestingly enough, if those figures are compared even with those for 1985, they reveal an increase in the percentage employed in manufacturing.

The central point is still the same. We have seen the figures for alternative industries in the north-west grow, and we know that the area's industrial and economic base is changing. I shall point to two or three examples in which that is most noticeable.

The old, surviving manufacturing industries are surviving because they have adapted to change. They make better products, and market them better. They are looking hard at where the products should go, and they have the right image. Two publications show the changing nature of two of our traditional industries. The British paper industry has made major strides since the catastrophes of the early 1980s. It now presents itself in a much better way, and its export and productivity statistics are remarkable. Similarly, the textile industry has moved away from the old-fashioned idea of textiles. Now it is again a major sector, contributing to the British economy and to exports, and it has done a good deal to improve its image and activity.

It should also not be ignored that traditional manufacturing industry is surviving because of new techniques. It is easily forgotten that new technology is useful in old manufacturing industries. We sometimes seem to imagine that there is a new-tech industry, located somewhere around Reading or Maidenhead, in which thousands of people are employed making computers. But we forget that high-tech then comes into traditional manufacturing industry and keeps it going. We must remember that the old skilled industries now have a balance between the old and the new skills. That is why some of them have survived and prospered throughout a very difficult period.

As well as the old traditional industries, we have the growth of new industries in our area. The north-west is singularly blessed with such industries, which will provide employment for many years to come. There is aerospace and the nuclear industry. Again, it should not be forgotten, when attacks on the nuclear industry are made from the Opposition Benches, that that industry in all its forms employs many thousands of people in the north-west, and will continue to do so. We have the telecommunications industry, the pharmaceutical industry and the computer industry itself, and there has also been a substantial growth in self-employment. The enterprise centre in my constituency has been working for five years. Each year, about 325 firms have commenced business, employing 400 people per year. Those new firms have a success rate of about 50 per cent. There has been a cheering growth in self-employment throughout the region, as well as in my constituency.

There has also been an encouraging growth in small business. In 1984, the Conservative authority in Bury opened a small business unit with centralised services. Various firms could come along and grow at their own pace and in their own time. It started with six firms. All 74 units in that building have now been filled. I pay tribute to the hard work of those in the centre who have created that growth. The traditional industries have survived and there are new industries.

There has also been growth outside the manufacturing sector and an increase in employment in the service sector. There has also been an increase in tourism. The North-West tourist board maintains that the north-west has a great deal to offer. According to the statistics, that is true. The latest figures show that 150,000 people in the north-west are employed in jobs connected with tourism. Between 1984 and 1989 the number of jobs in that sector is expected to grow by 25,000. Total spending on tourism

in the north-west each year is £580 million; £1·5 million a day is spent on tourism. Furthermore, £150 million comes from overseas. That is a great new development in the north-west.

In the next fortnight a steam railway will be opened in my constituency. It will run from Bury to Ramsbottom, which is in the north of my constituency. Ramsbottom is developing a small but effective tourist industry. Places that people never thought of as tourist spots have become popular. I note the presence of the hon. Member for Wigan (Mr. Stott). The so-called music hall joke, "Wigan pier", attractively presented by very good people with very good investment, has become a major tourist spot. I do not know anybody who has returned disappointed from a visit to Wigan pier. We have much to learn from that development. Ramsbottom should be similarly developed. It has connections with Dickens, and it will have one of the finest and longest steam railways in the country.

Mr. Favell: Is my hon. Friend referring to our hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens)?

Mr. Burt: I do not know whether it is possible to develop my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) as a tourist attraction. I am sure that many people would like to visit him. He is freely available here on many days of the week. That is why the Strangers Gallery is packed.

I thank the Government for providing, through the Department of the Environment, a £300,000 grant to develop that steam railway in the north of my constituency.

A number of factors underpin all these economic changes. One of them is communications. Manchester airport is a major source for the development of the region as a whole. During the past decade its growth has been phenomenal. In 1981 Manchester airport carried 4·7 million passengers. In 1987 it will carry 8·75 million passengers, and by 1995 that figure will rise to 16·1 million. More and more routes are being developed. All hon. Members pay tribute to the work of Mr. Gil Thompson, the managing director of Manchester airport, and to the work of the authority that helped to run the airport for many years. Manchester airport has a key role to play in the development of the north-west.

There are also many fine motorway links. One cannot move in the north-west without coming across a new motorway. The hon. Member for Burnley (Mr. Pike) found that out a few years ago when a new motorway was constructed almost on his doorstep. The north-west is blessed with a fabulous motorway infrastructure. We also have the 19th century legacy of the railways. I ask my hon. Friend the Minister to ensure that the rail link between the centre of Manchester and Manchester airport should be constructed as soon as possible. We have noted with concern the development of Stansted and Government assistance to provide a rail link. We hope that the time will soon come when a rail link is built between Manchester Piccadilly and Manchester airport.

Another major factor that underpins the change in the north-west is education. We have first-rate educational facilities, in particular higher education facilities, in the north-west. It contains the universities of Manchester, Liverpool, Manchester and Salford. There is also the University of Manchester Institute of Science and Technology. There is the Manchester Business School and the Liverpool, Manchester, Preston and Stockport polytechnics, all of which perform to very high standards. Both independent and state education are first rate. The north-west's education provision will be of great benefit to the area for years to come.

As for the changing pattern of our economy, I have dealt with the old image of the area. The major problem is employment, and it will continue to be a problem for some time. It would be foolish to ignore the loss of jobs in the area. We have seen employee numbers fall from about 2,670,000 in 1979 to 2,260,000 in 1986, but it is interesting to note the changes in pattern over the past few years. Between 1979 and 1983, including self-employment, the figures for people who were in work declined from 2,870,000 to 2,526,000. But if one looks at the figures between 1983 and 1986, one finds a net increase in employment from 2,526,000 to 2,530,000. That has been achieved through the growth of the service and self-employment sectors.

Mr. Tony Lloyd: This is stupid nonsense, even by the hon. Gentleman's standards. To talk about a 4,000 increase in employment over the period is a joke. The reality is that the numbers of the self-employed and builders in the north-west, according to the Government's statistics, have declined in real terms. In 1976 14 per cent. of the work force in the north-west was self-employed. In 1986 the figure was 15 per cent. The growth of the job-creating service sector, about which the Government boast, is false. In the north-west we have experienced a loss in jobs. Self-employment and service jobs have declined.

Mr. Burt: Once again our concern over the dismal picture that is being painted by the Labour party about the north-west has been justified by the words of the hon. Member for Stretford (Mr. Lloyd). If I had been one of the 4,000 who had got a job between 1983 and 1986 I would have been pleased. The hon. Gentleman missed the point that I was making. I was referring to a considerable drop in employment in our area between 1979 and 1983, which continued an historic pattern, but I was showing that between 1983 and 1986 not only did that fall in employment stop, but it was reversed. If the hon. Gentleman looks at the figures for the past year he will find that that historic trend has been further reversed, and more people are coming into employment.

No Conservative Member who represents the north-west tries to gloss over the problems. We know that there has been a lot of unemployment, but I am talking about recent changes and the way forward. On that the statistics are clear. I do not know about the hon. Gentleman's statistics on self-employment, but mine show that in 1976 209,000 people were self-employed in our area, but by 1986 that figure had increased to 276,000. Those are considerable increases, whatever the hon. Gentleman thinks. The pattern of the economy shows a welcome increase in the past few years with regard to employment with a change in the historic pattern of employment ebbing away.

The vacancy statistics are encouraging. They show that vacancies increased by a third in one year. Our local newspapers are full of new jobs. However, there is the problem of skill shortages. I shall quote from the latest CBI survey on the problem of vacancies and skill shortages. With regard to the north-west, it says:

[Mr. Burt]

"The number of vacancies is increasing and overall unemployment is now falling. However, redundancies are still occurring in manufacturing sectors, although not on the scale experienced in the past. Employment prospects are best in the non-manufacturing sectors.

"Although skill shortages continue to be reported, they are not on a large scale. The main shortages are of skilled operatives, of plant and project engineers and in computer-related activities."

We are starting to get to grips with the problems of skill shortages, and that is largely due to the measures that the Government have taken to assist in training.

I should like to pay tribute to the good work that is being done by jobcentre teams throughout the north-west, particularly in my constituency, which work extremely hard and have a good record for finding people jobs.

That deals with employment, but I should like to consider the overall picture as seen by the CBI in the Greater Manchester area and regionally. Regionally, the CBI reports:

"Overall business is good, and the improved situation is expected to be sustained . . . Recent reports from . . . the Manchester and Merseyside Chambers of Commerce indicate that there was a steady overall improvement in the performance in the North West region at the end of 1986 and in the first quarter of 1987. There is now a more optimistic view of the industrial and commercial trends and the region's investment performance is improving in both quantity and quality."

Those words come not from Government sources but from sources outside the Government. They reflect the picture which I have put forward of the changes taking place in the north-west.

There have been individual success stories all around the north-west in recent years. Just a few years ago, Vickers wondered where its next frigate would come from and worried about labour relations with Cammell Laird at Birkenhead. The back-to-work committee from Birkenhead lobbied north-west Conservative Members here, seeking support for their company because they could not find it elsewhere. They found their works blockaded by strikers and pickets. They were desperate to show that they needed their jobs and could return to work. They knew that if there were not good industrial relations at Birkenhead, the company would die. They pleaded with us about their future. We took their pleas to the Minister. Eventually, Birkenhead won the order for a type 22 frigate because it was known that the workers were determined to remove the bully boys from their midst and produce a good future. Vickers' success was mirrored in Barrow's privatisation. Vickers has become a success story for the north-west and for the Government.

Mirroring what happened with Vickers, there are examples all around the north-west of manufacturing and service jobs being created. The Manpower Services Commission's publication on trends has a section on company expansion and development. The 1987 winter edition refers to a number of those developments and jobs. Isolated success is no longer the story of the north-west. There is continuing success in many sectors.

I should like to put my comments in a nutshell. The truth about the north-west is not as the Opposition have often presented it. It is not all doom and gloom. We know that the area has problems, but there are also many patches of success. The task for all of us is to ensure that those patches of success spread, especially to deprived areas and other areas that need assistance. I am pleased by the Government's commitment to the inner cities.

I have had my battles with the Government on employment. I remember a speech which I made in the House, which was subsequently translated into an article for the Tory Reform Group. I resile not one whit from it because I was concerned then about the Government's emphasis on employment and the fact, that they were not getting the messages from the grass roots. I am now less concerned. The Government have listened to some of the arguments and there have been some changes. I know that they do not ignore the pain and problems caused by unemployment in the region.

I hope that I have made it clear that the north-west is now an area for the development of new and old industries. I hope that I have made clear the importance and influence of new technology in the old industries, of tourism and of growth in the service sector. Lastly, and most important, I hope that I have made clear the need for the north-west positively to put forward its own image. We do not have a begging-bowl mentality. We know that our region has many positive advantages. We appreciate the fact that people, whether from the City or from overseas, invest not through sentiment but for hardheaded reasons. In the north-west, we can provide them with an area where land prices are cheaper, so that they can build and develop their companies on green field sites more cheaply than in the south. We offer them a place where rates are cheaper and where the new community charge will benefit them. We offer them an area where homes are cheaper for their employees and their families. We offer them an area where there is less congestion and where their employees will be happier. We offer them an area where quality of life is second to none and where the costs to their companies are low. We offer them hard-working people committed to a brighter future. We offer them a fine infrastructure and great educational opportunities for their children. We offer them a new north-west.

My message to investors is not to be put off by the stories of inner-city areas but to come with us to the areas of growth and development in the north-west and, above all, to get in quickly, because the north-west is expanding. It is bringing in new people. There will be a great future. If the companies miss their chance now, they may never get a chance to come back to the fastest-growing and best part of the north-west. If they want opportunities for development they can contact me at the House of Commons. They want to locate in my constituency of Bury, North and the metropolitan borough of Bury. I know that and you know that, Mr. Speaker, and it is about time that those investors in the City knew it as well.

7.54 am

Mr. Tony Lloyd (Stretford): It is almost a tragedy to hear what amounts to a form of economic assassination by Conservative Members who want to ignore the plight of our area. My constituency is still home to the largest concentration of industry in the north-west. I am the first to admit that many firms are still successful, for even in the middle of a Government-induced recession, there is still employment in the depths of despair.

The fact remains, however, that our manufacturing base is in a difficult condition. When the Government produced figures for the EC recently, they predicted a rise in unemployment in the area to 1990. They also said that

the problems of ageing infrastructure in the north-west outstripped the available resources and that there was therefore a danger that the infrastructure would continue to worsen.

The hon. Member for Bury, North (Mr. Burt) talked about Vickers. I found it amazing that he should boast about its success because it was the result of public spending. When public spending is the vehicle of recovery, there is some opportunity for social and economic progress. Many of our industries rely on the public sector, and manufacturing is still the driving force in the local economy.

The Government, however, have withdrawn money from the electricity supply industry, British rail and the nationalised sector with the result that jobs have gone every week. That being so, I find it difficult to accept the Conservative view of recovery in the north-west. The Central Electricity Generating Board, for example, has not built one new power station during the Government's tenure of office with the result that jobs and skills have been stripped from my community.

Mr. Burt: The hon. Gentleman is persisting in describing the north-west as a predominantly manufacturing area built on the public sector. That is no longer true. Does he agree that, in common with manufacturing areas all over the world, there has been a decline in the number of jobs in manufacturing and a consequent rise in other sectors? The hon. Gentleman must concede that there are more jobs in areas other than manufacturing and that the number of new jobs in those industries is growing. The new north-west is composed of traditional manufacturing industry and the new industries of which I spoke. If the hon. Gentleman persists in saying that there is only a hard core of industrial areas dependent on the public sector, he is not painting a true picture of the north-west as a whole. The hon. Gentleman should remember that he in his area is not the only hon. Member who represents the north-west. If he takes a wider view, he will see how wrong he is.

Mr. Lloyd: None of my colleagues has suggested that the north-west is an exlusively manufacturing area. In 1979, fewer than 1 million of its 2·5 million jobs were in manufacturing. Many of the non-manufacturing jobs relied on manufacturing, however, which is why we have lost nearly 500,000 jobs, some 330,000 of which were in manufacturing. That is a colossal decline, but the tragedy is that those jobs did not have to go. Some went as a result of the workings of the public sector cycle, others went because of the Government's incompetent policies. They almost waged war on manufacturing between 1979 and 1981. Since then, by incompetence, the Government have kept interest rates sky high. Conservative members have spoken of rate increases. We hear much about that. If any Conservative Member wants to talk to people in manufacturing industry and in the service sector about what the costs are in their own industries, they will find that high interest rates are the predominant factor talked about. That is a direct responsibility of the Government.

Mr. Peter Thurnham (Bolton, North-East): The hon. Gentleman said that the Government have declared war on manufacturing industry in the north-west. I have never heard such nonsense. Was it not the Amalgamated Union of Engineering Workers that shut down the engineering industry in not only the north-west, but in the whole of the country for three months in 1979? Was that not declaring war on the industry?

Mr. Lloyd: The hon. Gentleman suffers from a type of myopia when it comes to the reality of his Government. There have been 330,000 jobs lost forever in the north-west in manufacturing. That was nothing to do with the AEU or with the trade union movement, but everything to do with the Government Front Bench and the sycophantic Back Benchers who are not prepared to fight for industry in the north-west. A figure recently produced by the City of Manchester — although I am sure that the hon. Gentleman will dismiss it because it comes from a source of which he does not approve — shows that venture capital flows into the south-east at 3·5 times the rate it flows into the north-west. That is not because we do not have the skills or the competence but because of the bias of the City of London and the incompetence of the management of capital interests in a region such as ours.

The hon. Member for Bury, North talked about the begging bowl. I have no begging bowl to hand out. My colleagues and I have talked to industrialists and people such as Lord Weinstock, who is still a leading light in the biggest private company, who told us that he would not invest in the north-west because many of the jobs that his company was now investing in were work for women, and that women in the north-west did not have the nimble fingers necessary for such work.

Mr. Thurnham: It is nonsense.

Mr. Lloyd: It is absolute nonsense for the noble Lord to talk in those terms. It demonstrates the incompetence we have in this country, and that is a real part of the problem.

Mr. Burt: The hon. Gentleman has related statistics about investment going into other areas of the United Kingdom. What do his colleagues and he intend to do to present a positive image of all the north-west to encourage those investors to come to our area, because simply relating statistics of manufacturing decline and the problems in certain areas is, as I indicated in my speech, not enough. We have much going for us in a positive way in the north-west, about which I have heard little. I have heard nothing from the hon. Gentleman to convince me that he has changed his mind. When will he see that, unless we put forward the best image of the north-west, not glossing over the problems but examining why on a hard-headed, practical basis investors should come to our area we shall never achieve anything.

Mr. Lloyd: If the hon. Gentleman is patient I will develop the many things that we can do. There are many things that we ought to do in the north-west. I welcome the injection of money that is coming in through the urban development corporation in Trafford Park, not because I necessarily think that is the right vehicle and the right mechanism for those things to be done, because I do not think that is the case. The money that is finally being put in by the Government has long been sought by those interested in the north-west. At last we have a response from the Government because they recognise the irrelevance of their policies over the past seven or eight years. It was necessary for us to say that, without sizeable public expenditure in those areas, we would not begin to resolve those problems. When we have a Government who

[Mr. Lloyd]

talk about the inner cities, that is pumping no real money into those areas and that is channeling no money in any targeted way or in any meaningful sense, we have a Government who want the cosmetics of the inner cities but that want nothing to do with the large-scale social and economic problems of those areas. Headlines in local newspapers referred to a recent initiative in my area that saved £100,000 to be pumped into two local government wards in my constituency. In those two wards there are 20,000 people who are to receive that massive cash investment of £100,000, which is £5 per head of population. Conservative Members may think that £5 per head is a huge success for the Government. It actually represents £10 per head for each unemployed person in those two wards. That is the level of investment received from the private sector.

Mr. Favell: The hon. Gentleman has been saying a great deal about what the people of Brighton, Bournemouth, Bristol and London should be doing for Manchester. What is Manchester going to do for itself? May I remind the hon. Gentleman that the greatness of Manchester was built on the backs of Mancunians and the greatness of Liverpool was built on the backs of Liverpudlians and not on the backs of Brighton, Bristol and Basingstoke? It is nonsense to suggest that there should be more public sector spending in Manchester. Statistics show that Manchester council already spends more per head of population than any other city in the country. Manchester should start setting out its stall and getting back the sort of image that it used to have, which is hard-headed business-like devotion to making brass instead of bleating that the south owes it a living.

Mr. Lloyd: The hon. Member for Stockport (Mr. Favell) is a relative newcomer to the north-west and does not fully understand what goes on there. For example, the one thing that Conservative Members always parade as a triumph of north-west ingenuity is Manchester airport. That has been run, virtually since its inception, by the local authority. It is the fastest growing enterprise in the area and it has been run by the public sector, by municipal Socialism. Conservative Members find that difficult to accept. We hear the occasional accolade from the more sensible Conservative Members who accept that the local authority, when given a chance to do such things, does them very well.

The reality is—Conservative Members cannot shirk this—that when we see the withdrawal of what amounts to £1 million per week from just one local authority, which happens to be one of the bigger local authorities in the north-west, inevitably we see a massive withdrawal of purchasing power from the local economy and we see a downward cycle created that affects service industry, manufacturing industry and so on.

Manchester, indeed the whole community in the north-west, wants the ability to spend its own money and create it own jobs. That is right and proper. We want the institutions. For example, we want the institutions that have been given to Scotland and funded by the Government. We want a development agency. Scotland, quite legitimately, has the Scottish Development Agency. I do not begrudge Scotland that for one second. However, the Government look at the north-west as a mere colony and are not prepared to let it have such facilities. When local authorities such as Manchester and Liverpool make decisions about economic development the Government say that they will truncate that development and prevent the local authorities developing enterprise in their own areas. They do that, ironically, at the expense of the private sector that Conservative Members claim that they support and want to help.

In economies such as ours the private sector depends on the public sector because there is an inter-relationship. The idea that the private and public sectors operate as wholly independent sectors is not only nonsense, but is completely irrelevant to the sort of economy that we operate.

The largest private sector company in Britain, GEC, still has a significant involvement in the public sector whether through the railway system, the CEGB, the arms trade or whatever. We heard the row not so long about GEC when the discussion was raging as to whether we had bought from GEC in this country or whether we had bought American technology. Once again, the public sector determined whether the private sector would make a profit. That is the reality of the modern economy. We want a relationship between the public and private sector where they work together.

Mr. Favell: The hon. Gentleman has put his finger on the problem. The problem in the north-west is that there are Socialist controlled areas, that believe that the private sector depends on the public sector. In fact, the reverse is true. The public sector depends on the private sector. It depends on the enterprise of private individuals and of private companies, of people who go out and make the money on which the public sector depends. A town's prosperity does not grow out of the town hall. The town hall exists on the back of the prosperity of a town or city and once places such as Manchester and Liverpool, the great Socialist citadels of the north realise that, they will re-install the sort of prosperity from which those towns and cities grew. The prosperity of Liverpool and Manchester come not out of the town halls but out of individual private enterprise. The sooner those cities realise that, the sooner they will get back to where they should be.

Mr. Lloyd: The reality of the north-west is slightly different. Once again, the hon. Gentleman demonstrated his ignorance.

The city of Manchester, certainly on its southern edge, relied on Trafford park for its employment. That was the manufacturing base. Trafford park, as the hon. Gentleman probably does not realise, is in the borough of Trafford. Historically, the borough of Trafford was a Conservative-controlled, low rating authority. The borough of Trafford underwent a job shedding, the like of which was never seen in any other parts of greater Manchester, not because of the high rating city of Manchester or the low rating borough of Trafford, but simply the damage that was done to the manufacturing sector. I have seen horrendous levels of unemployment in my part of the city of Manchester and in my part of Trafford. The idea that the hon. Gentleman somehow has the mechanism of private sector development ready to set up market stalls in old Trafford and McDonalds take-aways in Moss Side is a nonsense. Business is starting in Moss Side and Trafford. We welcome that. I welcome it

when Conservative Members manage to get their Government to eke out the money that will invest in such areas.

There is no substitute for a real and sensible pattern of public sector investment — a real programme that is organised around the public and private sectors working together to bring in that kind of investment. The private sector in the north-west has failed the north-west. It will continue to fail the north-west if we do not get new investment in new technology on a regular and consistent basis where it is needed. That is not happening. That is why we need the private sector to work with the public sector, and for the public sector to be given the institutions and mechanisms to invest in that area.

Give us our north-west development agency. Give us institutional financial agencies. Give money to local authorities. Give money to the public sector mechanisms that are prepared to make the economy work. We shall then have a chance. I freely concede what the hon. Gentleman said. There is a lot of good in the north-west —there is a lot of good in my area — and we have to enhance it. To turn away from the real problems that exist in manufacturing and service sectors blinds not only our community but central Government to the needs of our area. It is desperately important that we have a recognition. Let us enhance what we have. Let us enhance what is good there. Let us make sure that what is good there can thrive. It must be accepted by Conservative Members that, even now, it is not always in the state that we would like it to be in. Let us also not kid ourselves that when there are pockets of deprivation, if we are not prepared to make the public sector work, if we are not prepared to allow the public sector to help the private sector to work, we shall not be able to get investment in the areas that need it. We will not create the north-west that we want.

Opposition Members despair when Conservative Members claim what they want. As things stand, as long as they talk the rhetoric of a rosy future for the north, we shall not get that type of effort from the private and public sectors. A recognition of the real problems is what matters. We do not want simple words, whether they be from the Prime Minister or from anyone else. We want real action that is targeted to the unemployment problem, the need to create skills and the need to create investment in such key areas. That is not yet happening, and the north-west must begin to demand it.

We shall have the Government for the next four years. We have to work with them. We shall continue to press them not to kid themselves—they have their sycophants on the Government Back Benches — that things are going well in the north-west. The hon. Member for Stockport knows that he has one of the lowest rates of unemployment in the north-west, in his constituency. Nevertheless, without Government targeted action, unemployment in the north-west will not go away. The future of the north-west without the Government doing considerably more than they are now doing, will continue to be the social cancer, the social malaise from which we suffer. Conservative Members will do us all a favour if they press their Government to do more — privately; out of the headlines; we do not mind; simply do it. Without that, the north-west will not have the opportunity to go in the way that we all would want.

8.15 am

Mr. Peter Thurnham (Bolton, North-East): I congratulate my hon. Friend the Member for Bury, North (Mr. Burt) on his choice of the performance of the economy of the north-west as the subject for debate and on the excellent way in which he described the growth of the north-west, in contrast to what we heard from the hon. Member for Stretford (Mr. Lloyd). I could not disagree more with the hon. Gentleman's comment that the north-west depends upon being spoon-fed by the Government.

I am very familiar with the turbo-generator industry, and I was working at Trafford Park at a time when I suspect that the hon. Gentleman was still in his pram. I know the industry there and I have worked in the Trafford plant. The future of that industry lies in competing in worldwide markets, not on the pattern of ordering power stations in this country.

If the Government have not ordered power stations in the past five years, it is because sufficient electricity has been generated by existing power stations. There is no point in building a power station that is not needed. The future of the industry depends upon the needs of the worldwide market, and that is where its success will lie.

The north-west economy depends upon the performance of individuals and firms which can see their opportunities to develop.

Mr. Tony Lloyd: The hon. Gentleman touching on a fundamental point. When we have a world economy that does not want to order power stations, and a Government who deliberately choose not to order them, what do we do with an industry such as that? Do we say, "OK, that industry is finished; it is no longer needed," or do we say, "By the time the 1990s come round we will want to order power stations and we will want those skills and technology, therefore we need to maintain the viability of that industry so that we can produce cheaply and efficiently at home"? The hon. Gentleman talked about world markets, but they have not been there. Unfortunately, that industry has hung on, both in the north-east and in the north-west, but not because of action by the Government.

Mr. Thurnham: This country's exports would not be at a record level and our share of world trade would not be rising if we were not able to take advantage of new markets that are developing. It is no good looking back to previous markets and imagining that in some way we can fossilise industries which were previously in demand. I am sure that if industries offer the best products they will always find markets for them. We should develop new products for new markets.

I invite hon. Members and my hon. Friend the Minister to visit Bolton to see what is happening there. Bolton and Bury are linked, because we are in the same travel-to-work area. My hon. Friend the Member for Bury, North spoke very well about what is happening in Bury. He will be well aware of the changing skyline in Bolton. There is a new mood of confidence developing in Bolton, and it is evident from the skyline.

The new town centre development is a visible sign of what is happening. We have a £60 million investment based on a £3,250,000 urban development grant. It was the biggest urban development grant of its kind when it was obtained, and it is an example of the leverage that can be obtained by successful partnership between central

[Mr. Thurnham]

Government, local government and the private sector. I congratulate my noble Friend the Duke of Westminster on the enormous investment that he has made in bringing about this new town centre development, which provides almost 250,000 sq ft of shopping space.

Bolton is an old-established market centre and that development provides visible evidence of its success. It is part of over £150 million of new investment that is in the pipeline for Bolton and the surrounding area. We have new transport links with the £30 million route 225 to the west, and a new rail link, of which my hon. Friend will be well aware. The Windsor link will provide a through line for the first time from Bolton to London. There is a £30 million investment in that line, in new rolling stock and in a new railway station at Bolton, which contributes to the advantages of the town for new industries.

I commend to my hon. Friend the Minister the new "Quarterly Economic Review" produced by Bolton district council. It is evidence of the strength and diversity of the economy and it lists some of the inquiries for industrial space and the sorts of industries which are seeking to come to Bolton. The industries vary from curtaining to carpets, cricket to computers, paint to pharmaceuticals and plastics to putty, as well as gas storage, tent manufacture and administrative facilities for a children's charity. We can see the enormous diversity that is the basis of the strength of the economy.

The hon. Member for Stretford appeared to doubt the growth in self-employment. I draw his attention to a booklet that has just been published by the Conservative Political Centre, based on the community programme schemes in Bolton which I was able to persuade the previous Minister to back. I recommend to the hon. Gentleman "Operation Longstop". He should note the figures for the growth of self-employment in the north-west. It has steadily increased year by year from 214,000 in 1979 to 280,000 in 1986. That is evidence of the way in which new jobs can be provided by people themselves, rather than looking to other employers or to the public sector.

The review described Bolton as being on the move and said that the most buoyant part of the property market was in small units. In 1986, 700,000 sq ft of property was let, but 70,000 sq ft of that was in units of fewer than 2,000 sq ft. Again, that is evidence of the growing demand by new and small firms. My hon. Friend the Minister will be well aware that Bolton Business Ventures is one of the leading enterprise agencies in the country, and claims to have helped to create more than 700 jobs since it was set up in 1983. I commend to my hon. Friend the work done by that agency to create new jobs.

My hon. Friend the Member for Bury, North, in his excellent speech, spoke of the film makers sometimes giving the wrong image of the north. I am pleased to say that there are now signs of the film-making industry developing in the north-west, and it can create an image of what is happening there as part of the new industries arriving in the area.

Tourism is creating 50,000 jobs a year in the country as a whole. I am pleased that Opposition Members are no longer deriding the tourist industry as a candyfloss industry. It is making the most of our industrial heritage and showing what can be done. Real jobs of lasting value can be created. At the moment, Bolton has a heritage centre being built in the Lion Yard, and that will add a feature to the town. One of the best attractions of the north-west is that the people can come to see the old industries actually working, as is evident at Styal Mill.

Unemployment in Bolton is now at its lowest level for five years. That shows that we are winning the battle to develop the economy, to generate new jobs and to show the town as one where prosperity will increase. I commend the efforts of the Bolton chamber of commerce, which celebrates its centenary this year, in helping to bring that about and showing the town in the way that my hon. Friend the Member for Bury, North said it must show itself. It must no longer denigrate itself or ask for its future to be dependent on Government handouts.

It is evident that the future of Bolton and other towns in the north-west is in the hands of the people. They are taking advantage of that, and other people should also come and take advantage while they can. Large properties are still on the market—some of the old mills have been demolished, but there are still mill spaces that provide economical areas for people who want to move there. However, they will not be available for much longer. I join my hon. Friend in his call to people to come to the north-west to see what can be done and to live in an area which I feel is a much more pleasant area in which to live than the congested areas of the south-east.

8.24 am

Mr. Michael Jack (Fylde): It is not often that one can make an unusual announcement at the beginning of a debate of this nature, but I wish to inform my hon. Friend the Under-Secretary of State and others that the north-west has recently been visited by a man from Mars. Luckily he did not arrive in any form of extra-terrestrial vehicle. Instead, he was the guest of Granada Television as a member of the delegation that it brought to Blackburn as part of its "State of the Region" series.

I watched the programme with keen interest. The company took a delegation from Slough, included in which was a representative of Mars, the confectionery company. The members of it saw the low-cost housing, the low-cost industrial units and the help that had been given to the area. The reporter then put a microphone under the nose of a man from Mars and asked, "What do you think of it?" He replied, "I never knew that it was like this." The reporter asked, "What should we do in the north-west to try to promote the advantages which you have seen?" He replied, rather irreverently. "Get off your bums and go and sell it." That was a man from a highly successful company from a highly successful part of the country. He was impressed, and he told us in the north-west to put forward our message.

I found the message of the hon. Member for Stretford (Mr. Lloyd) most depressing. I sent out a letter to the industrialists in Fylde asking them to set out the barriers to job creation in the north. I was staggered by the replies that I received. The managing director of a company called Dudley Industries, which produces the air dryers that we see at motorway servce areas, wrote,

"The north-south divide has no relevance to my company. It is simply the competitiveness with which we can produce that will get us the jobs."

It is that attitude of mind that is so important.

The hon. Member for Stretford referred to GEC. Perhaps he has not left the Manchester area to observe that GEC has substantial investments in Fylde with its

specialist mouldings division and in Preston with the traction division. It is necessary to travel around to get to know our region before making comments about where investment will take place.

I think that our constituents will be impressed that we choose to rise at an early hour to discuss the problems of the north-west. Many of those who are employed by the 3,500 manufacturing companies in Lancashire will be travelling to work now. I have a book entitled "Lancashire at Work," in which the phrase "county of opportunity" is used. That is a much more up-beat, positive message to put forward than that of the hon. Member for Stretford. Fifty of the 3,500 manufacturing companies employ between 500 and 45,000 people. That is not a message of depression.

It is interesting that earnings in the north-west were the third highest in the United Kingdom in 1986 at £198 per week. That says something about the strength of north-west industry and what it is doing. Value added is an interesting measure that relates to the sophistication of businesses in the region. In other words, how much can we contribute in value to basic raw materials? For the United Kingdom last year, value added per employee in manufacturing industry was £14,052. It was £14,266 in north-west, which took the region ahead of the west midlands, the east midlands and Yorkshre and Humberside. That is a sign of the strength of the region's economic performance.

I hope that my hon. Friend the Minister will respond to certain messages because I believe that the Government still have an important contribution to make in the development and renaissance of north-west industry. I ask them to remember the power of the public pound in terms of purchasing power with companies such as British Aerospace and British Nuclear Fuels Ltd. There is an opportunity for BNFL to receive orders for pressurised water fuel elements for the new power station at Sizewell. There will be new export opportunities. I hope that the Minister will bear his purchasing power in mind.

Mr. Thurnham: Will my hon. Friend give way?

Mr. Jack: I shall not give way. I am sure that my hon. Friend understands that only a short time is available to me.

I wish to thank the Government for their continued support of the motor industry and their efforts to keep it moving. It is pleasing that over 50 per cent. of United Kingdom car production is produced at home. The spin-offs from help to that national industry affect the north-west. In Fylde, one small company called Sykes Pickavant won the garage tool of the year award. It is a little-known award that may seem to be insignificant but it is an example of how employment has been created by the help that has been given to the motor industry in even the smallest ways.

When Ministers talk with industry they should also talk to the financial markets. The Guardian Royal Exchange in my constituency is the classic example of the decampment of work down telephone lines, via the company's electronic office, to the company's data processing headquarters in Fylde. I wish that more people in the City would make such a move. It is a relatively easy one and the benefits, highlighted by my hon. Friend the Member for Bury, North (Mr. Burt), of low cost houses and leisure facilities would be an attraction to anyone to get out of the overcrowded south-east.

I make a special plea for those parts of the north-west which are benefiting from tourism, but which still have high seasonal levels of unemployment. With regard to the Fylde coast, stretching from Fleetwood through to Blackpool, will the Minister give serious consideration to restoring its assisted area status? The Peel industrial estate, phase one, was fully let when that facility was available. However, now that assisted area status has been removed, phase two of the development of the industrial estate is struggling. I ask the Minister to reconsider sympathetically the Fylde coast.

Mr. Tony Lloyd: A Tory begging bowl.

Mr. Jack: I am not begging. I am making a request for consideration, and I know that the Minister will take greater note of the comments of my hon. Friends and myself than those from the Opposition Benches.

I wish to pay a compliment to a Cinderella industry that does not get discussed often — produce pre-packing. Produce pre-packing reflects the fact that, in Lancashire, we have the second largest amount of grade 1 agricultural land in the country. That land produces some splendid crops and they are packed by companies, such as L. O. Jeffs, which is part of Northern Foods, and has a turnover of £16 million. That company, through its managing director and its entrepreneurial spirit, has shown that the natural advantages of the north-west, the locational advantages of the north-west, entrepreneurial spirit reacting to the needs of the major supermarkets and innovation are key elements in creating a company that started with a turnover of £5,000 after the war and now has a turnover of £16 million and employs 450 people.

That is the type of success story that I believe we should be promulgating throughout the north-west. I trust that the Minister will not just consider horticulture as part of agriculture. Horticulture is not party to the problems of the common agricultural policy. Horticulture provides a real opportunity for the north-west to exploit its natural advantages and create jobs.

8.32 am

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Robert Atkins): I welcome the initiative of my hon. Friend the Member for Bury, North (Mr. Burt) in highlighting the performance of the economy of the north-west. I represent part of the north-west and the red rose county of Lancashire and I am pleased that my hon. Friend has had the opportunity to raise this matter.

I was delighted by the support that was given by my hon. Friends the Members for Bolton, North-East (Mr. Thurnham) for Fylde (Mr. Jack) and for Stockport (Mr. Favell). That support comprehensively saw off the speech of the hon. Member for Stretford (Mr. Lloyd) who adopted what we have come to expect as the traditional Labour approach to these matters. I believe that it is about time that the Labour party moved into the 20th century and realised that, as my hon. Friend the Member for Fylde rightly said, the north-west needs to be talked up and sold.

My hon. Friend the Member for Bury, North has already said that there is a great deal of good news that needs to be told with conviction if the extensive assets of the north-west are to be capitalised upon with increasing effectiveness. The continuing upswing in the economy as a whole provides the region with particular opportunities.

The north-west, with its broadly based manufacturing and commercial activities, is well placed to tackle the new

[Mr. Robert Atkins]

market opportunities at home and abroad. The United Kingdom economy is in its strongest position for years and the north-west is sharing in this economic resurgence that has been stimulated by Government policies of the past few years. We believe that the talents and skills of the individual can be released to create new wealth by adding value and finding new markets. Those policies are now paying dividends as output, productivity and profitability rise in the north-west in line with the rest of the country.

Inevitably, over the past two decades, employment in manufacturing has had to decline as a proportion of total employment in all major industrialised countries. In the late 1970s, overmanning and low productivity were especially prevalent in the United Kingdom. Therefore, with the onset of a world recession, which was not just confined to this country, there was bound to be a reduction in the numbers employed in companies that were aiming to survive. The north-west's manufacturing industry had to shed substantial numbers as a consequence, as we all know.

However, we need to see that in a wider perspective. Unemployment persists in all major EEC countries, but in the north-west new jobs are being created in the service industries through business start-ups and self-employment. The rate of unemployment is, therefore, declining. In June 1986 it stood at 14·6 per cent. and now it is down to 13·3 per cent. Overall, we do the region a great disservice if we fail to acknowledge that the north-west has successfully been creating a great many new jobs.

It is the Government's view that real economic growth can be sustained in the north-west, and elsewhere, only through the enterprise culture. The enterprise allowance scheme has, for example, done a great deal to encourage the growth in self-employment. In Manchester, for example, more than 4,000 people are now running their own businesses with the aid of the scheme.

At the same time, this large region retains a formidable range of major companies, underpinned by networks of smaller firms. Outside the south-east the north-west contributes the most in terms of GDP manufacturing output and employment to the United Kingdom as a whole. Over three quarters of the *Financial Times* top 100 companies are represented in the north-west. Companies from abroad have come to the region, liked what they found, and invested on a permanent basis.

As my hon. Friends have said, the region has an unrivalled transport network and the only international gateway airport outside London. Its highly skilled work force is better suited to advanced industrial activities than almost anywhere else in the world. As my hon. Friend the Member for Bury, North said, in the north-west we have the largest campus in western Europe, encompassing the universities of Manchester and Salford, the University of Manchester Institute of Science and Technology, and various polytechnics.

However, I know that, despite those strengths, much of the region's industry has had to go through a major process of rationalisation over a protracted period. As part of that adjustment process, successive Governments have made regional financial assistance available. The north-west is receiving more of this type of assistance than any other English region. It has received £113 million in regional development grant for 1986-87 and £19 million in regional selective assistance in the same period.

My hon. Friend the Member for Fylde made the case for the Fylde coast and Blackpool, and as one who lives not a million miles from the area, as he well knows, I am sympathetic to the points that he has made. However, at this stage, I see no reason to change the map with the travel-to-work areas considered as he has referred to them.

The Merseyside development corporation was set up by the Government in 1981 to revive a depressed area of Liverpool. The corporation has spent in excess of £100 million. The private sector has responded to that, and the results are there for all to see. Indeed, only yesterday, on a visit to Liverpool, I was able to see a great deal of the tremendous work that has been done there. Liverpool successfully mounted the country's first international garden festival in 1984 which gave a lot of people in the north-west and other parts of the country a great deal of pleasure. The corporation also managed to restore the Albert dock warehouses, which is one of the finest groups of historic buildings in the country. I recommend anyone to go to see it because it is the most marvellous attraction. Partnership with the private sector is providing high-quality commercial development.

I recently had the opportunity of looking round the Salford quays project where an extensive derelict area is being transformed by commercial development, following Government funds to reclaim the infrastructure of the site. Again, it is well worth seeing the transformation that is taking place.

Back in Liverpool, the Wavertree technology park, which again I saw yesterday, has been created from 60 acres of derelict land with the help of a £6 million reclamation grant. At Speke, there is a proposal for Baltic Developments to colloborate with English Estates to develop yet another derelict site, which will eventually create 4,000 new jobs.

In Manchester, the Government have set up an urban development corporation at Trafford park, where, once more, Government help with infrastructure improvements is confidently expected to lead to about £500 million of new investment and up to 16,000 new jobs.

Even more recently, a private sector initiative has been announced to redevelop the Prince's and Waterloo docks in Liverpool with an investment of over £300 million, creating jobs for an estimated 5,000 people. Such expressions of confidence give me encouragement for the future of the north-west. Recently, announcements were made about setting up task forces in Preston and Rochdale to focus help on the local communities' attempts to restore pride, initiative and success to those deprived areas.

However, I must stress that we see the future performance of the north-west economy as relying at the end of the day on the enterprise of companies and individuals, not on Government intervention. We are trying to release the real potential and entrepreneurial energies of people in the north-west by creating an environment where they see genuine incentives for individual effort. I wish that some local authorities in the area could do more to recognise the importance of economic development. A crippling rates bill in some areas does not help companies to create jobs.

I emphasise yet again that we wish to co-operate with local authorities, not to confront them in the context of our inner-cities initiative. It was, therefore, instructive to go to Salford, as I did and meet the council which is co-operating in a big way. At the launch of the task-force initiative in Preston the Labour-controlled council made

it clear that it wishes to co-operate, and it is doing so. That is all to the good. It is much better to co-operate and take advantage of what is happening than to have a policy of confrontation and to refuse to accept that the Government's initiatives can be successful.

There are many signs that the economy in the north-west region is becoming stronger and that it has emerged from the recession in the early 1980s in much better shape to face the years ahead. Overall business confidence is strong and there is a general expectation that recent improvements will be sustained. The rate of investment has increased. The Ford motor company has recently spent £87 million on its Halewood plant in Merseyside. Again, I had the opportunity to visit that plant yesterday. Despite the history of the plant in years gone by when it featured largely in the public prints and the media for its problems, it has developed extremely well. There is a lesson in that for Ford and the rest of Merseyside. It has made achievements in personnel, industrial relations, investment and the quality of its products. I recommend all hon. Members to go and see what has been achieved by Ford.

Nabisco is investing more than £25 million in its biscuit factory at Aintree. Philips Dupont Optical is investing heavily in a new compact disc plant at Blackburn. In Workington, British Alcan Aluminium has recently announced a major modernisation of its high-duty aluminium extrusion plant. Many hon. Members will know how pleased I am that the British aerospace industry has had a successful year in the region not just with the major companies, but with the various supporting companies which play such a large part. I know how much my hon. Friends appreciate that.

Equally, British Nuclear Fuels, an important company, has done well. Its future might have been threatened if the Labour party had come to power, but not with the return of the Conservative Government. I know how pleased it is that things are going well and how successful and important the Springfield site is, which is located in the constituency of my hon. Friend the Member for Fylde and employs some of my constituents.

At the same time, we have had difficulties in the motor industry. I know full well the particular problems of Leyland Bus and Leyland Truck, now Leyland DAF, how they have faced those difficulties and are now on the road to greater profits and security. Other high technology industries are equally vigorous in the area. Both ICL and Ferranti are respected worldwide as companies whose technology is as advanced as any of their international competitors.

Many companies in the more traditional sectors are also showing that it is possible to compete effectively against all comers by a combination of good management, marketing and timely investment in the latest manufacturing technologies. Coats Viyella is now spearheading a resurgence of the textile industry and Coloroll has become a major force in the home furnishing sector.

The service sector is also buoyant. Manchester is the biggest financial centre outside London. More than 40 international, foreign and merchant and other banks are represented in Manchester, including three major international banks that have very recently come to the city. As hon. Members have said, Manchester international airport is growing rapidly, handling at present between 8 million and 9 million passengers a year. I cannot forgo the opportunity to mention in glowing terms the albeit smaller success that is brewing for Blackpool airport, so crucial to the Fylde coastal area, which often gets forgotten in the consideration of aviation activities in the north-west. I hope that that airport will continue to develop successfully.

The north-west has forged an increasingly effective regional policy in Inward which is promoting the region as an excellent location for inward investment. It is working closely with English Estates in the north-west to ensure that suitable locations are available for overseas companies to assess.

After what has been, even at this early hour, a sparkling debate, with many hon. Members putting the case for the north-west and arguing that the region has a lot going for it which perhaps other people do not appreciate, I recognise that a great many challenges still lie ahead, particularly in old urban areas where we must focus the experience and resources of the wider business community on identifying new market opportunities which, with imagination and determination, can attract new enterprises and generate additional employment.

I accept the point made by my hon. Friend the Member for Fylde who, in his maiden speech not so long ago, used the expression directed at business men and others in the country to "Think North-West". That is extremely important. Talking down the north and the north-west does not help our prospects. We have a great deal going for us and we should make people realise our strengths, not our weaknesses. We are no different from other parts of the country in terms of the problems that face us. However, we want to ensure that people are aware that the north-west has an enormous amount going for it. People should come to us not only for communications reasons, but because the region is ideally located. I moved to the area 11 years ago and I would not move away for all the tea in China. It is a successful and attractive part of the country which should have more attention.

I believe that with the right approach the public and private sectors can work together to build on the natural strengths of the region and its people and bring real prosperity. In the long run, the health of the economy in the north-west must depend on giving the people who live there the opportunity to exercise their natural talents for entrepreneurialism, industry and commerce. If we can create the right conditions in which interprise can flourish, I know that the north-west will have a strong and prosperous future.

I congratulate my hon. Friend the Member for Bury, North on raising this subject for debate. I hope that his constituents and the constituents of other hon. Members who are present today will realise how much we care about the north-west and how important the north-west is to the future policies of the Government.

Tripartite Commission for the Restitution of Monetary Gold

8.47 am

Mr. Jeff Rooker (Birmingham, Perry Barr): I offer my generous thanks to the Parliamentary Under-Secretary of State for Trade and Industry and the previous Conservative speakers for allowing me a little more than the five minutes I would have had had the previous debate run its full length. If my debate had taken place in a genuine sense, it would not have been related simply to the title that I have had to use, but would have referred to what is to happen to the remaining 7 tonnes of gold looted by the Nazis in the last war from the treasure chests of Europe and currently held in the Bank of England and the United States Federal Reserve, and when.

I understand that there are some 7,136 kg — approximately 7 tonnes — of gold, valued at Friday's gold price at about $100 million. I have never been able to understand why part of the gold is across the Atlantic. There is only one claim on that gold, that of the Albanian Government for about 2,400 kg. That leaves some 4,600 kg, almost 4·5 tonnes, of gold unclaimed and unused.

It was not my intention to develop the argument about the Albanian gold as a central issue. I intended to refer to it only in passing. I make it clear that I have no interest to declare other than curiosity, which arose after I talked to Ian Sayer, the author of "Nazi Gold", published in 1984. His book is essentially about the theft of gold from the German National Reserve in 1945. But some of that gold would have been destined for the body to be set up by the victorious allied powers — the tripartite commission referred to in the title of the debate. The commission's task was to distribute the gold stolen by the Nazis as restitution to countries in proportion to their respective losses through looting or wrongful removal to Germany. The tripartite commission did not make up the pool of gold, and it cannot be held responsible for any gold that it did not receive. That is another story altogether.

The commission, as records show, was set up under the 1946 Paris agreement on reparations. I do not believe that the authors of the eight short paragraphs, A to G, that make up part III of the agreement, relating to monetary gold, could have conceived in their wildest dreams that 41 years later the tripartite commission would still be in operation, and there would still be a pool of gold. The commission's function relates solely to the gold. It reminds me of the telling phrase used by Sir James Callaghan in 1979, during an exchange in the House about the Blunt affair, when he said that it was like the rustle of dead leaves.

Over the years much of the gold has been restored to its rightful owners, the last large shipment being of about 18 tonnes to the Czechs in 1982. I do not know what the total pool ever was. The tripartite commission works in secret, and I doubt that it will welcome today's parliamentary searchlight — or tiny spotlight — on its workings. I should like the Minister to tell me at some time, perhaps in correspondence, why it works in such secrecy. I do not know whether annual reports are made to anyone, but I know that the commission corresponds only with Governments, because from time to time inquiries are made to it about checking its records on the delivery of specific consignments of gold.

In short, the tripartite commission is an instrument of Government, the three commissioners answering to their respective Governments. We have had several commissioners over the years. At one time I expressed an interest in the expenses of the commission, which it obtains as a first charge on the pool of gold. That was a by-product of my inquiries. Late last year the Minister's predecessor, who is now at the Home Office, promised to check on the matter for me, but in March this year he finally wrote to me saying:

"We cannot get the permission of our fellow Commissioners to release the information you requested".

The Minister kindly offered me another chat at the Foreign Office, following the one in March 1985 which the Prime Minister had arranged for me. However, I took the view then that after I had waited so long and had had protracted correspondence with the Prime Minister on the matter, it should have an airing in the House of Commons. It is all taking too long, in too much secrecy. It is about time that we put as much as possible of the second world war behind us.

I asked my first parliamentary question on the matter in May 1984. Between then and last Friday, the value of the gold pool increased by $40 million. I assume, therefore, that the commission's expenses have been met from that increase.

I am aware, from several exchanges with the Prime Minister and from meetings with Foreign Office officials, that the Government would like to settle the Albanian question, because that would release the rest of the gold for distribution. The Albanian question is tied up with matters which I would not dream of going into now, but which relate to the Corfu channel incident in 1946, when 44 British seamen and officers lost their lives after the mining of two ships. The Albanians will not pay the International Court of Justice claim until they get their gold, and the International Court of Justice has said that they should get the gold. It is a question of the chicken and the egg that is holding up the distribution of the other 4·5 tonnes of gold. That is why I felt that the issue should be raised.

I made a suggestion, which the Government have considered. Our claim against the Albanians is for less than £1 million in 1946 figures, which is very little compared with the value of the gold that the Albanians will receive from the tripartite commission. It would be quite easy to suggest taking it out before it had passed across. That suggestion has been considered, but it is not possible. One of the main reasons is that the French will not allow it. The French have good diplomatic relations and, as I have reminded Ministers, damned good trading relations, with Albania, which serves to keep out the British competition. That is partly what concerns me — that the stalemate of our present position could affect our trade.

It is a simplistic view, and I put it very briefly to the Minister. I shall send to him the speech that I would have made, so that we can discuss some of the questions that I ask in it.

The Prime Minister told me that the relatives of those who were killed in the Corfu channel incident would probably not understand the action, which seemed to be cutting corners in an effort to reach a settlement. The dependants will not gain from a settlement of the dispute, even though the Foreign Office has changed its language over the years — from a flat refusal, to the line that the

dependants are unlikely to benefit. I believe that they ought to benefit, because at that time the compensation was unfair. Wartime allowances were made for a peacetime incident, for which the allowances are different.

The Italians have placed a veto on a tripartite commission consisting of the French, the British and the Americans, simply because of the relationship between the Albanians and the Italian banks, where the gold was deposited, before the war. It is almost a quadripartite commission.

I want to place just a few of my questions to the Minister on the record. I do not intend to speak until 9 o'clock; that would be grossly discourteous to him. Discounting the Albanian gold, I want to know why the balance of the gold has to be held by the tripartite commission until the Albanian issue is settled and there are no more claims. Also, what is the precise weight of the remaining gold, excluding the Albanian gold, and it current value? Are my figures correct? Is the gold physically separated and labelled in the Bank of England, or is it just an accountancy matter, to keep it out of the reserves?

Does the Minister know, or do the Government know, how much of that gold has been used over the years for expenses, or is it a fact that the tripartite commission will tell nobody about this — even the allied Governments who form the commission? Is there any problem over interest claims on the United Kingdom award by the International Court of Justice against Albania, or is there a dispute about the value of the gold, which has vastly increased over the years? It was $35 an ounce in the 1940s; it is now between $440 and $446 an ounce.

Are the claimant countries all aware that the tripartite commission is holding gold that ultimately will be distributed to the claimant countries? Six Common Market countries, and also Austria, Czechoslovakia, Poland and Jugoslavia will share the remaining gold after the disbursement to Albania. What, if any, steps are being taken to inform the recipients of the procedure that will be used for the final distribution? If there are none, are there any plans to do so?

I have two final questions, one of which relates to a parliamentary answer in April 1987. Why is it not possible to state now what procedures will be used for the final distribution? Are the procedures yet to be decided by the tripartite commission? I referred in my parliamentary question to the fact that they had not been fixed. Does this mean that the procedures that were adopted for the earlier distributions of gold — which probably amounted, according to one private estimate, to 250 million tonnes — are to be varied? If that is so, why? Why is it not to be simply a pro rata percentage of the claim that was met by the commission in the first place?

Finally, will the 30-year rule on the official papers run from the date of the Albanian settlement and the final distribution by the tripartite commission, or will they be disclosed immediately, given that the whole issue has now lasted for more than 40 years? Indeed, will such papers ever be released?

8.57 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): I am extremely grateful to the hon. Member for Birmingham, Perry Barr (Mr. Rooker) for allowing me three minutes in which to deal with this question, which has bedevilled various individuals for the last 41 years. It is absolutely typical of the hon. Member that, his attention having been caught by this interesting matter, he should have pursued it consistently and thoroughly.

In the short time that is available to me, I cannot deal with all the questions that the hon. Member has asked. I undertake to write to him, to comment on his questions and to deal with the full text of the speech that he would have made, had he had time to make it. I shall try to be as helpful as I can in my answers. Having pursued the matter over the past few years, he will be aware of the very severe constraints under which the Government operate in dealing with answers to these questions.

The commission consists of the United Kingdom, the United States and France. The commissioners are the respective commercial councillors in the relevant embassies in Brussels. They meet from time to time as and when the meetings become necessary.

The amount that is currently held by the commission is some 7,000 kg. Once the Albanian portion has been delivered the residue will be handed to the various local original claimant countries in proportion to their earlier allocation. The procedures to be used when this time arrives have not been established but will be determined by the tripartite commission. The twin problems of the gold allocated to Albania that is held in the custody of the tripartite commission and the payment by Albania of the Corfu channel claim have bedevilled relations between the United Kingdom and Albania and have bedevilled efforts to try to wind up the tripartite commission.

It being Nine o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Dyslexia

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kenneth Carlisle.]*

9 am

Mr. David Amess (Basildon): Dyslexic or not dyslexic, that is the question. At least, it is a question that is posed by many parents who are desperately concerned about the progress that their offspring are making at school.

I shall not waste time by discussing whether the Department of Education accepts that there is such a thing as dyslexia; I shall assume that it does.

Many right hon. and hon. Members are concerned about this matter. I am delighted to note the presence of the Father of the House, my right hon. Friend the Member for Castle Point (Sir B. Braine). My hon. Friend the Member for St. Ives (Mr. Harris) is present and I am aware that my right hon. Friend the Member for Castle Point hopes to catch your eye, Mr. Deputy Speaker, during the debate. Many hon. Members have contacted me about this debate, including the hon. Member for Bolton, South-West (Mr. Sackville), who also wishes to catch your eye briefly. My hon. Friend the Member for Medway (Dame Peggy Fenner) has a related constituency problem. She hoped to be here this morning and I know that it is a subject that she wishes to take up with the Minister in due course.

Some 30 years ago I was a child with special learning difficulties. I fully appreciate how lucky I was to be identified as such a child and have the problem dealt with quickly. At the age of five I was apparently known as "Double Dutch". I had a very bad stutter and could not make the sound "ST" and "TH" and I needed my sister to act as my interpreter.

I attended St. Anthony's school in Forest Gate and sat in a class of about 50 children. My teacher, Miss Grey, asked to see my mother after school and explained to her that she thought that I had special learning difficulties.

For about three years I went to a speech therapist and the dentist fixed me up with braces on my teeth. If today I am able to communicate it is due to the dedication of that teacher and the provision that I was afforded.

For 18 months I taught at a junior mixed school, St. John the Baptist in Bonner Road, Bethnal Green. I specialised in teaching children who were described as ESN. They often turned out to be the most unruly children in classes and unfortunately were all lumped together, but I did my best under difficult circumstances.

Dyslexia is a special learning difficulty that results in a specific and persistent difficulty with reading, spelling, written prose and sometimes arithmetic. There is a discrepancy between the child's literary skills and his intelligence and abilities in other spheres. It occurs in spite of adequate educational provision and is independent of socio-cultural background. In addition to difficulties with the written language the individual may also have difficulties with orientation, time, short-term memory, sequencing, auditory or visual perception and motor skills.

There is a danger that some parents who feel that their children are not making progress will automatically assume that their child is dyslexic. I would not wish to be part to an outbreak of dyslexia throughout Essex or the country. My hon. Friends and I fully understand parents' anxieties about their children not making the progress their parents expect. I willingly pay tribute to the work of the British Dyslexia Association for the way in which it has tried to help parents who have experienced difficulties in obtaining adequate educational provision for their children. I have had the honour of being made the first president of the Essex Dyslexia Association which was formed to assist parents with information on how to get the right help for the children.

As we all know, the Education At 1981 requires local education authorities to provide for proper assessment of children. That procedure can take a long time. We have already experienced some unfortunate delays in Essex and in my constituency of Basildon. After the assessment stage, the child must have a statement of his disability drawn up. From the time of the recognition of the problem to the final statement of disability, over two years may have passed. To alleviate some of the problems, an informal assessment can be made, but if the child shows signs of disability, he must go on to a formal assessment so that he can have a statement made. Even after that, it can often prove difficult to get adequate help for him.

I pay tribute to Essex county council and its education department. They are trying to provide education in difficult circumstances in the largest county in the country and to cope with ever-changing needs. However, I shall ask them to do more for children with special learning difficulties. At the moment, parents in Essex have to hope that a place is available for their child in a boarding school in another county or, if their child has not been diagnosed behaviourally disturbed as well as afflicted with a learning disability, they must be content with remedial teachers working with the child a few hours a week. Remedial teachers, however, are not necessarily trained in the methods of multi-sensory programmes used to assist dyslexic children to learn.

Because of the delays in assessments and statements and in locating proper facilities for teaching, a child may be almost ready to leave school before adequate training has been found. There is a clear need in Essex for more provision for special education for those with learning disabilities. Although I would not wish such children to be labelled "different", with may cases there is little alternative than to provide special tuition in a separate school.

I particularly welcome my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens), who has a special interest in this matter. I should have thought that there was a strong case for Essex county council to turn one of the schools which, unfortunately, had to close because of falling numbers into a centre for the provision of intensive tuition for chidren with special educational needs. Such an arrangement would surely make sense from an educational and a financial point of view. Naturally, I would be particularly delighted if the centre were sited near my constituency of Basildon and that of my right hon. Friend the Member for Castle Point.

It is difficult to know how many children are affected by learning disorders, as the assessment statement process includes all ranges of physical handicaps. When children with physical handicaps are evaluated, it is often easier to assess their needs and adequate provision is more easily arranged. I ask for those with learning disabilities to be given the same consideration and opportunities as other children. When a dyslexic person takes a driving test, if he presents the evaluator with a note saying that he is dyslexic, his test will be arranged to suit his condition and circumstances. Essex university's open university

programme will make special provision for dyslexic people. However, I am concerned that few dyslexic people will reach the stage where they seriously consider university education, because they believe that the education they have already received is adequate. I believe that there are nowhere near enough teachers who are trained in regard to special learning difficulties.

Mr. Tom Sackville (Bolton, West): I have a particular interest in this subject because we have a dyslexia institute at Horwich in my constituency where there are skilled teachers. The institute is for the children of parents who can afford to pay to have their children specially coached. Children who are referred to the education authority as dyslexic are not taught in that specialist manner. Whether it is a matter of teachers or psychologists getting their act together I am not sure, but I know that there is an injustice that dyslexic children in my constituency are not getting the help that they deserve.

Mr. Amess: I welcome my hon. Friend's intervention and support what he says.

I hope that my hon. Friend the Minister, who has visited my constituency and seen some of the excellent work that is being done in some schools there, will encourage local education authorities to release teachers for training in this important area. If local education authorities put a programme for training teachers into effect immediately, I should like my hon. Friend to tell me whether there would be enough staff to meet the needs of children. Does the Department intend to have remedial teachers sufficient to meet children's needs in a certain number of schools, does it intend to release dyslexic children for private tuition for which the local education authority will cover the cost, or does it intend education authorities to set up their own units which dyslexic children can attend full or part-time according to need?

Mr. Geoffrey Dickens (Littleborough and Saddleworth): I congratulate my hon. Friend on securing this important debate. Does he think that it would be sensible to enable dyslexic children to take examinations by having the questions read to them by specially trained teachers or a tape recording? Now, they may be able to pass an examination but cannot read the questions.

Mr. Amess: I am grateful for that intervention. My initial reaction is that I have no objection to that. We have oral French examinations and an oral part of the English examination already.

I am not entirely convinced that this important subject has been given enough attention. I draw on my own experience 30 years ago when I was one of the lucky children. I hope that, after this debate, others will be given extra help.

9.12 am

Sir Bernard Braine (Castle Point): I am sure that the House is grateful to my hon. Friend the Member for Basildon (Mr. Amess) for raising the subject of dyslexia with such sensitivity and understanding.

It is high time that the plight of children who have a normal intelligence quotient but who suffer from learning difficulties which have grown worse because they were not identified early enough—despite pleas from their parents—was properly examined by the authorities.

Two cases have been brought to my attention recently by frustrated parents. These suggest that the Essex education authority is failing in its statutory duty to ensure that such children receive their right under the Education Act 1944 to be educated according to their needs. One reason is that no directive is given to teachers to identify such children early and to refer them without delay to an educational psychologist. Essex does not seem to recognise—and I am speaking more bluntly than did my hon. Friend the Member for Basildon—that special teaching is required for dyslexic children and that to lump them together with other under-achievers in what was called before the 1981 Act a school for educationally sub-normal children is utterly wrong and should be changed.

One child in my constituency has been right the way through the system without any help. He is now 16. He is intelligent, he is capable of verbal reasoning, he understands his condition and he can converse sensibly, but he has been turned out educationally backward because of the absence of special teaching that only properly qualified teachers can provide. It is a disgraceful state of affairs and I wonder how many more children are affected.

Another child in my constituency has an above average IQ. He needs what is called a multi-sensory programme, of which there are a number of variations, which can be geared to individuals. Nothing like that is provided in Essex. There is a complete failure so far on the part of the local education authority to understand the problem. Intervention takes place only when a child becomes so frustrated and his behavioural problems become so distressing that he has to be sent away outside the county to a boarding school, at great expense to the ratepayers. That is madness and should stop. I ask my hon. Friend the Minister to take the matter seriously and to put in hand steps to improve the situation.

The time has come for a directive to local education authorities. I hope that heed will be paid to the practical suggestions that were made by my hon. Friend. There is a great deal of sense in what my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) said only a few moments ago. These children deserve a much better deal than they have been getting.

9.16 am

Mr. David Wilshire (Spelthorne) *rose*—

Mr. Deputy Speaker (Sir Paul Dean): Order. Does the hon. Member have the agreement of the hon. Member for Basildon (Mr. Amess) and the Minister to intervene? I gather that he does.

Mr. Wilshire: I thank the House for allowing me to intervene without giving notice. It was brought to my attention overnight that an institute based in Staines in my constituency specialises internationally in training teachers as well as helping children. It trains teachers to teach dyslexic children in ordinary state schools, and it has now launched an appeal for £1,500,000.

The best way of helping people is for the Department to contribute to that appeal, rather than to set up another training scheme. That institution has an international reputation, is visited by presidents, royalty and celebrities and is supported by charitable contributions. If the House wishes to make progress in the training of teachers so that children do not have to be sent away, this institute in Staines can help. Therefore, I wonder whether the Minister will see if the Department can support that appeal.

9.18 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Dunn): I congratulate my hon. Friend the Member for Basildon (Mr. Amess) on his superb election victory in Basildon recently and on his success in obtaining the Adjournment debate this morning on a subject of long-standing interest and concern to the House, and to the parents of children with specific learning difficulties all over the country. My hon. Friend has shown a particular concern for children with a range of special education needs and learning difficulties. No one could fail to be moved by the account that he gave of his own experiences over 30 years ago.

I open my response to this short but important debate by trying to dispel a myth — that the Department of Education and Science and its Ministers do not recognise dyslexia as a problem. The Government recognise dyslexia and recognise the importance to the education progress of dyslexic children, their long-term welfare and successful function in adult life, that they should have their needs identified at an early stage. Once the assessment has been made — and I note the points made by my hon. and right hon. Friends today — the appropriate treatment should be forthcoming.

I know that there are some local education authorities, which as a matter of policy, refuse to accept the word dyslexia. They argue that there are very few children who present a common pattern of dyslexic symptoms. Certainly there is no one characteristic which defines a child as dyslexic or not dyslexic. There is a range of criteria, and a child who shows a particular pattern of difficulties may be termed dyslexic. Whether or not the term is used, the important thing is to be sure that something is being done about the problem.

So, what are we doing? Perhaps I can best start by using the definition which the noble Lord Ritchie used when introducing a debate on this subject in another place earlier this year. He said that dyslexia is a disorder in children who, despite conventional classroom experience, fail to attain the language skills of reading, writing and spelling commensurate with their intellectual abilities. That definition was made by the World Federation of Neurology as long ago as 1968, and some experts have subsequently added to that definition difficulty in handling figures.

The House will know that the issue has been considered by a number of committees who have advised successive Secretaries of State. In the light of this advice, the Department of Education and Science takes the view that there are children with severe and long-term difficulties in one or more areas whose general ability is at least average and for whom distinctive special arrangements are necessary. This normally takes the form of good remedial teaching in ordinary schools. The term "specific learning difficulties" seems to provide the best description of these children's problems, since it denotes the existence of an educational problem for which help is required, but without implying any definite cause or exclusive category.

Under the Education Act 1981, which came into force on 1 April 1983, local education authorities are under a duty to assess the needs of those children brought to their attention as having, or possibly having, special educational needs. Parents too, may ask for an assessment of their child's educational needs, and local education authorities must comply with the request unless it is, in their opinion, unreasonable. Such educational needs, of course, include dyslexia, as well as blindness, deafness and physical handicaps among other things. I should add that health authorities also have a duty to inform local education authorities of any child under the age of five who may have special educational needs. Those duties cover children with all forms of hearing difficulties, including those associated with dyslexia. What is more important, the 1981 Act requires local education authorities to ensure that the needs of children who have been identified as having special educational need are met.

Section 1 of the Act defines a child who has special educational needs as a child who has a learning difficulty which calls for special educational provision to be made for him. The section goes on to define a "learning difficulty" by reference to a child with a significantly greater difficulty in learning than the majority of children of his age, or one who has a difficulty which either prevents him or hinders him from making use of educational facilities of a kind generally provided in school, within the area of his local education authority for children of his age. Thus, special educational provision is defined as educational provision which is additional to, or otherwise different from, the educational provision made generally for children of his age in schools maintained by the LEA concerned.

The Warnock committee estimated that up to 20 per cent. of school children might have some kind of special educational need at some time during their school days. It does not, however, follow that all 20 per cent. will be the subject of a statement made and maintained under the procedures in sections 5 and 7 of the 1981 Act. That is necessary only for those children whose educational needs are such as to call for the LEA to determine the provision which needs to be made for them.

The provisions of the Education (Special Needs) Regulations 1983 made under the Act are perhaps less well known than the provisions of the Act itself. Under the regulations, it is required that the people making assessments of children are qualified educational psychologists. All such educational psychologists will have been teachers before taking up the specialism. Also included must be the advice of a qualified medical practitioner and of the headteacher. Consequently, the people involved in making assessment are, or I truly believe should be, well qualified to reach the right decision.

There will be complaints that different authorities will make different provision for children presenting with broadly the same range of problems. Let me emphasise again that LEAs are under a duty to make available appropriate provision to meet the needs of all children identified as having special educational needs, whether or not they are the subject of a statement. The Department's circular 1/83 indicates that a statement is appropriate for all those children who have complex learning difficulties, as well as in all cases where a child is based in a special unit attached to an ordinary school, a special school, a non-maintained special school or an independent school approved by the Secretary of State for the purpose. On the other hand, formal procedures are not appropriate where ordinary schools make special educational provision from their own resources in the form of additional tuition or remedial provision, nor in normal circumstances for those children who attend a reading centre or a unit for disruptive pupils.

That is all well-known to hon. Members; but, in response to the comments made by my right hon. and hon. Friends, I shall bring to the attention of the Secretary of State the points that they have urged upon us in terms of direct action. If there is anything that we can do to tighten up any of the procedures that lie before us in the form of statutory or legal requirements, we shall be more than willing to consider such action as is represented to us on this occasion and from time to time in future. The 1981 Act, which governs most of the debate, was a major step forward. Clearly, concerns have been echoed by many hon. Members, not just today but in the past and, I am sure, will be echoed in the future. I undertake to bring this important matter immediately to the attention of the Secretary of State.

Question put and agreed to.

Adjourned accordingly at twenty seven minutes past Nine o'clock on Tuesday morning.

House of Commons

Tuesday 14 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ESSEX BILL *[Lords]*

Considered.
Amendments agreed to.
To be read the Third time.

UNIVERSITY COLLEGE LONDON BILL *[Lords]*
To be read a Second time tomorrow.

Oral Answers to Questions

DEFENCE

Departmental Legislation

1. **Mr. Thurnham** asked the Secretary of State for Defence what representations he has received about proposals in the Queen's Speech for which he has responsibility; and if he will make a statement.

The Secretary of State for Defence (Mr. George Younger): I believe that the Government's defence policy as set out in the Gracious Speech has received wide support.

Mr. Thurnham: Following the clear statement of support for Trident in the Queen's Speech and the placing of further contracts for the development of the Trident base, will my right hon. Friend tell us the value of those contracts and how many jobs can be expected to arise from them?

Mr. Younger: The contract to which my hon. Friend refers is worth £120 million and will bring 600 jobs to the west of Scotland. That will take the total value of contracts awarded to date for the development of Faslane and Coulport to £255 million. At its peak, this development programme will create 2,500 construction jobs in the west of Scotland. It is worth recording that had the Queen's Speech reflected the views of the Opposition parties, none of that investment would be taking place and Scotland would have been robbed of thousands of job opportunities.

Mr. Douglas: The Secretary of State will be aware of the launch of a type 23 frigate at Yarrows. Notwithstanding his comments on Trident, when does the right hon. Gentleman expect to place further orders for type 23 frigates and fulfil his commitment to order at least three frigates a year?

Mr. Younger: I note the hon. Gentleman's questions. We shall give further consideration to the ordering of type 23 frigates later this year, and we have given a clear undertaking to maintain the Royal Navy at about 50 frigates, at which it has been for some time.

Sir Antony Buck: My right hon. Friend is right to say that what was outlined in the Queen's Speech about defence caused considerable satisfaction to all Conservative Members and to many reasonable Members on the Opposition Benches, too. Does he agree that if the Opposition's defence policies were to be adopted there would be little chance of making progress with the mutual and balanced force reduction and strategic arms reduction talks and obtaining what we all want—disarmament on both sides of the iron curtain?

Mr. Younger: I entirely agree with my hon. and learned Friend. I understand that the official Opposition would have given away all our bargaining counters before they started negotiations.

Mr. Denzil Davies: The House will be intrigued by the Secretary of State's statement that there was wide support for the Government's defence policy. That certainly did not extend to the constituency of Ayr. However, we are pleased that after three recounts the Secretary of State was able to return to the House of Commons.

Why is the right hon. Gentleman postponing the debate on the defence White Paper until the end of the year? Clearly there must be a major defence review, which will leave our armed forces much weaker than they were a few years ago.

Mr. Younger: I warmly welcome the right hon. Gentleman back to his position in the House in his new role as the reluctant debutante on the Opposition Front Bench. I assure him that we shall do our best to make his stay there as pleasant as possible.

The right hon. Gentleman knows that the Gracious Speech clearly stated the Government's commitment to a strong defence policy. That is what we propose to proceed with in future.

The matter of a debate is for my right hon. Friend the Leader of the House.

European Fighter Aircraft

2. **Mr. Jack** asked the Secretary of State for Defence if he will make a statement on the progress of the European fighter aircraft project.

The Parliamentary Under-Secretary of State for Defence Procurement (Mr. Tim Sainsbury): The project definition phase for the European fighter aircraft ended last September. The four nations are currently assessing the outcome of this phase before deciding whether to proceed to full development. We expect to be in a position to take our decision in the autumn.

Mr. Jack: I thank my hon. Friend for his reply, because Fylde houses the headquarters of the British Aerospace military aircraft division and it has no doubt about the benefits of the European fighter aircraft programme. Will my hon. Friend confirm that he is eager to see British firms participating in the European fighter aircraft programme? And, to that end, will he be holding discussions with Rolls-Royce, British Aerospace and the three NATO countries that are participating in the project?

Mr. Sainsbury: I am sure that my hon. Friend — as was his predecessor — and his neighbour, my hon.

Friend the Member for South Ribble (Mr. Atkins), will be energetic spokesmen for their constituencies' interests. I can assure my hon. Friend that the Government are planning on the basis of the United Kingdom playing a full part in the EFA programme. Discussions with our NATO Allies and the principal contractors continue, particularly through the forum of the international programme office.

Mr. Cryer: Will the European fighter aircraft be a better aircraft than the Jaguar or the Tornado, 49 of which have been lost since 1979 at a cost of about £430 million? Will the Minister tell us why we need these sophisticated aircraft when one can fly to Red Square in a single-engined Cessna?

Mr. Sainsbury: The hon. Gentleman will find that the aircraft to which he refers are highly thought of, and our success in selling the Tornado overseas is testimony to the effectiveness of that aircraft.

Mr. Stern: I congratulate my hon. Friend on his new post. Did he notice during the recent election campaign how the only substitute that the principal Opposition party could find for its defence policy was to talk down EFA at every opportunity? That was especially the Labour party's policy in constituencies such as mine where parts of the aircraft are being built. Will my hon. Friend confirm, not only that an existing engine—the RB 199—has been chosen as the pre-production engine, but that the Government have the faith in the EFA that the Opposition are determined to try to destroy at every opportunity?

Mr. Sainsbury: I thank my hon. Friend for his kind remarks. It is regrettable that, all too often, Opposition Members seem to find satisfaction in criticising British products, in defence or other areas. The Government are determined that British firms will play a full part in the project. We believe that, both in engines and other parts, we have some excellent products to contribute to the EFA programme.

Mr. McNamara: I welcome the Minister to the Dispatch Box and say that we think that his is a good appointment, so far as the Prime Minister's appointments go.

The hon. Gentleman will be aware that, far from running down the EFA, the Opposition said that it was going to be a possible casualty because of the Government's foolishness in pursuing the Trident programme. How firm is the RAF's commitment to the EFA?

Mr. Sainsbury: I thank the hon. Gentleman for his somewhat barbed compliments. He has a novel way of putting these things.

The Government's commitment to the EFA project, which, as I said, obviously reflects the commitment of the services, is very strong indeed. It is surprising that the hon. Gentleman should think that the project might be a casualty of the Trident programme. He should recall that the Tornado programme was a larger part of the total defence procurement programme than Trident is or is likely to be.

Mr. Wilkinson: Will my hon. Friend confirm that the European fighter aircraft is in the long-term costings? Although there has been no decision on the development of the aircraft as yet, will he give some indication of the numbers that he would expect to come into the front line were an order to go ahead for the development phase?

Mr. Sainsbury: I can confirm that the European fighter aircraft is in the long-term costings. Obviously, it is too early to forecast with certainty the eventual size of a United Kingdom purchase. However, the work-sharing agreement for development is based on our declared requirement for 250 aircraft.

Strategic Defence Initiative

3. **Mr. Wallace** asked the Secretary of State for Defence if he is satisfied with the level of British participation in strategic defence initiative research funded by the Government of the United States of America.

Mr. Younger: A sound start was made in 1986 in the first year of participation. A broadly-based series of awards were placed on contract to the value of $34 million. Vigorous efforts continue to be made to secure SDI research business, both by industry and by the academic community in the United Kingdom, with the active and day-to-day support of my staff in the SDI participation office.

Mr. Wallace: The right hon. Gentleman's predecessor is on record as saying that he fully expected British participation to be on a scale commensurate with Britain's industrial base. Does the Secretary of State feel that the $34 million contract so far gained is on that scale, and, if not, how far does it fall short? Is is not becoming increasingly clear that the Americans were far more interested in getting a cloak of political respectability for their project through British participation than in the project having anything to do with the advancement of Britain's technological interests, which, as the Select Committee on Defence said, would be better achieved through non-military collaborative projects?

Mr. Younger: I note what the hon. Gentleman said, but I do not agree with the latter part of his question. I am disappointed that during the last six months there have not been further announcements of contracts under the SDI programme. The participation office is making every effort to progress the other applications that are in the pipeline and that will be coming forward in the next few months. The reason for this lack of contracts is due largely to the drop in funding of the SDI programme in the United States. I very much hope that British participation will revive when that picks up.

Sir John Farr: Is my right hon. Friend aware that British arms exporters who have been doing so brilliantly in recent months are becoming very disillusioned with the rewards from SDI? The net return now and in the immediate future seems to be negligible compared with that promised by my hon. Friend's predecessor two or three years ago.

Mr. Younger: I do not agree with my hon. Friend that the returns will be negligible. We must remember that this is a very long-term programme stretching over many years. We made a good start in getting participation for British firms, but there has been an unsatisfactory response in the last six months. We very much hope that this will improve. My hon. Friend is perfectly correct about defence export sales generally. Our export sales are going extremely well.

It is worth recording that had they won the election the Opposition proposed to wind up the defence export sales organisation. That would have been very bad news.

Mr. Heffer: Has the right hon. Gentleman taken note of the exchange in the proceedings in Washington involving Colonel Oliver North, in which he talked about some unofficial British organisation tied up with the *[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman should make his supplementary relevant to the question.

Mr. Heffer: It is very relevant, Mr. Speaker, because I want to know whether this has had anything to do with the discussions with the United States on this very question of SDI.

Mr. Younger: The answer to the hon. Gentleman's question is no. I do not think that it has. I have seen the report of a press conference about this and it seems to be in the realms of pure fantasy.

Mr. Hill: No doubt my right hon. Friend will recall that we had hoped to participate far more in the research and development programme for SDI, stretching into the mid-1990s. Will he tell his counterparts in the United States that the whole House is rather disappointed at the amount of contracts that are coming our way? Will there be any diminution in the programme if a President who is not quite so pro-SDI is elected at the next presidential election?

Mr. Younger: I am grateful to my hon. Friend. I shall certainly draw the attention of my colleagues in the United States to the points that he has made in the House today. I do not think it likely that any United States Administration will abandon research into these important techniques, because that would leave this area entirely free to the Soviet Union, which has a large research programme in this sphere.

Low-Flying Aircraft

4. **Mr. Campbell-Savours** asked the Secretary of State for Defence how many representations he has received on the question of low-flying aircraft since the beginning of June.

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): Between 1 June and 7 July 1987 the Ministry of Defence received 542 inquiries or complaints about military aircraft flying. This compares with 683 for the same period in 1986.

Mr. Campbell-Savours: If the number of pilots has not increased since 1979, why has the number of low-flying sorties increased from 71,000 in 1979 to 156,000 this year? Could the answer lie in the Robson report, which suggests that morale among military pilots is collapsing and that 57 per cent. of pilots who fulfilled eight years of training have now left the service? Could it be that the Ministry is now having to train pilots far more to ensure that it has fully-trained pilots to replace those who have left? Is that why the Lake District is being plagued by low-flying exercises?

Mr. Freeman: No, Sir. Morale in the Royal Air Force is excellent. The premature voluntary retirement rates for pilots are decreasing and are substantially lower in absolute terms than they were when the Labour Government were last in power. We need more sorties because we have introduced the Tornado aircraft into service. Clearly, pilots need to be trained to use them. However, it would seem that the number of low-flying sorties needed has now reached a plateau.

Mr. Jopling: I recognise that low-flying exercises are both militarily necessary and dangerous, but there have been reports that the recent tragic accident over Keswick in the constituency of the hon. Member for Workington (Mr. Campbell-Savours) was caused by a head-on collision. Will the Minister set up an inquiry to establish whether it is really necessary for aircraft to fly in opposite directions in these essential but dangerous exercises?

Mr. Freeman: I can tell my right hon. Friend that the accident trend is definitely down, and that 1986 was the best year — *[Interruption.]* I am coming on to answer the question. As I said, 1986 was the best year for the lowest number of aircraft accidents. As regards the tragic accident in Cumbria, I have to await the board of inquiry report, but I shall bear in mind what my right hon. Friend has said.

Mrs. Margaret Ewing: Will the Minister and the House join me in ensuring that our sympathy is extended to the family of Flight Lieutenant Hill from RAF Lossiemouth in my constituency, who was the most recent victim of such an accident, which involved a Jaguar jet? Will he advise me what prior warning is now being given to those in the direct flight path of aircraft on such exercises in the light of the incident over Orkney last year when air traffic control at Kirkwall was not notified of such an exercise taking place? Will the Minister assure me that he will reject the blandishments of the hon. Member for Workington (Mr. Campbell-Savours) to the effect that all such exercises should be directed over the Highlands and Islands of Scotland? The people in that area are just as vulnerable as people elsewhere.

Mr. Freeman: I am sure that the whole House will join the hon. Lady in paying tribute to the loyalty, skill and bravery of Royal Air Force pilots. The Ministry of Defence writes to hon. Members, representatives of the National Farmers Union and the press to warn them of low-flying exercises, but we cannot do that for each individual sortie.

Mr. Bill Walker: Does my hon. Friend agree that the reason why the Royal Air Force has to conduct such sorties is that in modern fighter pilot conditions and raiding environments with strike aircraft the only way to survive is to fly low and fast? It is essential that our pilots are capable of doing that in peacetime in case they are ever exposed to wartime conditions in which, if we were not prepared, the ghastly attrition rate would be far more than we could afford.

Mr. Freeman: I am grateful to my hon. Friend. Low-flying training is the price of freedom, which the RAF has to pay on our behalf in order to defend our skies. Low-flying exercises are necessary to train our pilots to fly underneath enemy radar, and in wartime they would have to fly considerably lower than 250 ft.

Mr. McNamara: I am sure that the Opposition welcome the Minister's statement that RAF pilots flying conventional aircraft are the price of freedom, as opposed to the Government's policy that the price of freedom is mass extermination. The Minister is reported to have said, while the House was in recess, that a certain attrition rate was to be expected in this type of training. What rate of

attrition in terms of men, machines and cost is the RAF prepared to accept in this context, and is the Minister satisfied with the present training procedures?

Mr. Freeman: Yes, we are satisfied with the present safety procedures. Sadly, with military aircraft, the attrition rate will clearly be higher than with civil aircraft, but, as I have said, we have an excellent safety record. The trend is down and our record is admired by many other countries and air forces.

Service Establishments (Dispersal)

5. **Mr. Heathcoat-Amory** asked the Secretary of State for Defence if he has plans to devolve more service establishments and jobs to Scotland and the north of England.

Mr. Younger: I am anxious to improve the geographic spread of defence employment, particularly in areas of high unemployment. Such moves must, however, be justifiable in both operational and economic terms.

Mr. Heathcoat-Amory: Does my right hon. Friend agree that moving jobs northward is helpful to the regional economy, without requiring artificial subsidies? Can he tell us what progress has been made, whether earlier plans to transfer jobs to the Glasgow area have borne fruit and to what extent the jobs have been filled by local recruitment?

Mr. Younger: I am grateful to my hon. Friend. The Glasgow programme is a good example of the Government's dispersal policy, with 1,330 extra jobs established there, of which 1,000 have been filled by local recruitment. The overwhelming majority of the jobs were dispersed from the south of England. We recognise that those jobs should be offset against further moves from posts out of London, but the net result at the end of the programme should be a gain of 1,400 jobs for Glasgow, offset by a similar loss of posts from London.

Mr. Cartwright: As it is Government policy to provide more rather than fewer jobs in inner London, will the Secretary of State resist the temptation to remove any defence jobs from areas such as Woolwich, which has suffered massively from the systematic transfer of defence jobs in the past few years and where unemployment is still more than 16 per cent.?

Mr. Younger: I very much appreciate that valid constituency point. It is established policy in the Department that every effort should be made to relocate work to the regions wherever it proves economically and operationally viable, but, of course, we also take into account the interests of the other areas concerned.

Mr. Robert Banks: Will my right hon. Friend give a categorical assurance that there are no plans to remove any service jobs from Harrogate to Glasgow or anywhere else?

Mr. Younger: That would certainly not be in tune with the Government's policy, which is to disperse jobs to other areas from London, not from Harrogate.

Mr. Beggs: When considering relocating jobs to the north of England and to Scotland, will the Minister bear in mind the very high rate of unemployment in Northern Ireland?

Mr. Younger: I certainly take that very much into account. As the hon. Gentleman knows, we place a large amount of defence contract work in Northern Ireland—not least the order placed by my Department with Harland and Wolff for a new auxiliary oiler replenishment vessel, which I very much hope will be completed to price and on time.

Mr. Holt: Will my right hon. Friend take note of the Government's recent commitment to augmenting the Merchant Marine in the event of war? Does he agree that it should be based in the north-east of England, preferably on Teesside, and will he ensure that it is not based in London?

Mr. Younger: I note my hon. Friend's comments. I am very conscious of the defence work carried out in my hon. Friend's area in the north-east of England. It is a highly valid part of our defence industry.

Mr. Grocott: If the Minister is keen to secure defence jobs in areas of high unemployment, will he scrap the absurd suggestion to privatise jobs at COD Donnington, threatening the livelihood of more than 400 employees?

Mr. Younger: It is a matter, not of threatening jobs in terms of the area, but of trying to obtain better value for money in the way in which existing establishments are run. That must be in everyone's interests, because if the job is done more effectively there will be more money available for other defence work.

Bramley Camp, Basingstoke

6. **Mr. Hunter** asked the Secretary of State for Defence if he will make a statement on the future of Bramley camp, near Basingstoke.

Mr. Freeman: My Department is considering the retention of part of the land for use for Army dry training and disposal of the remaining portion. It will be discussing its proposals in due course with the local authority.

Mr. Hunter: Does my hon. Friend appreciate that would were the Property Services Agency to maximise the realisation of this capital asset, there would be a wholesale housing development that would run counter to the interests of local farmers, flout the wishes of county and district planners and go against the wishes of many of my constituents, particularly those in the villages of Bramley and Sherfield on Loddon? Will my hon. Friend take those factors as well as the economic factors into account?

Mr. Freeman: I am sure that my hon. Friend will appreciate the great pressure upon the Ministry of Defence to sell surplus land. However, I can give my hon. Friend the assurance that there will be no wholesale housing development on that land. At a date convenient to my hon. Friend, I hope to be able to visit Bramley camp with him.

MINIS

7. **Mr. Forth** asked the Secretary of State for Defence if he will make a statement on the progress of the management information system for Ministers programme in the Ministry of Defence.

Mr. Younger: The MINIS programme has been evolving steadily over the four years since it was introduced into my Department in 1983. It provides Ministers and top management with an overview of organisation, costs and activities throughout the Ministry and the service commands. For the future, and in line with

the information requirements of the financial management initiative, we shall be further developing our management information systems to meet the information needs of top management and generally to stimulate a more systematic approach to monitoring the cost-effective use of resources at all levels.

Mr. Forth: I thank my right hon. Friend for that most encouraging reply. What further proposals does he have for linking MINIS with further aspects of the financial management initiative to gain more benefits in efficiency and operational effectiveness?

Mr. Younger: I very much appreciate my hon. Friend's remarks. MINIS has been only loosely linked with other financial management initiatives, staff responsibility budgets and executive responsibility budgets. Proposals are currently under consideration to encourage those management initiatives within a strategic framework spanning the Department.

Ms. Clare Short: May I ask the Secretary of State to include in this review the wastage caused by the out-of-date and unjust rules of the Ministry of Defence that require pregnant women to resign? I understand that, in particular, nurses employed by the Ministry of Defence must resign and therefore lose their seniority when they become pregnant. Is not this regulation out of date and outrageous in this day and age? Surely this regulation should be reviewed in the case of women serving in the Secretary of State's Department.

Mr. Younger: I appreciate the hon. Lady's question. Of course, we review any out-of-date regulations as often as we can. I might point out that ladies in such a position as outlined by the hon. Lady are perfectly free to rejoin the services if they wish.

Mr. Conway: Has the management information system brought to my right hon. Friend's attention the fact that the Territorial Army provides more than 50 per cent. of the 1st British Corps and most of our national defence at less than 4 per cent. of the Army budget? Is that not more than enough justification for the Territorial enhancement programme to which my right hon. Friend must stick?

Mr. Younger: I entirely agree with my hon. Friend. Last week I was extremely glad to have the opportunity to address the Council of Territorial Auxiliary and Volunteer Reserve Associations and to make some of the points raised by my hon. Friend to it. There is no doubt that the contribution, both in quantity and quality, of the Territorial Army is now an absolutely major factor in the efficiency of the British Army.

Europe (Conventional Defence)

8. **Mr. Burt** asked the Secretary of State for Defence what plans he has to meet the Soviet Defence Minister to discuss conventional defence in Europe.

Mr. Younger: I have no plans to meet the Soviet Defence Minister. We are, however, taking an active and positive part in the continuing negotiations on mutual and balanced force reductions dealing with conventional forces, and in the discussions on the mandate for new negotiations on conventional stability.

Mr. Burt: I thank my right hon. Friend for that reply. Although he has no plans to see his counterpart in the Soviet Union, what progress has been made towards establishing at least a basis for future conventional arms reduction talks?

Mr. Younger: The North Atlantic Council communiqué, which was issued in June 1987, repeated the priority that NATO Foreign Ministers attach to agreeing a mandate for new negotiations covering the whole of Europe, from the Atlantic to the Urals. The new negotiations will cover both conventional stability, that is to say lower force levels and further confidence, and security-building measures building upon the Stockholm document of September 1986.

Dr. Owen: Does the Secretary of State support direct negotiations between the NATO and Warsaw Pact organisations, and if not, why not?

Mr. Younger: All the negotiations between East and West take place in different fora according to the subject of the negotiations, as I am sure the right hon. Gentleman knows. Considerable difficulties were faced in finding the right forum for the part of the negotiations that the right hon. Gentleman has in mind, but I believe that they are now resolved and that the discussions can proceed.

Mr. Ward: In any discussions on disarmament, will my right hon. Friend pay especial attention to chemical and biological weapons? Their inclusion in any negotiations is of great importance to the West.

Mr. Younger: I agree with my hon. Friend. The Government have long felt that there should be a complete worldwide ban on all chemical and biological weapons. We are making this a major feature of our suggested negotiating position for all further arms reduction talks.

Mr. Denzil Davies: Is there a common negotiating position within NATO on conventional force reductions? In other words, is NATO in a position to start negotiating? Secondly, will any negotiations in respect of battlefield nuclear weapons be linked to the conventional talks, or dealt with separately?

Mr. Younger: There is clear agreement among the NATO Allies on how to proceed with the talks. We are extremely disappointed, however, that the East has still not responded substantively to the Western proposal of December 1985 to build on areas of agreement between the two sides. Battlefield nuclear weapons will not be addressed in the current INF negotiations, but will be dealt with in subsequent negotiations.

Falkland Islands

9. **Sir John Biggs-Davison** asked the Secretary of State for Defence if he will make a statement about the future defence of the Falkland Islands.

The Minister of State for the Armed Forces (Mr. Ian Stewart): As announced in the Gracious Speech, the Government will stand by their pledges to the people of the Falkland Islands, while seeking more normal relations with Argentina. We shall continue to maintain a military presence at a level necessary to deter aggression and defend the islands.

Sir John Biggs-Davison: Will Ministers regularly inform the House of the progressive fall in the cost of this necessary and righteous commitment? To what extent can the use of the unrivalled training facilities in the Falklands be set against the expense?

Mr. Stewart: I can assure my hon. Friend that we shall keep the House informed in the normal way through the Defence White Paper and other means of our efforts in the Falkland Islands. I endorse what he said about the value of the Falkland Islands in providing training for all our armed forces. We fully appreciate the importance of that.

Mr. Flannery: Would it not help the cause of peace in the Falklands if the Government took a far more vigorous initiative in organising discussions with the Government of Argentina? Does the Minister realise that the position of the Falklands empowers the military caste in Argentina to be a permanent threat to President Alfonsin and the democratic forces in Argentina? It is therefore a matter of real necessity for the preservation of democracy in Argentina for us to take the initiative in discussions about the Falklands.

Mr. Stewart: Relations between the United Kingdom and Argentina are primarily a matter for my right hon. and learned Friend the Foreign Secretary. We want the restoration of normal relations with Argentina, and we hope that in due course they will come about.

Mr. Roger King: Can my hon. Friend confirm that since the construction of the new Falklands airport the cost of defending the Falklands has been reduced accordingly?

Mr. Stewart: It is true that the construction of the Mount Pleasant complex and the airport permits rapid reinforcement and has enabled some reduction in force numbers to be brought about. That has reduced, and will continue to reduce, the cost of maintaining the defence of the islands.

Mr. Ashdown: For how long do the Government intend to persist in their policy of privatising the defence of the Falklands by using Bristow Helicopters and flying foreign-made aircraft to support our armed services? Are the armed services not to be excluded from the Government's obsession with privatisation? Does the Minister not realise the sense of outrage that is felt in constituencies such as mine that are suffering massive job losses because the Government will not provide the helicopters that our armed services need, while providing long-term work for private companies using foreign-made aircraft?

Mr. Stewart: We have provided a large number of new helicopters. The hon. Gentleman made his constituency point. We shall continue to provide our armed forces in the Falkland Islands, and elsewhere, with the equipment that they need.

Trident

Mr. Brandon-Bravo asked the Secretary of State for Defence if he will make a statement on the ordering of a second Trident submarine.

Mr. Sainsbury: We plan to place the order for the second Trident submarine shortly.

Mr. Brandon-Bravo: Will my hon. Friend confirm that this second submarine, and subsequent submarines, will be at a lower price than the initial purchase? Can he add further to the comments of our right hon. Friend the Secretary of State for Defence, who, in answer to the first question, spoke about the creation of jobs in Scotland? Is there not also a case for illustrating the enormous impact on employment that that will have elsewhere in the United Kingdom? Can he comment further on the cost of the programme relative to the dollar, because for many months the strong pound appears to have been making the Trident programme cheaper and cheaper?

Mr. Sainsbury: Yes, we would expect the unit priced o follow-on submarines to be lower than that for the SSBN 05. The direct job creation effect of the second Triden order will be about 7,000 jobs, which will be concentrated mainly in the north of England, and, as my right hon Friend said, in Scotland. Only a minority of the total cos reflects the purchase in dollars. Clearly, the stronger the pound against the dollar, the lower the cost in terms o sterling.

Mr. Duffy: Instead of proceeding with this order, would it not be better to equip the lead ship of the type 23 frigate programme with a close-in weapon system, as was confirmed in the press last week? Is not this cheeseparing policy the result of irreconcilable objectives rather than supreme confidence in the effectiveness of the Sea Wolf anti-missile system?

Mr. Sainsbury: The hon. Gentleman should recognise that the policies of one-sided nuclear disarmament that he and his party advocate have been decisively rejected. Therefore, there is no question of cancelling the second order for Trident.

Mr. Franks: Is my hon. Friend aware that the parliamentary constituency of Barrow and Furness was the 326th seat to be won by the Government in the recen election? Is that not a tribute to the workers in the shipyards as well as to the Government's policy o maintaining the nuclear deterrent? If, as I understand, the negotiations for Trident 2 have been concluded, will my hon. Friend ensure that the order is placed speedily without any further delay?

Mr. Sainsbury: The fact that Barrow and Furness was the 326th Conservative victory was also a tribute to my hon. Friend's energetic work on behalf of his constituents He will appreciate that such a major order takes time, but we shall certainly place the order as soon as we can.

Mr. O'Neill: As the Minister has not returned to the question asked by my hon. Friend the Member for Sheffield, Attercliffe, (Mr. Duffy), will he concede that i is disgraceful that our most modern frigate is leaving the docks in a condition that would render it vulnerable if it had to do any service in the Gulf? Does he not agree that our men are entitled to better protection than that which

Mr. Sainsbury: The hon. Gentleman should appreciate that the prime anti-air attack protection for the frigate is from the vertical launch Sea Wolf system, which is extremely effective. Additional protection, provided by another close-in system, which would add to the cost and the weight of the frigate, would add only little, if any additional protection from an air attack.

Helicopter Manoeuvres

11. **Mr. Wigley** asked the Secretary of State for Defence if he will restrict the extent of armed force helicopter manoeuvres in upland sheep rearing areas; and if he will make a statement.

Mr. Freeman: We are advised by the Ministry o Agriculture, Fisheries and Food that there is no evidence

that noise from low-flying aircraft has any harmful effect on sheep or lambs, during lambing or at other times. None the less, claims for damage or loss with appropriate supporting evidence are considered sympathetically.

Mr. Wigley: Is the Minister aware that not only low-flying helicopters, but helicopters that land as part of their manoeuvres, have caused abortions in sheep and, therefore, unnecessary losses for farmers? Is he further aware that the RAF locally sometimes has ad hoc agreements with the farmers union to ensure the minimising of such losses? Will he encourage the development of such agreements to keep down the losses for farmers in uplands areas?

Mr. Freeman: Yes, I agree with the hon. Gentleman, and wherever there are ad hoc agreements between the RAF and landowners and farmers I encourage them. There is an adequate compensation scheme, and if the hon. Gentleman writes to me about any particular incident I shall investigate it.

Mr. Key: Will my hon. Friend give particular attention to the problem of heavily used training areas where helicopters are part of that training, such as the Salisbury Plain training area? May I thank him for the eternal courtesy and care with which he and his officials cope with complaints from members of the public on this issue? Will he have a word with our right hon. Friend the Secretary of State for Transport about the need to increase controls over microlight aircraft, which are rightly gaining the reputation of being the most unlikely and unhelpful form of recreation?

Mr. Freeman: I shall certainly convey my hon. Friend's comments to the Department of Transport.

PRIME MINISTER

Engagements

Q1. **Mr. Fatchett** asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. I was also present at Victoria station to mark the arrival of the King of Morocco. In addition to my duties in the House, I shall be having further meetings later today, including one with the Prime Minister of Sri Lanka.

Mr. Fatchett: When the Prime Minister said on 27 January 1986, in the middle of the Westland affair, that she did not expect to be Prime Minister by 6 o'clock that evening, what did she mean?

The Prime Minister: That allegation has been made many times. I have nothing further to add to the many statements and replies that I have already given.

Q2. **Mr. Gerald Howarth** asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Howarth: At a time when teachers are widely welcoming the Government's bold reforms in education, and when the fastest growing teachers' union, the Professional Association of Teachers, is urging no-strike agreements on the Secretary of State, is it not utterly disgraceful that a small minority of teachers in England and Wales, although happily not in Staffordshire, are going on strike? Will she condemn that and urge the Secretary of State to introduce his Green Paper as soon as possible?

The Prime Minister: I agree with my hon. Friend that teachers' strikes are damaging to the education of children, and in some cases they are meant to do just that. My right hon. Friend the Secretary of State for Education and Science will introduce the Green Paper on new permanent machinery for negotiations as soon as possible, and it is expected that that will include the possibility of no-strike agreements.

Mr. Kinnock: When the Prime Minister visits the United States this weekend, will she buy a copy of "Spy catcher"?

The Prime Minister: I thought that the right hon. Gentleman agreed that all members of the security services, present and former, have a duty of confidentiality to the Crown and that he would endeavour to uphold that duty.

Mr. Kinnock: The duty of confidentiality is vital and it must be honoured, but does the Prime Minister seriously think that the best way to uphold it is to take action in appeal courts in Britain and Australia and to engage in action which, with the arrival of every transatlantic airliner, is being turned into high farce?

The Prime Minister: How else does the right hon. Gentleman think that one can enforce a duty of confidentiality, except in a court of law?

Mr. Michael McNair-Wilson: Has my right hon. Friend had a chance to study the judge's comments following the award of more than £1 million to Mr. Samir Aboul-Hosn, who suffered brain damage? Does she think that this country is in danger of entering into an era of defensive medicine? Does she think that this is the time for a Royal Commission on medical negligence and how it is treated?

The Prime Minister: We have not considered a Royal Commission on medical negligence. The case to which my hon. Friend referred was one in which the courts decided precisely the appropriate damages to be paid. My hon. Friend is aware that we cannot interfere in any way with the decision of the courts, nor, in that case, would we wish to do so. I shall consider further what my hon. Friend has said.

Mr. Loyden: In view of the Prime Minister's late conversion to a recognition of the crisis in inner cities, will she now consider recent reports which argue that something like £82 billion will be necessary to overcome the problems of the inner cities? Will she therefore revise the Government's non-serious approach on that matter and increase the amounts that will be available next year for local authorities to ensure that inner cities' problems are tackled by the duly democratically elected representatives of the people?

The Prime Minister: As the hon. Gentleman is aware, one of the difficulties in tackling the problems of the inner cities is that some of the elected Left-wing councils are hostile to private enterprise and hostile to the very businesses that can bring in the extra jobs that the cities need so much. With regard to expenditure, this

Government have spent more than £2·2 billion since 1979 and that is a very considerable increase in real terms over the expenditure under the previous Administration.

Mr. Page: Is my right hon. Friend aware that if the news regarding the reduction of gas prices or the reduction in unemployment below 3 million, or news of other benefits such as huge profits for British Steel, had come along a few weeks earlier, not only would we have needed an extension to the Tory side of the House, but the opinions polls would have been increasingly irrelevant? Will my right hon. Friend therefore either ban opinion polls at election time or, if not, will she ensure that the statistical base from which those polls are extrapolated is a little more than simply two people per constituency throughout the country?

The Prime Minister: There has been a considerable increase in future confidence in the improvement of the economy as the figures have steadily mounted and people have seen that industry is in a very fit and healthy state. I do not think that anything would be gained by banning opinion polls. I am sure that they would still be taken and they would only be leaked. It is far better that they should be open.

Mr. Steel: When the Prime Minister goes to Washington, will she note the contrast between the democratically elected Congress of the United States currently exposing the existence of a state within a state and her persistent refusal to allow any independent investigation of the quite serious charges raised in Mr. Peter Wright's book about covert operations against a former Prime Minister?

The Prime Minister: I do not answer for the United States, but I ask the right hon. Gentleman to consider which has the more effective security service.

Mr. Ward: Will my right hon. Friend reconsider her reply about the inner cities? Does she agree that the most important step to take for the inner cities is to introduce the community charge so that those who vote will be left with the financial responsibility for the way in which they have cast their vote?

The Prime Minister: Yes. When the community charge is in place and all people properly contribute to the services given by the local authority and for which the local authority is responsible, we shall have much better accountability and that will lead to a much better use of money than at present.

Q3. **Mr. Ieuan Wyn Jones** asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Jones: Is the Prime Minister aware of the concern felt in Wales at the lack of resources in health and social services? Is she aware that the budget of Gwynedd health authority has been so stretched that ambulance journeys to clinics have been cut, hitting low-income families? Is she further aware that last week Gwynedd county council social services department had to cut back on home help services, hitting the elderly, sick and disabled? Will she encourage the Secretary of State for Wales to fight in the Cabinet for more resources in those areas?

The Prime Minister: I seem to remember that on a comparatively recent visit to Wales I went to a very new hospital, which was one of five major hospitals in Wales. With regard to health in Wales, from 1979 to March 1988 nearly £500 million will have been invested in the capital estate of the hospital and community health services. Expenditure on the National Health Service in Wales has risen by one third, after allowing for general inflation, between 1979-80 and 1987-88. Between 1979 and 1986 the National Health Service in Wales treated 23·6 per cent more patients than previously.

Mr. Oppenheim: During the course of her busy day, will my right hon. Friend, when considering the Government's economic policy, give close and careful consideration to comments made by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who said that there was a race on between the economic crisis and the general election? Will she also consider the comment by the hon. Member for Dagenham (Mr. Gould) that there is no immediate prospect of an economic crisis? How does my right hon. Friend square that apparent disagreement? *[Interruption.]*

Mr. Speaker: Order. That is rather wide of the Prime Minister's responsibilities.

Mr. Winnick: Will Customs officials be authorised to take from passengers arriving from the United States copies of Mr. Wright's book? If not, what possible excuse is there for carrying on with the case in Australia? Is the Prime Minister aware that we on the Opposition Benches have no sympathy at all for Wright, a wretched man who is obviously acting out of greed and spite? Is there not now the strongest possible case for a full-scale judicial inquiry into whether MI5 officials carried out subversive and criminal activities against an elected Government in the 1970s?

The Prime Minister: It is technically possible to introduce a ban by amending the open general import licence. My noble Friend the Secretary of State for Trade and Industry has advised his colleagues against such action, because it is likely to be ineffective. However, the question of possible legal action for an account of profits made from publication of the book in the United States is under consideration. As the hon. Gentleman knows, the purpose of the original case was to uphold the duty of confidentiality, which is necessary for the effectiveness of the service.

With regard to the other matter, the hon. Gentleman will recall that I made an extensive statement about it on 6 May 1987.

Mr. Harris: Has my right hon. Friend seen today's report on Trident by the Comptroller and Auditor General? The report states that the estimated cost of that project is likely to be reduced by some £1,500 million. Does that projection not show the wisdom of the Conservative party in sticking to the project? Has my right hon. Friend noticed that the SDP leadership has belatedly come round to supporting Trident?

The Prime Minister: Yes, I saw that figure. It is good news that the price has come down. It is very effective expenditure on a deterrent for this country.

Westland plc

Q4. **Mr. Dalyell** asked the Prime Minister if she will place in the Library a transcript of the television interview on Sunday 7 June with Mr. David Frost in which she referred to the Westland crisis.

The Prime Minister: I understand that a copy of the transcript is available in the Library.

Mr. Dalyell: Will the Prime Minister make just one reference to the "many times" when she has said that she knew what she had done as an explanation of why she said that she might not be Prime Minister at 6 o'clock that evening?

The Prime Minister: I have repeatedly told the hon. Gentleman that I have nothing to add. He knows full well that I am here and that I am intending to stay.

Mr. Latham: Did not that television interview, and others over the next two or three days, help to produce an extremely satisfactory result four days later?

The Prime Minister: Yes, Sir.

Mr. Corbyn: Will the Prime Minister take an opportunity today—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman has clearly not read the Order Paper. Supplementaries must relate to the main question.

Q5. **Mr. Blair** asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Blair: Whatever the original purpose of the Government's case against Mr. Wright, now that the book has been published in the United States, is widely read and distributed in every major European capital bar one, and is no doubt available for scrutiny by the Kremlin, why should Britain suffer a unique ban on this book? Is it the nation's security, or the Prime Minister's stubbornness?

The Prime Minister: As I have said many times, Mr. Wright, as a former member of the security services, owes a lifelong duty of confidentiality to the Crown. Most people accept that. Some people wish to undermine it. May I make it clear that this point is essential to the effectiveness of the security service. Some people wish to undermine the security service. On this side of the House, we wish to uphold it.

Q6. **Mr. Harry Greenway** asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Greenway: Further to the question asked by my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth), is my right hon. Friend aware that last year 24,000 teachers left the National Union of Teachers and that thousands of other teachers refused to heed its call to strike — all in the interests of children's education? Does she know that parents as well as a large number of teachers are wholeheartedly behind a no-strike deal for teachers, and will she put on all the pressure that she can to achieve such a deal in our schools?

The Prime Minister: Parents are grateful to those teachers—there are many of them—who refused to go on strike because they put children's education first. I believe that the majority of teachers would welcome a no-strike agreement.

Points of Order

3.30 pm

Mr. Speaker: I have a brief statement to make. Following the question put last Thursday by the hon. Member for Suffolk, South (Mr. Yeo) and answered by the Prime Minister, an exchange took place which gave rise to points of order. I made reference to the supplementary question itself, which was disorderly in substantially inviting the Prime Minister to meet the Leader of the Opposition to discuss a matter that went beyond the Government's responsibility.

I undertook to reflect on the appropriate time for taking points of order, and in particular on whether my ruling of 12 February last on this subject needed amendment. Since then I have held some discussions and intend to hold others. At present, I am not minded to make any change and will make no final decision until after my consultations have been completed. In the meantime, I shall continue to deal with points of order in accordance with my ruling of 12 February.

Mr. Tim Yeo (Suffolk, South): On a point of order, Mr. Speaker, arising directly from your statement. Will you clarify two things for me? Although I appreciate the difficulty of determining in the heat of argument what is in and out of order, is it not the case that, as happened this afternoon during Question Time, you sometimes rule a question out of order immediately it has been asked? However, on Thursday, after I had asked my supplementary question, you did not rule it out of order and, in those circumstances, my right hon. Friend had no alternative but to give a very full answer.

Secondly, would it have been in order if I had confined my supplementary question on Thursday to asking my right hon. Friend whether she would discuss with the Leader of the Opposition the possible referral to the Procedure Committee——

Mr. Speaker: Order. I am not prepared to go back over that. I must say to the hon. Gentleman, who kindly wrote to me, that I did not appreciate the thrust of his question while he was asking it. Perhaps I should have done.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker. When you were elected, you said that you would be the protector of Back Benchers. May I put it to you that a question of ministerial behaviour is involved when those, however exalted, who claim that they have given answers many times and are asked for references to those answers, cannot point in *Hansard* or anywhere else to where those answers appear? Is this not a matter of parliamentary behaviour and is it not against the traditions of the House for people to claim to have given answers when they have done nothing of the sort?

Mr. Speaker: I am afraid that I am in the dark about that. I do not know to which answer the hon. Gentleman is referring.

Mr. Dalyell *rose*——

Mr. Speaker: No. I think that the hon. Gentleman should come to see me, and I will try to deal with it.

Mr. Andrew Faulds (Warley, East): Further to your statement, Mr. Speaker. I presume that it is in order to make a comment or to put a question to you—[HON. MEMBERS: "No."] I will take Mr. Speaker's ruling. My comment is that your present practice allows Ministers to get away with no questioning of their conduct until an hour, an hour and a half or two hours later. Some of us cannot hang about that long—*[Interruption.]*

Mr. Speaker: Order. I call Mr. Faulds—or we may indeed have to hang around a long time.

Mr. Faulds: Some of us, Sir, take our responsibilities extremely seriously and have a whole range of other things to do. My question is simple: would you care to widen your discussions to invite me, the hon. Member for Warley, East, to give you my advice on this matter?

Mr. Speaker: I am happy to receive advice from any hon. Member, especially the hon. Member for Warley, East (Mr. Faulds). But I think that the whole House agrees that attendance in the Chamber should take precedence over all other matters.

Mr. Neil Hamilton (Tatton): Further to the point of order, Mr. Speaker——

Mr. Dalyell: On a point of order, Mr. Speaker——

Mr. Speaker: I will take Mr. Neil Hamilton's point of order.

Mr. Hamilton: I wonder whether you agree that, since the question asked by my hon. Friend the Member for Suffolk, South (Mr. Yeo) was not ruled out of order before my right hon. Friend the Prime Minister rose to reply last Thursday, she was perfectly in order to reply. In view of the fact that the memory of a former Member and member of the Conservative party was so comprehensively besmirched by a member of the Opposition, it was——

Mr. Speaker: Order. I do not think that we should go back over what occurred last Thursday.

Mr. Graham Allen (Nottingham, North): On a point of order, Mr. Speaker. May I seek your guidance? Is it in order for the setting up of departmental Select Committees to be delayed because of the problems encountered by the SDP-Liberal alliance in resolving its problems outside this place——

Mr. Speaker: Order. That is not a matter for me.

Mr. Gerald Howarth (Cannock and Burntwood): On a point of order, Mr. Speaker. It is a question not only of the time when points of order are put to you but of the nature of further abuses in the House. You will know that many of us on both sides of the House can be deeply offended by remarks made by hon. Members in the House under the cloak of parliamentary privilege. If you are prepared to rule on the timing of points of order, will you please make a ruling, for the guidance of all hon. Members, that the House enjoys freedom of expression but that, if that freedom is persistently abused by the Opposition, we shall be in grave danger of losing it? *[Interruption.]*

Mr. Speaker: Order. This is a House in which many uncomfortable things are said. If they are in order, that is within the conventions of the House. All the conventions of the House exist for a good reason and the conventions about maiden speeches also exist for a good reason. The chair can enforce the rules but not the conventions.

Mr. Tony Banks (Newham, North-West): On a point of order, Mr. Speaker.

Mr. Dalyell: On a point of order, Mr. Speaker.

Mr. Speaker: I will take Mr. Banks' point of order.

Mr. Banks: We all appreciate the problems of my hon. Friend the Member for Warley, East (Mr. Faulds) in his attempt to make a theatrical, or indeed political, comeback. The main problem with regard to your statement which I hope you will consider, Mr. Speaker, is that, when an issue is raised on which a point of order subsequently arises, one loses the context because of the delay. On one occasion, when I was grossly offended by a statement by the Secretary of State for the Environment, you would not allow me to raise a point of order at the time, but you subsequently allowed a point of order which was raised after Questions to appear in the *Official Report* at the point at which the Secretary of State had made the offensive remark. Perhaps, Sir, you might like to consider extending that practice, which might get us round our present problem.

Several Hon. Members: On a point of order, Mr. Speaker.

Mr. Speaker: Order. All this is what I think the whole House seeks to avoid. [HON. MEMBERS: "Hear, hear."] As to points of order arising out of past events I have already said that I shall consider the matter further. I do not think that there is any profit in going on with it today.

Several Hon. Members: On a point of order, Mr. Speaker.

Mr. Speaker: I will take Mr. Walker.

Mr. Bill Walker (Tayside, North): On a point of order, Mr. Speaker. I respectfully draw your attention to question No. 10 on the Order Paper. If you read that question, you will see that it deals with the ordering of a second Trident submarine. When you read the *Hansard* report of the questioning, including the question put from the Opposition Front Bench, you will see that it has nothing whatever to do with Trident but that it is to do with frigates and the equipment on them. When one gets into technical areas, it is difficult for those who do not understand technicalities to remain within order.

Mr. Speaker: Order. The hon. Gentleman has put his finger on an important matter, which is that, so often, points of order are raised by those who, unfortunately, were not called at Question Time. I know that the hon. Gentleman was not called on question No. 10 today and his point of order illustrates what occurs if we take points of order arising immediately after Question Time. I made a careful analysis before I made my statement of 12 February. I found that virtually all points of order were raised by those who, unfortunately, had not been called during Question Time; they were not genuine points of order at all.

Mr. Dalyell: On a point of order, Mr. Speaker. May I first apologise to you for keeping you in the dark and, secondly, raise a matter that affects the House of Commons? The system of open questions has grown up. Frankly, with open questions, it is understandable why a Minister will not give references. I was lucky enough to have a closed question—a specific question. I asked—courteously, I thought—for references. The real answer to the question was, "Because I did not have the foggiest notion whether the right hon. and learned Member for Richmond, Yorks (Mr. Brittan) would spill the beans on me." That is the truthful answer to the question that I asked the Prime Minister. Nevertheless, with substantial questions, should not references be given to those hon. Members who ask specific questions? What on earth could have caused the Prime Minister to have said that she might not be Prime Minister by 6 o'clock? That is a matter——

Mr. Speaker: Order. I can have no responsibility for the answers that are given to questions.

Several Hon. Members: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I will take Mr. Holt.

Mr. Richard Holt (Langbaurgh): On a point of order, Mr. Speaker. May I remind you that, last week, in response to a point of order raised by my hon. Friend the Member for Croydon, South (Sir W. Clark), you ruled that if male Members appeared in the House without a jacket or tie you would not call them. If your rulings are to be flouted so quickly when you call hon. Members in that way, how can we have standards in the House?

Mr. Speaker: The hon. Gentleman either was not here or does not read *Hansard*. I certainly did not say what he has put into my mouth. I said that I never give reasons why I call or do not call hon. Members in the Chamber.

Mr. James Marshall (Leicester, South): On a different point of order, Mr. Speaker. I ask you to investigate whether the Prime Minister intentionally or unintentionally misled the House when——

Mr. Speaker: Order. The hon. Gentleman has just been re-elected to the House, and he will know that no hon. Member intentionally misleads the House of Commons. In any case, answers to questions are not matters for me. I cannot help.

Mr. Eric Forth (Mid-Worcestershire): On a point of order, Mr. Speaker. Will you give the House some guidance on a matter that gave rise to most of this exchange but has now become important in the context of what you said? A moment ago, you referred to the conventions of the House which always have value. You know better than anyone that one of the great conventions of the House is that maiden speakers should be allowed to speak uninterrupted, but on the proviso that their speeches are uncontroversial or non-provocative or do not contain the sort of substance that would normally be subject to challenge from the other side, by way of interventions or, perhaps, points of order.

You will recall, Mr. Speaker, that during the recent controversial maiden speech in the House my hon. Friend the Member for Eastbourne (Mr. Gow) sought to intervene precisely because the material in that maiden speech was not only controversial but offensive. The Chair did not allow my hon. Friend to make his intervention on a point of order.

If you, Mr. Speaker, allow maiden speeches to continue to be made which contain offensive or derisory material, but which cannot be challenged, it puts the House and yourself in a difficult position. It puts all hon. Members — particularly Conservative Members, because the offences have come only from the Opposition — in a difficult poisition, and gives rise to many of the difficulties that have arisen.

Will you, Mr. Speaker, give careful consideration to the basis upon which maiden speeches are made in the House, to their content and to the ability of other hon. Members to seek to challenge them while the speech is being made?

Mr. Speaker: I read in *Hansard* what occurred on that day and what Mr. Deputy Speaker said. Nothing out of order occurred. Mr. Deputy Speaker did not prevent the hon. Member for Eastbourne (Mr. Gow) from intervening. It is true that the convention of making non-controversial maiden speeches has a good basis, but if they are controversial they stand to be challenged, and that is exactly what happened. I am certainly not prepared to ask hon. Members to submit their maiden speeches to me first.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: With the leave of the House, I will put together the five motions relating to statutory instruments.

Ordered,

That the draft Meat and Livestock Commission Levy Scheme (Confirmation) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the Merchant Shipping (Light Dues) (Amendment No. 2) Regulations 1987 (S.I., 1987, No. 746) be referred to a Standing Committee on Statutory Instruments, &c.

That the Foreign Compensation (Union of Soviet Socialist Republics) (Distribution) Order 1987 (S.I., 1987, No. 663) be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Grants by Local Housing Authorities (Appropriate Percentage and Exchequer Contributions) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Bunk Beds (Entrapment Hazards) (Safety) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Ryder.]*

EUROPEAN COMMUNITY DOCUMENTS

Mr. Speaker: With the leave of the House, I will put together the seven motions relating to European Community documents.

Ordered,

That European Community Documents Nos. 4083/84, 4687/84, 8599/85, 5808/86 and 6213/87 on price indicators for foodstuffs and non-food products be referred to a Standing Committee on European Community Documents.

That European Community Document No. 7194/82 on credit insurance be referred to a Standing Committee on European Community Documents.

That European Community Document No. 9592/86 on hazardous imitation products be referred to a Standing Committee on European Community Documents.

That European Community Document No. 5156/82 on legal expenses insurance be referred to a Standing Committee on European Community Documents.

That European Community Document No. 10443/86 on toy safety be referred to a Standing Committee on European Community Documents.

That European Community Document No. 11063/86 (Part 4) on knitting yarns be referred to a Standing Committee on European Community Documents.

That European Community Document Nos. 8006/86 and 10530/86 on health inspection of meat and poultry meat be referred to a Standing Committee on European Community Documents.—*[Mr. Ryder.]*

Finance Bill

Considered in Committee

[MR. HAROLD WALKER *in the Chair*]

Ordered,

That the Bill be considered in the following order: Clauses 1 to 17, Schedule 1, Clauses 18 to 57, Schedule 2, Clause 58, Schedule 3, Clauses 59 to 63, Schedule 4, Clauses 64 to 76, Schedule 5, Clauses 77 to 95, Schedule 6, Clause 96, Schedule 7, Clauses 97 to 101, Schedule 8, Clauses 102 to 104, new Clauses, new Schedules, Schedule 9. — *[Mr. Norman Lamont.]*

Clause 1

INTERPRETATION

3.47 pm

Mr. Tony Blair (Sedgefield): I beg to move amendment No. 35, in page 1, line 10, leave out

'or that part of an undertaking'.

The first chapter of the Finance Bill deals with profit-related pay and a number of amendments on the Paper relate to the first 18 clauses. For the convenience of the Committee, I intend to adhere strictly, as no doubt, you Mr. Chairman, would want me to, to the wording of the first amendment and leave a more general debate on profit-related pay and its basic principles to a clause stand part debate.

The amendment would omit from clause 1, line 10, the words

"or that part of an undertaking".

That will define an employment unit as an undertaking to which a profit-related pay scheme relates, not

"an undertaking, or that part of an undertaking, to which a profit-related pay scheme relates".

The amendment has been tabled to probe the Government's intentions in defining an employment unit for the purpose of deciding how profit-related pay is to be administered. I raise those particular words because they crop up in many areas of the law, and, indeed, have given rise to considerable and significant legal confusion over the years. Since we are about to administer a large tax relief on the basis of a profit-related pay scheme, it is right that we should be sure of the scope of the profit-related pay scheme so that we can adequately determine the scope of the fiscal incentive towards profit-related pay.

Among the legislation in which the words "part of an undertaking" occur, are the Redundancy Acts and the transfer of undertakings orders which transfer the rights and obligations of employees and employers in certain employment situations where one firm takes over another. I assume—perhaps the Minister will confirm this—that the definition of part of an undertaking is supposed to be the same in the Act as it is in the industrial relations legislation more generally.

I want to give the Minister one or two examples, so that we can see the scope of what is involved. If a firm wants to introduce a profit-related pay scheme, and has its own canteen staff, do such staff form a self-contained unit such that they are part of an undertaking? For example, would the clerical side of a firm, as opposed to the shop floor shide, form a part of an undertaking? In other words, there are certain legal cases in relation to the industrial relations laws in which part of an undertaking is sometimes defined as a self-contained part—in the sense that it could even

have its own profit and loss accounts. Presumably that would not arise in relation to the clerical side of a firm; could it be included? If so, could that apply merely to the white collar staff and not to the shop floor staff? What are the requirements that go to make up the definition of "part of an undertaking"? Has consideration been given to that? Is the Treasury satisfied that no one will be excluded from the ambit of the profit-related pay schemes by an over-tight definition of an undertaking or part of an undertaking?

We intend to vote against the general principle of profit-related pay and a fiscal incentive, but it is important that if we are to have profit-related pay, it is accepted on a clear basis and no-one is excluded from the ambit of profit-related schemes who should properly be within it, once the initial principle is accepted. I hope that I have adequately canvassed the difficulties that we foresee. I stress that this is a probing amendment that is designed to secure an explanation from the Government.

The Paymaster General (Mr. Peter Brooke): It may be helpful if I refer to the general subject that the hon. Member for Sedgefield (Mr. Blair) has raised. In the design of our PRP proposals, we have sought, wherever it is consistent with policy objectives, to build in as much flexibility as possible. One choice that we are allowing employers to make when preparing their PRP schemes is the nature of the employment unit. We recognise that some employers will want to have a single scheme covering the whole enterprise under which PRP is related to the profits of the whole, be it a company or group of companies, a partnership or other unincorporated business. Any employer who makes that choice may do so because he considers that his employees are likely to be better motivated if they are identified with the business as a whole. He may conclude in any event that, in his own circumstances, there would be particular disadvantages or difficulties in breaking the business down into profit centres, each with it own profit and loss account prepared in accordance with paragraphs 19 and 20 of schedule 1.

On the other hand, some businesses already operate on a basis that provides a measure of autonomy at a level lower than the whole business. They find particular advantages in such decentralisation and we have therefore provided that the employment unit need not be the whole group, company or business but can be a sub-unit of any of those. We recognise that in some businesses employees see themselves as belonging to a particular part of a business. That may be one division or even one factory. It is right that if profit figures that meet the statutory requirements can be produced for that part of the undertaking it should be permissible for that unit to be an employment unit with its own PRP scheme. It would be wrong to require that each company in a group had to belong to a group scheme despite the fact that each company made a different product and that each employee thought of himself—and was encouraged to think of himself—as employed by his own company rather than by the group.

The tax relief that we are providing is intended to encourage the widespread adoption of PRP schemes. In our judgment, removing the choice of size of employment unit would deter some employers from adopting PRP; but the essential condition, about which the hon. Member for Sedgefield asked, is the requirement that a unit should have its own profit and loss account prepared in accordance with paragraphs 19 and 20 of schedule 1.

Mr. Blair: I am grateful to the Minister for his reply. I am attempting to be helpful and to do that I need to probe a little further. Some units of an undertaking might be colloquially thought of as self-contained and would not have their own separate profit and loss account. The canteen or clerical staff in a company might not have profit and loss accounts but could form self-contained parts. The reason for our amendment is to probe whether the Government have given sufficient thought to the definition of "part of an undertaking". These words are widely used in industrial relations legislation and have given rise to considerable confusion. The Government should be clear about their legislative intent, or they will find that companies will be unduly restricted in bringing in these schemes.

Mr. Brooke: It may be helpful if I respond further to the hon. Gentleman's remarks. I should add to what I said earlier that the Bill has no specific relationship to other legislation. There is no natural read-across but, as I said before, the touchstone will be the employer's ability to produce a profit and loss account for an employment unit of the undertaking. The hon. Gentleman used the example of canteen staff. If the employer can produce accounts it is for him to make an application for a scheme. The hon. Gentleman will know from reading the rest of the legislation that it requires 80 per cent. employee participation, although I think the hon. Gentleman has another amendment about that.

Mr. Blair: Again I am grateful to the Minister. Perhaps I could ask him to give this matter further consideration. I do not think that it is a matter of controversy between us. I appreciate what he says, that these are different parts of the legislation, but I can tell him, and no doubt his advice will be to the effect, that the words in this statute will be defined and construed by a court in the same way as words are interpreted in other pieces of legislation. Therefore, the industrial relations definitions in the redundancy and transfer of undertakings regulations about an undertaking and part of an undertaking will be the same.

Situations can arise in which it is not possible to produce a separate profit and loss account but in which one could think in colloquial terms of a self-contained part of an undertaking. It may be worth paying some further attention to this to ensure that certain parts of undertakings will not be excluded from the ambit of these profit-related pay schemes. I can think of examples in my own constituency where for parts of a factory floor it would be impossible to produce a profit and loss account. However, they might well respond in different ways to a profit-related pay scheme. I ask the Minister to at least give some further attention to this. Otherwise, there will be difficulties that we both want to avoid. Subject to that, I am prepared to withdraw the amendment.

Mr. Brooke: The issue that the hon. Gentleman raises was, of course, considered during the fairly lengthy gestation period that led up to this legislation. I repeat that a scheme employer will need to make an application to the board of Inland Revenue and that one of the conditions

[Mr. Brooke]

that he must satisfy under this legislation in order to be registered is the production of a separate profit and loss account. That of itself will be a determining factor.

Mr. Blair: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr. Blair: As I said when I spoke to the previous amendment, the debate on clause 1 is an appropriate time to have a debate on the principle of profit-related pay and whether it is in our interests to accept as a whole the scheme that the Government intend to introduce. Profit-related pay has been much discussed among academics, and various representations were made to the Government when they first mooted this scheme. The advantages and disadvantages can be said to be in some sort of balance. We cannot be certain that the balance of advantage comes down on one side or the other.

4 pm

The Bill will introduce tax relief on profit-related pay for up to one fifth or £3,000 of an employee's wage—whichever is the lower—provided that that part of the wage is paid on the basis of the employer's profits. Will the Minister confirm that the effect would be to give up to £20 a week tax-free to a person who wished to take up the full benefit of the scheme? Such a person would be likely to be a senior executive or manager, although in these days he might be working on the shop floor. At first blush, that £20 a week tax cut would be given to the person taking the maximum benefit for doing no extra work whatever. It would go straight into that person's hand; he would have produced nothing more and done no extra work.

I may be wrong, but it seems to me also that it could be possible for the £3,000 to be taken off the top rate of tax so that the person's tax relief could be greater, but at any rate a person who took the maximum could receive up to £20 a week tax-free.

The cost of the proposal has been estimated in various ways by academic bodies as well as the Treasury. The Treasury says that the costs for the full year 1988-89 will be about £50 million, but by then the scheme will just be starting up. Sam Brittan, writing in the *Financial Times* about the earlier limit of £1,000, thought that the cost could be anything up to £850 million to £950 million per year if profit-related pay were taken up on a large scale. Saul Estrin, writing in *The Guardian,* reckoned that the cost could be anything up to £1,000 million per annum. I think that it is accepted on all sides that, if profit-related pay is taken up on the scale that the Government wish, considerable fiscal incentives will attach to it. It is clear beyond argument—the Treasury accepts this—that we are talking about a fiscal incentive that could be worth hundreds of millions of pounds.

Therefore, before we accept the benefits of profit-related pay, we need to be sure that the scheme represents the best way of obtaining the benefits the Treasury seeks. Basically, the Government make three claims for profit-related pay. The first is that it would encourage a greater identification between workers and management; in other words, that it would eradicate what is popularly called the "them and us" attitude. The second claim is that employees will not be made redundant in times of recession. They will simply take lower wages because of lower profits, and unemployment will thus be avoided. The third claim is that the marginal cost to the employer of hiring staff will be diminished because the profit-related pay element will mean that, as more workers are hired, the profits will simply be spread more thinly. Therefore, it will be in the interests of management to hire more staff and produce more goods. As I remarked on Second Reading, that theory is propounded by Professor Weitzman of the Massachusetts Institute of Technology.

Let me take each of those claims in turn and add some further objections. When the Financial Secretary replied to my Second Reading speech, he said, I thought rather unkindly, that I had barely mentioned the Bill. In fact, I find that my remarks on profit-related pay run to two or three columns of *Hansard.* I did not get an answer to any of my points, so I must apologise if I appear to be repeating myself.

The Government argue that there will be greater identification between workers and management. In its submission to the Government, the Institute of Personnel Management said, with some justification:

> "Profit-related pay is just one, and in our view, not particularly good, method of introducing flexibility into pay structures and it hardly seems equitable to grant it tax relief that is denied to other, perhaps better, approaches, like output-related productivity schemes or merit pay."

That is an important point. We tend to be given the idea that profit-related pay schemes have some magic attendant upon them and that they are different from other schemes. In fact, profit-related pay is a sophisticated form of bonus payment: the more profit there is, the more pay an employee gets. In that respect the scheme is not dissimilar from a bonus productivity scheme, which gives the equivalent identification between management and work force and thus provides the essential ingredient of removing the "them and us" attitude. As the Institute of Personnel Management asked, why should profit-related pay be singled out for a tax incentive? I would be grateful if the Minister would deal with that point.

The Institute of Personnel Management and the British Institute of Management made a further point. The main purpose of the profit-related pay scheme is said to be to reduce unemployment. It is very difficult to understand how the best way of reducing unemployment can be to give what could be up to £500 million to £1,000 million-worth of tax incentives for profit-related pay. There could be many better ways of spending that sum of taxpayers' money to secure a reduction in unemployment or an increase in employment. On 27 October last year, the *Financial Times* reported that there was no hard evidence to suggest that the profit-related pay scheme represented a good method of reducing unemployment. We are entitled to ask the Government whether they have hard evidence or empirical studies to suggest that profit-related pay will reduce unemployment, because that macroeconomic argument lies at the heart of their claims.

Given that there are to be fiscal incentives, a further point arises. Treasury Ministers have been telling us for years that, if something is to be given away, someone must pay for it. The truth is that the general body of taxpayers will pay for profit-related pay. It will be particularly inequitable because, on the highest estimates that I have seen, 12 million workers—half the work force—will be covered by the profit-related pay scheme. That means that

approximately half the work force will not be covered, and the public sector accounts for most of that. The public sector, in particular will have to finance the tax relief for the private sector schemes eligible for profit-related pay.

On the identification of managers and workers, we have also to consider the whole question of employee share ownership plans. These have been used effectively in the United States and are being pioneered in this country by Unity Trust, the trade union banking institution. It is difficult to understand why profit-related pay should be singled out. When the British Institute of Management considered the employment-creating potential of profit-related pay, it said that nearly 47 per cent. of its respondents thought that the pressures to limit recruitment and investment would not be easily resisted. In other words, almost half of those responding to the British Institute of Management survey said that, so far from increasing employment, the profit-related pay scheme would limit recruitment and investment.

The reason is not difficult to find. This was highlighted by Professor Meade, who is an acknowledged expert on these matters and to whom I pay attention, despite the fact that he is an adviser to the SDP. There seems to be a good deal of truth in his view that a profit-related pay scheme means that those already employed by a company will have a vested interest in resisting further recruitment because it will spread the jam more thinly. If more workers are taken on, the proportion of the profit going to each worker will be diminished. Professor Meade therefore suggested a different scheme, in which a distinction was made between insiders and outsiders coming in, the latter receiving a lower return in profit-related pay.

The marginal cost of hiring workers may be reduced for the employer, but existing employees will have an interest in resisting further recruitment so as to maximise their own slice of the profits. It may be argued that management rules and will wish to take advantage of the lower marginal cost of hiring staff, but despite some people's fantasies about the way in which firms are run, most of us appreciate that in the majority of firms there is a fairly common identity between workers and management. The "them and us" attitude can be overplayed, and the notion that workers and management will automatically take opposing views seems highly academic and unreal. In reality, management and workers—whether unionised or not—will consider the matter together.

It should be remembered, too, that managers are not precluded from participating in the scheme. Indeed, they will almost certainly be involved in it, so both they and the shop floor will have a community of interest in resisting further recruitment. At the very least, therefore, it is difficult to see how anyone can state with certainty that profit-related pay will reduce unemployment, because there is a clear counterweight to that proposition.

Finally, it is argued that in a recession a profit-related pay scheme will mean that workers will take a smaller share of the profit rather than being made redundant, but I am not entirely sure that it will work like that in practice. People might well go for voluntary redundancies so as to keep the same amount of profit per worker. Moreover, from the Government point of view it is not even clear that the results that they claim will be desirable. If profits are reduced and a firm gets into difficulties, it may not necessarily be a good thing to stagnate the work force in that way. Looking at the macro-economy as a whole, the only effect of profit-related pay in a recession is to produce wage cuts. That is not a novel proposition. It was tried in the 1930s and it failed. The recession then becomes deeper. I am therefore not persuaded that profit-related pay is the panacea that it is claimed to be.

Before agreeing to the introduction of such a potentially large fiscal incentive as would be involved, therefore, we must be extremely sure that we are going down the right route. We are far from convinced that it will diminish unemployment or increase investment. We are also not convinced that it will deal with the underlying problems of the economy. In particular, we are totally unpersuaded that this is the best way to spend the potentially very large sums involved.

Mr. Tim Smith (Beaconsfield): In my view, the speech of the hon. Member for Sedgefield (Mr. Blair) was thorougly dull, unimaginative, negative stuff.

Mr. Austin Mitchell (Great Grimsby): You have not heard anything yet.

Mr. Tim Smith: I cannot wait to hear the contribution of the hon. Member for Great Grimsby (Mr. Mitchell). We have just heard the spokesman from the Opposition Front Bench pouring cold water on what he claims others — presumably the Government — have described as a panacea. No one has described profit-related pay as a panacea, but it is one of a number of measures that could help reduce inflexibility in the labour market. Various schemes with the same objective are already in place, including employee share schemes and the Finance Act 1978 and other schemes which seek to bring together workforce and management.

It was good to hear from the Labour party spokesman that there is not a great divide or a "them and us" situation in industry, as Labour Members generally spend most of their time playing on that. Nevertheless, in some companies there are divisions and we need to bring the two sides together. Profit-related pay, with other schemes, could go some way towards that, because employees who participate will take a new interest in the overall profitability of the company. The argument for greater identification is thus an important one and I certainly find it attractive.

4.15 pm

With regard to the argument that there will be fewer redundancies, I am not sure that the hon. Member for Sedgefield has any experience in industry but when wage costs become excessive there are very few solutions available. At present, employers simply cut the number of employees by 5 per cent., 10 per cent. or whatever percentage is deemed necessary to keep the company afloat. Redundancy is a very blunt, crude instrument to deal with the problem and I should not have expected the Labour party to find it attractive. If a tax-related scheme goes some way to meeting the difficulty and providing other possibilities for employers in that situation, I should have thought that it would be welcome.

It was interesting to hear the various figures suggested for the cost of the scheme. They varied from £50 million by the Treasury to about £1,000 million by Sam Brittan, who apparently commented before the relief was made more attractive. If the take-up is anything like as big as that, the scheme will be a runaway success because it will mean that every eligible company is taking part. I do not believe that the costs will be anywhere near £1,000 million,

[Mr. Tim Smith]

but I believe that the experiment is worth trying. No one claims that the scheme will be an overnight success, but many companies have already expressed interest in it. If it encourages employees to take a greater interest in the overall welfare of the company or of the part of the company in which they work, I believe that we should pursue it. I shall therefore support clause 1 and the following clauses.

Mr. Ronnie Fearn (Southport): My question to the Minister relates to the incentive aspect of the scheme. The alliance is basically in favour of the scheme and will support it. To provide an incentive to set up the administrative and negotiating machinery needed to begin such a scheme and to promote its beneficial effects, would it not be wise to provide for a rebate of employer national insurance contributions, not just on the qualifying profit-related pay but on the basic pay? Employers will be looking for such an incentive. If the Minister can show that it exists, we shall fully support the clause.

Mr. Austin Mitchell: I do not know a great deal about the scheme, but I have read Professor Weizman's book — I occasionally read items of SDP literature — with great interest and attended his meeting in the House of Commons. Prior to that, I had thought that profit-related pay was something to do with the Ayatollah Khomeini.

I was not immediately attracted to the scheme by the way in which it was presented by the Government. Clearly, anyone in his right mind is sympathetic to a proposal that will produce greater involvement by workers in their firms and greater identification with the future of those firms, but we must ask whether the proposed scheme is the best way to bring about the identification that we all wish.

The principle has widespread support. The problem is whether this proposal is the best way of serving that principle. Therefore, it is unrealistic to brush aside the objections in the way that the hon. Member for Beaconsfield (Mr. Smith) has sought to do. The question is whether, by spending a similar amount of money or even less money — the amount that we will spend has not been measured — we could get even greater benefits and produce the identification that is wanted by all sides of the House.

The idea within the proposal springs from a half-baked analysis of the reasons for Japanese industrial success. The Japanese firms that were considered are the biggest, those that dominate a third of the economy. The smaller firms have not been considered yet it is from those that all the sacrifices are demanded when economic difficulties arise. What we are discussing is the identification between workers and management in the biggest firms that dominate a third of the Japanese economy. The argument is that, in times of economic difficulties, Japanese workers are prepared to take cuts in pay. That is true. It has been a formula for success in Japan. However, that formula for success exists because Japanese firms accept responsibility for the workers on a far wider scale than British firms.

In Japan, indentification and commitment can be built up because firms are prepared to carry the workers through lean times. They are prepared to take risks, to diversify, to provide the work force with the real bond of identification — a successful company. The bond of identification is provided by a company that is going places and one that is attempting to provide a future for its workers. Therefore, the whole system is much more integrated than in Britain. It is unrealistic to take one aspect — wage and salary cuts in times of economic difficulty — and ask how we can achieve that in the United Kingdom.

The Government believe that the answer is profit-related pay. They believe that that will provide the formula for success that has been used by Japan in the past. That idea is totally unrealistic and half-baked. Either we accept the total commitment of firms to workers or we accept that the present proposal is inadequate.

Although we support the principle of involvement, it is perfectly reasonable for us to raise doubts about the way in which the principle is propounded in this country. The true aim of this measure is to cut earnings. I believe that this is a proposal from a Government that have run out of solutions for Britain's economic difficulties. The Government's economic policies have ground to a halt and they are seeking a new beginning. They are clutching at straws. In the 1970s, when the Conservatives had run out of ideas, they clutched at the work of one American economist. Lo and behold, along came Friedman and all the disasters that followed. Now, the Government are clutching at another American economist, Weizman and suggesting that he holds the key. This proposal accords with a deep and distinctive prejudice on the Tory Benches — to cut wages and earnings.

The Government speak with two tongues. In the run-up to the election it was useful that earnings and wages were increasing ahead of inflation. Indeed, I remember the mysterious advertisement with 23 reasons for voting Conservative — the Conservatives dredged round, but all they could get were 23 reasons, not even 24 and indeed, most of those were wrong — and one of those reasons was that earnings had increased by 26 per cent. or 24 per cent. — the figures are not important. The fact was that earnings had increased ahead of inflation. Then, of course, it was a cause for congratulation and a useful weapon to win the election. Now, it has become an anathema.

Our costs, inflation rate and earnings are increasing faster than most of our competitors. For that reason, it makes it incomprehensible that the Government are now trying desperately to peg the exchange rate to the deutschmark. The Government are attempting to join the European monetary system without declaring for the EMS. The Government have said that the pound will be held to 2·80 or 3 DM. The Government's decision to peg the pound means that every time our inflation increases ahead of our competitors — each day it edges ahead of our competitors — the real exchange rate, given that the nominal exchange rate has been pegged in that fashion, increases. Our real exchange rate is now 10 per cent. up on what it was last October. We are gradually squeezing our competitors——

The Chairman of Ways and Means (Mr. Harold Walker): Order. We are a long way away from profit-related pay.

Mr. Mitchell: I am glad that you have brought me back, Mr. Walker. I was arriving at my point via West Germany — a most interesting excursion. However, my point was germane.

In the Government's eyes the reason for the proposal is that it holds down wages. That is why the Government are so enthusiastic about it. However, I must point out

that, if the Government are, at the same time, holding down the exchange rate as wages go up, they will be putting British industry in a squeeze that will remove the last vestige of our competitiveness and strangle British industry. Therefore, there will not be any profits to be distributed as a result of the profit-related pay proposal. If competitiveness is eroded in this manner, profits will go out the window. However, at your behest, Mr. Walker, I shall return to the argument.

This proposal is not what the Chancellor had in mind when he set out to be the great reforming Chancellor when he took over the office in 1983. Then, he wanted to be a tax reformer and wished to make the whole system neutral. This proposal does not represent neutrality. A fairly large tax concession has been produced, but the extent of that tax concession is unknown. The estimate of the cost of the scheme for 1988-89 has been put at £50 million, but the Treasury has accepted that the final cost could be substantially greater.

As my hon. Friend the Member for Sedgefield (Mr. Blair) has already said, Sam Brittan estimated in the *Financial Times* that the final cost could be £800 million. The hon. Member for Beaconsfield was wrong when he suggested that Sam Brittan put the final cost at £1 billion. It was *The Guardian* that estimated that the final cost would be £1 billion, so it must be true. *The Guardian's* assessment is more realistic than that contained in the *Financial Times*. However, whether the cost is £800 million or £1,000 million it is far greater than the estimates we have had from the Government or from the Treasury.

We are signing a blank cheque for a proposal that is not neutral in the manner in which the Chancellor set out to be neutral. There are far better ways of spending this money for the purposes of the economy—for instance, on job creation. However, for a Chancellor who wants to encourage identification between workers and firms there are far more effective ways of spending this money.

We must also consider whether firms, given their ability under this scheme to cut wages, will keep jobs. It is interesting to consider what the Government are now putting forward as this country's future. Will we face a situation in which firms, having already shed 28 per cent. of manufacturing jobs in the period 1979-83, and gone through that bloodbath, will, in all probability, shed more jobs in the future? Is this the future that the Government are preparing for us?

Are the Government saying that, in the years ahead, the economy, under their management, will be so difficult that there will be a great need for firms to face the choice between shedding labour or keeping labour on lower earnings? If that is to be the future, it is rather different from the one that the Government were projecting before the general election, which took place only a few weeks ago. During the election campaign, the Conservative party offered a future of almost limitless expansion, with the British economy competing effectively with the German economy. The picture that the Government have presented is entirely unrealistic and I am sure that the Government are right when they say now that economic difficulties lie ahead. I am sure that that will be the position under their management.

4.30 pm

Old habits do not change overnight. If we find ourselves in economic difficulties, firms will shed everything that can be thrown overboard. That has happened in the past and it will happen again. Everything that makes for non-price competitiveness will be thrown out, including research, design work, investment and labour. If life becomes difficult economically, the old bloodbath will be repeated, and a profit-related pay system will not obviate the need, as some perceive it, for that to happen. That will be the position if economic difficulties develop, and I am sure that they will.

I do not wish to appear churlish in my response to profit-related pay, but it is the responsibility of the Opposition to ask the necessary questions. Our questions are a reaction to the high hopes that the Government have reflected in their propagation of the scheme. If the Government are selling the scheme as an answer to the economic difficulties that they will create in future, they have a responsibility to ensure that the prospects that they are presenting will become reality.

The scheme has been oversold, as monetarism was oversold in the 1970s. There has been overselling by the Social Democratic party and the Liberal party, which have seen the scheme as a substitute for an economic policy. The Government have taken it on for the same reason.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): At the beginning of his remarks the hon. Gentleman said that there was a real interest across the Floor of the Chamber in trying to relate the interests of employees with those of their employers within their place of work. Unfortunately, the hon. Gentleman has not advanced any of the new thinking of the Labour party to explain how this will be achieved. Instead, he is attacking the Government. Does he intend to end his speech with some positive and constructive proposals?

Mr. Mitchell *rose*

The Chairman of Ways and Means: Order. If the hon. Member for Great Grimsby (Mr. Mitchell) were to take up the invitation of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), I would have to remind him that we are discussing profit-related pay within the terms of clause 1.

Mr. Mitchell: It is interesting to hear that there is new thinking going on in the Labour party as against the over-acting and over-emoting that is taking place within the alliance. It is surely possible to say on the basis of rational calculation that clause 1 is not the best approach to implementing and encouraging the greater involvement that we all wish to see. It is true that the Government see involvement as share options that are focused on top management and on the board of directors, but we want involvement within firms, which means democracy, consultation and giving unions and workers a legitimate place in the decision making that takes place within a firm. It involves also the profit-sharing proposals that Liberals have advanced for years and which were implemented only by a Labour Government during 1977-78, when the first great advance in that direction was made. I support the concept and I am sympathetic to it. I am merely saying that that is the right road and the way forward, and not the one that the Government have overpraised and for which they have made too many claims. The Government's scheme will not live up to the prospects that have been held out for it to us. It is characteristic of a Government and an alliance who have run out of ideas.

Mr. John Redwood (Wokingham): Having listened to the hon. Members for Sedgefield (Mr. Blair) and for Great

[Mr. John Redwood]

Grimsby (Mr. Mitchell), I feel that the Opposition have run out of problems to allege that the Government are running into and not that the Government have run out of solutions to problems. It is extraodinary that profit-sharing pay should be represented as a scheme to cut wages. It is a scheme to allow employees to participate in the success of their enterprise. Profits are rising substantially because demand is good and because industrialists and those in commerce are responding to that demand. There are profits, and if the scheme is introduced employees will be better off. I am staggered that Opposition Members wish to deny people the opportunity to participate in such a scheme.

The Opposition tell us that a different lesson should be drawn from the Japanese experience than the one that the Government have presented. The Opposition always take a selective view of the Japanese experience. They focus on the few large firms at the top of the Japanese economy that account for about 20 per cent. of output and activity and not on the 80 per cent. that is represented by small and medium-sized enterprises in a highly competitive environment without the many protections that are accorded to the privileged few who work in the large companies at the top. I think that the Opposition would be well advised to study the Japanese economy rather more thoroughly before drawing hasty conclusions from the Japanese experience.

The Opposition tell us that it would be better to offer tax relief for merit pay than to introduce profit-related pay. Merit pay is a scheme that enables individual managers to say to individuals within the work force, "You are worth this much extra and you are not." Accordingly, a manager would have tremendous power and control over individual employees or groups of employees under that scheme. Is that really what the Opposition wish to write into the statute book? Do they not accept that merit pay would be difficult for the Treasury to control? Without firm limits it would be possible to allege that all parts of an individual's remuneration were related in some way to his merit. It would be extremely difficult to tie the net tightly around such a scheme to ensure that judgment was not involved. One of the advantages of profit-related pay is that it is relatively easy for those who frame legislation to produce a scheme that does not allow people to bend the rules too often or too regularly.

I am delighted that the Opposition now understand the value of employee share option-type schemes. They should do a little more homework, however, because the ESOP schemes in the United States of America have produced many drawbacks for the employees who have been part of them who wish to change their jobs or who find that values are problematic when they come to value their stake when there is no ready market.

I hope that the Government will introduce more proposals in the next Budget to strengthen share ownership for all employees in all companies. I hope, however, that they will not introduce a simple clone of the ESOP scheme. Instead, we should have a good British scheme that does not have the weaknesses and injustices that ESOPs perpetrate on employees.

Mr. Robert Maclennan (Caithness and Sutherland): The contributions from the Opposition Benches of the hon. Members for Sedgefield (Mr. Blair) and for Great Grimsby (Mr. Mitchell) were united only in their deep conservatism. Their diagnosis of the condition of British industry and companies produced different results. The hon. Member for Sedgefield, who spoke from the Opposition Front Bench, alleged that there was no problem to be dealt with, because British firms were united and that it was artificial to talk about bringing forward a scheme to deal with the "them and us" problem. The hon. Member for Great Grimsby claimed that the position was entirely opposite to that, and that firms were so divided and managers so remote from the interests of their employees that they could not proceed along the lines of Japanese companies. It seems that there is a need for Labour Members to get together to try to work out a common approach to these problems. They do not speak with one voice.

Profit-related pay is not a panacea for industrial relations difficulties. I should be interested to know why the Institute of Personnel Management took the view that it did. Is it defending its members' interests? Does it think that the only way to overcome management problems is through its beneficent intervention? I find its unsubstantiated arguments rather unpersuasive. The reality is that profit-related pay is not advanced as a means of resolving industrial relations difficulties or as a means of tackling unemployment. It is not a back-door method of reducing pay. It is a system that relates rewards to the returns of a business, which seems to be a profoundly sensible approach. Indeed, if one puts that proposition conversely — that pay should be unrelated to profit — the ridiculousness of opposition to that suggestion becomes obvious.

I should like to ask the Government a more factual question about take-up. There have been suggestions that the scheme might cost about £50 million per annum from the Treasury, which seems a modest amount. If that were to be the case, will the Government reveal some of their premises about the extent of take-up? How many firms and employees do they envisage as being affected in the first years that the scheme is in operation? That is an important question because of the range of estimates that have been canvassed in the debate and outside the House.

The wilder suggestions by the hon. Member for Sedgefield on Labour's Front Bench have not been supported by the Government. However, I should be happier if the figures were somewhat more substantial than those that have come from the Treasury because they are not altogether satisfactory if this is purely a token scheme.

As I said on Second Reading, the scheme seems an attractive idea. Not only would it offer encouragement to the employees through tax relief: it would also encourage the employers to go through the complexities of establishing the schemes and participating in the negotiations that will be necessary to make those schemes a success. I am not sure that the somewhat abstract advantages that the Government have deployed in support of their view that the employers will find the scheme attractive are sufficient, in practice, to make many take the initiative in setting up profit-related pay schemes.

If one took only the evidence of the inquiries that have been made, it would be quite encouraging. I understand that between 50,000 and 60,000 inquiries have been made of the Inland Revenue. However, those are initial probing inquiries to see what lies behind the scheme. Therefore, we

cannot assume that those inquiries will necessarily be followed up by firm commitments to introduce the schemes. Perhaps the Minister can give us a little more information about the premises upon which the Treasury has based its estimate of the expected take-up.

Mr. John Browne (Winchester): I rise briefly to urge my hon. Friend the Paymaster General not to accept the amendment. I understand the argument of the hon. Member for Sedgefield (Mr. Blair). On the question of cost, the figures that he gave were roughly between £50 million and, at the top limit, £100 million, but one must consider net cost and the real cost that will affect the Inland Revenue. One hopes that, with such a scheme, activity, enterprise and productivity will increase. Therefore, profit will increase and the corporation tax take will increase in total. In his speech—I am afraid that I had to leave at the end of it—the hon. Gentleman asked for empirical evidence. Surely the evidence of the past two years, and of the past year especially, is that, despite decreasing the income tax rate, the total income tax take has increased. I hope that that will happen with this scheme.

On the relationship between profit-related pay and bonuses, it is important for people to see the clear identification between them. This scheme would be strictly related to profit, whereas a bonus is often related to merit and sometimes involves quite a large element of subjective judgment. However, this scheme hits a different section of the market than do bonuses and would play, therefore, an important part in motivation. It would be in the interests only of the management or of the group concerned to ensure that it is successful and that it has a motivating, as opposed to a demotivating, effect.

Therefore, I urge my hon. Friend not to accept this amendment. I know that it is a probing amendment and I do not mean to be hostile in saying this, but I feel that my points are relevant.

Mr. Tim Boswell (Daventry): I wish to take up the remarks of Opposition Members about the benefit, or the denial to the rest of the community of the benefit, of individual profit-related pay schemes. Perhaps we shall have an opportunity later to discuss the omission of the public sector from the proposals, which we understand, and on which hon. Members have already commented. It would be dangerous and churlish—perhaps characteristically churlish of certain hon. Members—to assume that, just because the benefits of such a proposal are not available to everyone—either as a matter of choice, definition or exclusion—the scheme would not, benefit the community.

4.45 pm

My belief, which is based on study and work that I have completed over a number of years and on my continuing interest in the subject, is that the introduction of profit-related pay could be of positive benefit to the economy. Therefore, it is directly of benefit to those who participate in it. Equally, it is indirectly of benefit to those in the public and private sectors who are not signed up on the scheme. It is in that spirit that I add my support to the proposals and hope that they will form the basis of a new look at the way in which we give new life and further stimulation to the expansion of our economy.

Mr. Brooke: I rise to respond to the debate which, I advise my hon. Friend the Member for Winchester (Mr. Browne) is on clause 1 stand part, rather than on the amendment. It may be easiest if I respond in the order in which various points were made, which means that I begin with the hon. Member for Sedgefield (Mr. Blair).

The hon. Member raised a specific arithmetical question at the beginning, in the context of £3,000 or £20 a week. To make certain that there is common cause between us and that we are singing from the same hymn sheet, I advise him that profit-related pay would of course apply to half that figure. The application would be on the basis of £1,500 and if a person is on the top rate of tax, we should be talking about a figure of £20 a week. Profit-related pay would not apply to all the £3,000 because the relief is available on only half that figure.

In answer to his question about a specific individual who is on that income—such a person would need to be on a particular salary level for that to apply—the hon. Gentleman knows that the purpose of the scheme is to embrace, in principle, all the people in a particular employment unit, provided that that is above the 80 per cent. figure that is required for qualification.

The purpose of the scheme is to stimulate commitment to the activities of the business on the part of the entire work force and to stimulate also their interest in its profitability. It would be wrong to generalise in any way about specific experience, but, having been profit-accountable for a business for 18 years, having lived in a profit-related environment during those 18 years, and having seen the payroll for which I was responsible in that capacity rise a thousandfold in cash terms during that period, I am conscious that one can achieve a community of endeavour in a business in which there is a relationship to profitability in the pay of those involved.

The hon. Member for Sedgefield went on to ask me about costs. As the hon. Member for Great Grimsby (Mr. Mitchell) said, the hon. Gentleman was referring specifically to the quotation that appeared in *The Guardian*. Cost will obviously depend on take-up. The incidence of costs in financial years will depend on the growth over time in the number of employees who are covered by registered schemes, and by the amount of profit-related pay that they receive. There will be a lead time before new schemes can be operational and it is expected that costs will grow over time. Therefore, on that count alone, the estimate given in the "Financial Statement and Budget Report" of a negligible cost in 1987-88, and a cost of £50 million in 1988-89, cannot reflect the costs in the long term. I am the first to acknowledge that.

The incidence of costs between years will depend also on the pattern of take-up between the schemes that make profit-related payments continuously, perhaps with weekly or monthly payments, and those that pay sums less frequently. As the schemes must be registered in advance of the start of the first profit period for which tax relief profit-related pay will be paid, and as firms are likely to align profit-related pay periods with their normal accounting periods, the start date of the accounting periods among the participating firms will also affect the pattern of cost between the financial years.

For those reasons, the cost in 1988-89 is also likely to underestimate annual costs in the long term. If 2 million employees taking 10 per cent. of their pay as profit-related pay, for example, were covered by registered schemes by the end of 1988-89, the full annual tax costs would be about £300 million, but costs in 1988-89 would be much

[Mr. Brooke]

less, as many of the schemes would not make payments until the following year or later. Long-term costings must be highly speculative and if the tax relief cost is high, it will be because there has been a valuable major change for the better in our pay systems. A tax relief which secured that would be money well spent.

An intention of the legislation, to which the hon. Member for Sedgefield also referred, is that of greater identification, to which I have in part alluded from my personal experience. He asked about the circumstances where there was a downturn in a business and asked about the marginal cost involved. I noted that the hon. Member for Caithness and Sutherland (Mr. Maclennan) drew attention to the difference of opinion between the hon. Members for Sedgefield and for Great Grimsby, about employee identification. I do not want, the words of the hon. Member for Great Grimsby, to oversell the issue of a downturn, but imagine a business in which labour costs account for 70 per cent. of value added. Let us say that profit-related pay is 10 per cent. of labour costs which makes it 7 per cent. of value added. I find it inconceivable that it is not helpful to that business to have that margin of 7 per cent. flexibility, that it will not give some room for manoeuvre on output prices if input prices rise, and that that manoeuvring with output prices will not help to sustain output. It goes without saying that profit-related pay could be a higher proportion of pay than that, which would give more flexibility. The benefits are not just about downturns; pay flexibility can give more confidence about expansion in an upturn because of the security which it gives in a downturn. Again, I can endorse that from personal experience.

The hon. Member for Sedgefield quoted from the Institute of Personnel Management and the British Institute of Management, as he did on Second Reading. I congratulate him on having read the submissions in response to the consultative document. I shall not remotely accuse him of selective quotation, because I am confident that he has read all the submissions. He will know that there were a large number of submissions on a whole series of different points, some of which contradicted the ones which he quoted.

On motivation which is already secured from bonus schemes and, indeed, from share ownership, we are already encouraging share ownership successfully, but we need complementary incentives for cash profit-related pay. Bonus schemes not involving profit do not bring the external benefits that profit-related pay can. There is a need to get employees to identify with the overall commercial success of the business, and profit is the best measure of that.

My hon. Friend the Member for Beaconsfield (Mr. Smith) made a helpful speech on flexibility in the labour market and the whole supply side issue. The hon. Member for Sedgefield had cast doubt on this issue and argued, drawing on Sir James Meade, that there would be the danger of insiders preventing extra recruitment. He will know that schemes will be able to exclude new recruits from profit-related pay until they have served for a time if that is desired. However, I doubt whether the hon. Gentleman is arguing that a union would be prepared to organise resistance to extra recruitment. I doubt if any union would argue that as an objective. Business expansion, which is what this legislation is about, is not a zero sum game: it benefits everybody.

My hon. Friend the Member for Beaconsfield supported the Government on flexibility and I join him in not wishing to make exaggerated claims for what the legislation will do and in believing that it will make a difference in terms of flexibility and on the supply side. We are envisaging the same sort of steady growth that has been seen in the share schemes which go back to the Finance Act 1978—that scheme was a product of the Lib-Lab pact and I pay tribute to the Liberal party for its influence on the then Labour Government—and to the all-employee share option scheme that we introduced in 1980. There are 666 schemes signed up under the 1978 Act and 647 under the 1980 Act. That is an increase which has occurred during the past decade and I envisage that we shall see the same sort of steady growth in the schemes that we are introducing on this occasion.

The hon. Member for Southport (Mr. Fearn) raised specific questions that arise from alliance policy. Employers should need no persuading or reminding of the importance of relating pay to profits, but some encouragement—that is what this scheme is about—is appropriate to help employees see the value of linking a part of their pay to the success of the enterprise. The hon. Gentleman asked about national insurance contributions and suggested that there should be a relief from them. However, national insurance contributions are not a tax; they determine a benefit entitlement, so they are not an appropriate instrument to encourage the spread of profit-related pay.

The hon. Member for Great Grimsby has read Professor Weitzman; I congratulate him on that. The hon. Member for Sedgefield was somewhat disparaging about American economists on Second Reading, but I remember growing up when Professor Galbraith, who started as a Canadian and only later became an American, was frequently quoted by Opposition Members. It would be a mistake if any anti-Americanism in academic thought were to creep into our affairs. We welcome suggestions from wherever they come.

The hon. Member for Great Grimsby took up an issue which was less present in the speech of the hon. Member for Sedgefield and argued that this was a plan to cut wages and not to help profits rise and pay with them, as we intend. Certainly I would deny the hon. Gentleman's comments that the issue has been oversold. He denounced clause 1 as the bedrock of the legislation, but I am not sure whether he has looked at it, because clause 1 simply relates to interpretation. It was a slight piece of overselling to build the whole Opposition attack on that.

The hon. Member for Caithness and Sutherland (Mr. Maclennan) asked specifically about take-up. In 1985 the organisation Industrial Facts and Forecasts carried out a survey for the Department of Employment on the use of profit-sharing and share ownership schemes by large companies. It showed that 6 per cent. of respondents had a cash-based profits scheme. It has since estimated that 8 to 9 per cent. of employees in these companies had some profit-related element in their pay in 1985.

I have already referred to the make-up of the cost estimates. However, of the £50 million, perhaps one half may derive from companies which already have cash payment profit-related schemes. About 1 million employees out of 15 million in the private sector are in

existing schemes which might be altered for purposes of registration as profit-related pay schemes and one third of those brought into the tax relief in 1988-89 could account for the one half of the £50 million estimate that I referred to earlier. I also alluded to how we expect the figures to expand.

5 pm

In these matters as in others, the Social Democratic party is a little over-optimistic. The Inland Revenue received something in excess of 20,000 inquiries rather than the 60,000. However, I am delighted to say that more than 300 of *The Times* 1,000 largest companies in the country have shown interest at some level or another in the scheme. That is encouraging.

My hon. Friend the Member for Wokingham (Mr. Redwood) made several most thoughtful comments in support of the scheme. My hon. Friend the Member for Daventry (Mr. Boswell) joined my hon. Friend the Member for Winchester in support of the Government's proposals. In essence,. we are aiming for an economy with high performance, high employment and high living standards. That will be achieved through a combination of measures and it is important that we get the total environment right. The proposals in the 17 clauses in the Bill and schedule 1 are a contribution to that process.

Mr. Maclennan: Will the Minister address directly the question about inducements for employers? He has only said that he believes employers will see the advantages of profit-related pay and that they need no inducement to enter into such schemes. Does he really believe that the only obstacle to the entry to such schemes is the employees' reluctance?

Mr. Brooke: The hon. Gentleman's question relates to an issue that was raised by the official Opposition. As the hon. Member for Sedgefield asked earlier, if profit-related pay was so beneficial, why did we need tax relief? I know that the hon. Member for Caithness and Sutherland will agree that plenty of companies run profit-related pay schemes already. The purpose of providing tax relief to secure employee interest and demand is to encourage employees to take up such schemes. Employees may be unfamiliar with the benefits. The emphasis throughout the proposals is on encouragement rather than imposition. We do not believe in dictating incomes policies and — I direct this remark to the hon. Member for Dagenham— we do not believe in the apparatus of a command economy, however disguised.

Mr. Blair: We have had an interesting and wide-ranging debate. The hon. Member for Beaconsfield (Mr. Smith), in his usual way made an offensive point because he was unable to make a telling point. He began by saying that the scheme would bring about greater identification between employees and employers. He never satisfactorily explained what great advantage this scheme has over others. His central argument was based on the cost of the scheme. That is the heart of the argument between us.

We are not debating whether profit-related pay is good or bad. People can enter into profit-related pay schemes now; many companies have such schemes, and their employees are free and entitled to enter them. As I explained to alliance Members, the question that we are debating is whether this scheme is the best use of public money. Is this the best way to make use of this tax incentive?

The hon. Member for Beaconsfield unwittingly put his finger on the dilemma. If the take-up of the scheme is low and the scheme is inexpensive, it has failed because the basis of the scheme's success must be that it is taken up in sufficiently large numbers to make an impact on the macroeconomy. That is the claim that has been made for the scheme. It is claimed that it will make an impact on the nation's economy. If the take-up is low and expense is low, it has failed. We are only debating the success of the scheme if the take-up is high and therefore—by its very nature—the expense is high. If the scheme is successful, we will be talking about hundreds of millions of pounds, not £50 million.

Conservative Members wanted to know Labour's ideas for spending the money. We have put those ideas forward constantly. Indeed, the alliance has put forward similar schemes for spending public money to create employment. We can agree or disagree about those ideas, but they exist.

The question is whether this fiscal incentive will have the desired effect. I repeat that I remain completely unconvinced about it. This is not a question of modern ideas versus backward ideas. We should not simply take the first idea off the peg and use it just because it has a modern sounding ring to it, like profit-related pay. We should inquire—as it is our duty to inquire in the House — when debating the Finance Bill whether public expenditure is being made wisely. We remain unconvinced by the proposals.

The hon. Member for Wokingham (Mr. Redwood) made some telling points. However, at the beginning of his speech he made a point that I must not allow to pass without comment. He said that the Opposition had run out of problems with which to tax the Government on the economy. I appreciate that the position in Wokingham is different from that in Sedgefield, but it does not lie in the mouth of any hon. Member to say that we do not have economic problems to deal with when there are 3 million unemployed.

Being lectured on the virtues of unity by what is left of the Liberal-SDP alliance is a bit like being lectured on the virtues of being a recluse by the under-Secretary of State for Health and Social Security, the hon. Member for Derbyshire, South (Mrs. Currie). The notion that the Liberal-SDP alliance put forward any convincing argument for profit-related pay is comic. The alliance did not even deal with the objections made by its principal economic adviser, Sir James Meade, who has criticised the Government's plans for profit-related pay on the basis that I outlined.

The hon. Member for Caithness and Sutherland (Mr. Maclennan) asked me on what basis the Institute of Personnel Management or the British Institute of Management could come forward with objections to profit-related pay. They did that on the basis of experience, and we should listen to those organisations.

When we discuss profit-related pay and its obvious and self-evident advantages, we are told by the Treasury Minister that he cannot understand how any trade union could possibly resist recruitment to a firm on the basis that profits were to be spread more thinly. The trade union officials will not be the focus of that resistance. As anyone knows who has seen the large amount of overtime worked even in certain factories in my constituency, there is definitely a clear perception by many workers of their vested interests on the inside as against those on the outside.

[Mr. Blair]

We do not claim that profit-related pay is bad. I would not make that case. I know companies in my constituency that operate profit-related pay schemes and I wish them the best of luck. The question we are debating is whether this scheme, taken on the basis of it being a success—and on that basis it must be expensive—is the best way to spend public money. Unless we are persuaded of that, we will vote against the profit-related pay scheme. I must say from Labour's Front Bench that we are unpersuaded; we will therefore vote against it.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 316, Noes 197.

Division No. 16] **[5.10 pm**

AYES

Adley, Robert
Alexander, Richard
Allason, Rupert
Alton, David
Amery, Rt Hon Julian
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Ashdown, Paddy
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnes, Mrs Rosie *(Greenwich)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Body, Sir Richard
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Bruce, Malcolm *(Gordon)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butler, Chris
Butterfill, John
Carlile, Alex *(Mont'g)*
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cartwright, John
Channon, Rt Hon Paul
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Colvin, Michael
Conway, Derek
Coombs, Simon *(Swindon)*
Couchman, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Douglas-Hamilton, Lord James
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Freeman, Roger
Fry, Peter
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Goodhart, Sir Philip
Goodson-Wickes, Dr Charles
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Janman, Timothy
Jessel, Toby
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan *(Ynys Môn)*
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
McCrindle, Robert
MacKay, Andrew *(E Berkshire)*
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Michie, Mrs Ray *(Arg'l & Bute)*
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P *(Chester)*
Moss, Malcolm
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Onslow, Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Salmond, Alex
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Cyril *(Rochdale)*
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Teddy *(S'end E)*

Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Wallace, James
Waller, Gary
Walters, Dennis
Warren, Kenneth
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wigley, Dafydd
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Mark Lennox-Boyd and
Mr. Stephen Dorrell.

NOES

Abbott, Ms Diane
Allen, Graham
Archer, Rt Hon Peter
Armstrong, Ms Hilary
Ashley, Rt Hon Jack
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George
Caborn, Richard
Callaghan, Jim
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Crowther, Stan
Cryer, Bob
Cummings, J.
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alastair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dobson, Frank
Doran, Frank
Douglas, Dick
Duffy, A. E. P.
Dunnachie, James
Dunwoody, Hon Mrs Gwyneth
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Fatchett, Derek
Faulds, Andrew
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Mrs Maria
Galbraith, Samuel
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gilbert, Rt Hon Dr John
Golding, Mrs Llin
Gordon, Ms Mildred
Gould, Bryan
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Haynes, Frank
Heffer, Eric S.
Henderson, Douglas
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kilfedder, James
Lambie, David
Leighton, Ron
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Tom
Macdonald, Calum
McFall, John
McKay, Allen *(Penistone)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Mallon, Seamus
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael *(Springburn)*
Martlew, Eric
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon A *(W'shawe)*
Mowlam, Mrs Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Pendry, Tom
Pike, Peter
Powell, Ray *(Ogmore)*
Prescott, John
Primarolo, Ms Dawn
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, John
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerald
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon A. J.
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Worthington, Anthony
Wray, James
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Allen Adams and
Mr. Don Dixon.

Question accordingly agreed to.
Clause 1 ordered to stand part of the Bill.

Clause 2

TAXATION OF PROFIT RELATED PAY

Question proposed, That the clause stand part of the Bill.

Mr. Austin Mitchell: I repeat a question to the Minister which he did not answer in the debate on clause 1 stand part. I should have thought that, during the past 10 years, the profits of British companies have been related not so much to the efficiency of companies, although clearly that is a factor, as to the Government's macroeconomic running of the economy. The pattern seems to be that if the pound is overvalued, as it was grievously from 1979 to 1982, profits are squeezed, firms go bankrupt and jettison everything that can be thrown overboard and a hard time is had by all. But if the pound comes down, as it manifestly has come down since 1983—by about 20 to 25 per cent. from the rate prevailing at the end of 1982—profits re-emerge, especially in firms which are exporting. I am talking primarily about manufacturing, but it also affects the service sector. Profits have boomed because firms are competitive because exports pay and because they can squeeze more profits out of exports.

In neither case is this essentially related to the performance of the firm or the work force. Therefore,

[Mr. Austin Mitchell]

under this scheme, workers are being rewarded for the consequences of the Government's macroeconomic policy instead of their endeavours. The rewards are coming from increased taxation, because the burden must be spread on those in the public sector who will get no benefit from this.

If profits increase after a devaluation, pay that is related to profits will increase after devaluation. Therefore, we shall be in a less effective position to do what is necessary after a devaluation—keep costs down. After the 1967 devaluation, the Labour Government squeezed costs to free resources for exports and to stop competitiveness being eroded. But this proposal would do exactly the opposite. We shall be pumping out more money, increasing take-home pay and accelerating the rate of inflation simply because the consequences of the Government's profit-related pay scheme will put more money in workers' pockets. How does the Minister answer those points?

Mr. Brooke: I am delighted to welcome you to the Chair, Mr. Knox. The hon. Member for Great Grimsby (Mr. Mitchell) spent his speech on clause 1 stand part accusing the Government of overselling this legislation. I would be the last person to oversell this legislation or the achievement of the Government in providing the framework for the economic prosperity that we have been enjoying in recent years. But I am grateful to the hon. Gentleman for paying tribute to the Government for the success being enjoyed by the economy and by individual companies within it.

This is a wider question than the issues covered in clause 2, so I am responding generally without notice. My recollection is that, at the microeconomic level, industrial and commercial corporations are enjoying a higher rate of return than they have enjoyed since 1964. The same is true for manufacturing companies since 1973. The quarter of a century that is embraced by the figures for industrial and commercial corporations saw several Governments of different colours, and it would be wrong to generalise about the pattern during those 25 years. All that I can say is that I am delighted that, within the framework which the Government have provided, the profitability and returns being secured are the highest for nearly 25 years.

The hon. Member for Great Grimsby gave us a trailer of the issues relating to the private and public sectors which we shall debate when we come to Opposition amendments as well as an amendment from my hon. Friend the Member for Beaconsfield (Mr. Smith). It would be a mistake for me to give the hon. Gentleman a general answer. At the microeconomic level, greater profitability in corporations, accompanied by profit-related pay, will ensure a greater commitment among the entire work force to the success of the company and is likely to increase the prosperity of those who work in the company.

Question put and agreed to.

Clause 2 ordered to stand part of the Bill.

Clause 3

RELIEF FROM TAX

Mr. Blair: I beg to move amendment No. 31, in page 2, line 39, leave out '£3,000' and insert '£1,500'.

The amendment is drafted to probe the Government for more information on their profit-related pay schemes. When we debated clause 1, the Minister said that the tax relief would allow those on higher earnings to claim tax relief off the top of their incomes. I should be obliged if he would confirm that. Those on higher rates of tax would gain more from profit-related pay than those on the basic rate of tax.

The Minister also said, rightly, that only half the amount of profit-related pay would be eligible for tax relief. If the maximum amount of profit-related pay was £3,000, the maximum level for tax relief would be £1,500. We agreed that, at the top rate, that could give about £20 a week tax-free to those on higher pay, which is a considerable sum. We quizzed the Minister on this, and he dealt in some detail with the Government's estimate of the cost of the profit-related pay scheme.

Various figures were bandied about. I quoted figures from the Treasury, which started at £50 million, and from various columnists and academics, who took the level much higher. I should like to probe a little on this matter. The Paymaster General thought that £3 million would be about the top amount that could be claimed under the schemes. I should be obliged if he will tell us whether the Treasury has made a precise study of the costs and what empirical evidence it has adduced so that we know exactly what sums we are considering. This is important when considering the amount of tax relief.

5.30 pm

When the proposals were first promulgated, the maximum relief for profit-related pay was £1,000, and it has increased considerably since then. I should be obliged if the Paymaster General will tell us why the Government felt it necessary to raise the amount. The hon. Gentleman may say that the reason was the many representations by employers to the effect that they did not want to engage in those schemes unless the relief was much higher, so it was obviously parti pris. It is very much in the interests of those who engage in profit-related pay schemes to have the highest maximum tax relief available. The Treasury has to be satisfied about what maximum limit will encourage the maximum number of people to take up profit-related pay. Plainly, there must be a balance between meeting the interests of the taxpayer and encouraging the PRP schemes. I am not sure that the balance is right. There has ben a considerable uplift in the schemes' limits. At the very least, we are owed an explanation before we let this pass without comment.

Mr. Brooke: The hon. Member for Sedgefield (Mr. Blair) has returned to an issue to which he alluded in the debate on clause 1 stand part. It may be helpful if I specifically answer his question, because he has said that amendment No. 31 is a probing amendment. On £900 per annum, which would be 60 per cent. of the £1,500 proposed, we would be talking about £17·30 a week rather than the £20 mentioned by the hon. Gentleman. Nevertheless, the figures are obviously of the same magnitude.

The hon. Gentleman said that those on high incomes would gain more. That is, of course, a function of a progressive taxation system, but taxation rates will have their effect.

Mr. Blair: Is it not right that if people pay the higher tax rates they will obtain these higher amounts without doing any additional work for them? Without any greater productivity or extra work, they will get more than those on the basic rate.

Mr. Brooke: I took that point when the hon. Gentleman made it in the debate on clause 1 stand part. I said that we were looking at a community of interest, with everyone working within a particular company. Of course, the income is a function of contribution. As the hon. Gentleman knows, there is a cut-off at £15,000. Although it is possible for a company to have more profit-related pay than the £3,000 limit, there would be no tax relief on it.

I should like to avoid any misunderstanding. I did not say that £300 million was our likely long-term figure. I said that it would be perfectly reasonable to have a certain cost in 1988-89, as stated in the projections, yet have the scheme running by the end of that period at a level that, in the fullness of time—obviously it is phased—would produce a full annual cost of £300 million. That simply extends our £50 million figure to a long-term basis. Any take-up beyond the immediate projections will be speculative, just as were any projections made in the context of the 1978 share scheme introduced by the Labour Administration. I have not looked at the forecasts made by that Administration when the scheme was introduced, but it would have been difficult to predict precisely the figures expected over the 10-year period.

Mr. Alex Salmond (Banff and Buchan): Does the right hon. Gentleman accept the argument that those who will benefit to the maximum extent from the £900 possible profit-related pay, because they are likely to be near the top of the companies concerned, have less need of this general scheme to provide some incentive and some community of interest? It seems a little peverse that the Minister did not restrict the taxation benefit to the standard rate of tax.

Mr. Brooke: The hon. Member for Sedgefield asked me why we had extended the relief in our proposals in this year's Budget as against those in last year's Green Paper. We decided on the basis of our wide-ranging consultation, which embraced organisations such as the Institute of Personnel Management and the British Institute of Management, which were not wholly favourable to the scheme. I think that the hon. Member for Banff and Buchan (Mr. Salmond) makes a slightly over-cynical suggestion. The Government's judgment in terms of the proposals arising from the Green Paper and the consultation exercise was that it was a balanced package, with the intention of securing certain objectives.

Sir Peter Emery (Honiton): Obviously, there are Conservative Members who are very much in favour of this scheme. We think that it is an excellent addition to the incentives which are necessary within taxation generally. Is my right hon. Friend able to tell the House whether there has been any prognostication about the number of people who might be affected in 1988-89 or 1989-90? This is obviously important in terms of the effects.

Mr. Brooke: I am grateful to my hon. Friend, just as I was to the hon. Member for Banff and Buchan, for kindly ascribing right honourable status.

Sir Peter Emery: It will come in time.

Mr. Brooke: In the debate on clause 1 stand part, I said that, if 2 million employees with 10 per cent. of their pay as profit-related pay were covered by registered schemes by the end of 1988-89, the full annual tax cost would be about £300 million, but the cost that would fall in 1988-89 in terms of relief would be about £50 million, because many of the schemes would not make payments until the following year or later. I referred to 2 million employees.

Sir Peter Emery: As I said, right honourable status will come in time. I am sorry to press the point. I heard my hon. Friend make that statement. But is that the estimate of take-up that the Treasury believes will come about, or does my hon. Friend think that it is likely to be much less? I am afraid that it may be much less. I hope that my hon. Friend will tell us what he believes the actual take-up will be.

Mr. Brooke: We needed a figure to put into the forecast, and that was the one we took. There was a degree of underlying arithmetical logic to it, but I acknowledge that it was speculative. There are 20,000 employers who have said that when the Inland Revenue produces its guidance notes shortly, assuming this legislation is passed, they would like to receive a copy. That is an index of the fairly widespread interest among employers.

Mr. Blair: The hon. Gentleman raised an important point. I do not wish to rehearse the arguments that were put earlier, but there is bound to be an element of speculation in deciding what the take-up is. If we are talking about 2 million people with 10 per cent. of their pay—that is, about £300 million—it is important to be sure of the basis upon which we are working and to ensure that there is evidence to support our view. As I made clear earlier, I have my doubts about how successful this will be in any event. It is absolutely clear from the figures that we have been given that we are talking about substantial sums of money.

I asked the Minister for an explanation of why, when the Government first put forward this scheme, there was a maximum of £1,000 as the top amount that is able to come within the profit-related pay. It is now £3,000. He indicated that the reason was the representations that were made. I still say that that is a significant mark-up to have occurred as a result of such representations. In the initial term, profit-related pay schemes will be introduced and people will get an immediate tax-free benefit in their hand for not producing or doing anything more at all. That is why, when profit-related pay was introduced, some people suggested that it should ensure that people will not get any more money in their hands as a result of the introduction of the tax incentive. I still think that the figure is extremely high. However, we have made our position clear in the vote on clause 1, so it is not necessary to divide the Committee on the amendment.

Mr. Brooke: To avoid misunderstanding, I would say that the £1,000 to which the hon. Member for Sedgefield (Mr. Blair) referred, in terms of the original proposals, was the total available tax relief. I agree that there was a difference in the manner in which it was expressed. Therefore, half of the £3,000, which is inherent in the legislation now, is a 50 per cent. improvement and not a case of tripling.

Mr. Blair: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3 ordered to stand part of the Bill.

Clause 4

EXCEPTIONS FROM RELIEF

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I have a couple of brief questions on clause 4. As I understand it, the principal purpose of clause 4 is to ensure that, if an employee has more than one employment and if, in that other employment, he already enjoys the benefits of a profit-related pay scheme, he cannot, in the second employment, also have the same benefits of a profit-related pay scheme. I assume that that is to do with an anti-avoidance measure, but I would welcome the Minister's confirmation of that.

I also assume that there are perfectly genuine cases in which people have two separate employments. I assume that, under clause 4, even though profit-related pay is not able to be enjoyed in both employments, other types of bonus scheme or productivity scheme, running in conjunction with a profit-related pay scheme will be perfectly all right. In subsection (3) of clause 4 there is a statement, the effect of which is to ensure that subsection (2) does not apply to those whose earnings are below the lower earnings limit for class 1 contributions. I assume that the purpose of that is to ensure that those on lower pay with below class 1 contribution levels can still enjoy profit-related pay. I should be grateful if the Minister would confirm the points that have been put to me.

Mr. Brooke: The hon. Member for Sedgefield (Mr. Blair) has stated what he believes to be the proposals. We certainly consider that it is right to encourage the spread of profit-related pay by introducing a measure of relief, but we believe that there should be upper limits to the amount of the relief. To prevent people avoiding such limits by accident or design—I freely acknowledge that it might be either—by arranging to receive profit-related pay from more than one scheme, clause 4 provides that an employee will not be eligible for tax relief on his profit-related pay if he is already receiving such relief on profit-related pay from another scheme.

As to bonuses or any other arrangements, I repeat what I said on the amendment that we have just discussed. We do not intend to interfere with the arrangements that employers may have. It is just that the tax relief will be limited to what is contained within the scheme. On the national insurance contribution point, I confirm that the hon. Gentleman is absolutely right.

Question put and agreed to.

Clause 4 ordered to stand part of the Bill.

Clause 5 ordered to stand part of the Bill.

Clause 6

EXCLUDED EMPLOYMENTS

5.45 pm

Mr. Tim Smith: I beg to move amendment No. 1, in page 3, leave out lines 41 and 42.

The Chairman of Ways and Means: With this it will be convenient to take the following amendments: No. 32, in page 3, line 43, leave out paragraphs *(c)* and *(d)*.

No. 2, in page 4, leave out lines 1 to 3.

Mr. Smith: Clause 6 deals with excluded employments and states that no person who has employment in an office under the Crown or in the service of the Crown, or is employed by an excluded employer, can participate in a profit-related pay scheme. Sub-section (2)*(b)* states that an excluded employer means

"a body under the control of the Crown".

Subsection 3*(b)* states that in the case of a body having a share capital—which is what I am interested in—control means that

"he holds more than half of its issued share capital".

It was put to me by Price Waterhouse, to whom I am an adviser, that that would cover any plc owned by the state. For example, it would include the Rover Group. I am not sure, but I think it would include Harland and Wolff and a number of other plcs owned by the state because the Crown controls more than half of their share capital. I can understand why the Government want to exclude certain employments. It seems that, in certain cases, it would be inappropriate for employments to qualify for a profit-related scheme.

That is not the only way in which a scheme can be excluded. To qualify, a scheme must be with an employer who is in the business of making a profit in the first place. Obviously, that would exclude many employments under the Crown. I ask my hon. Friend the Minister to look at the matter. If I am right about the matter, it is quite wrong that, just because people happen to work for plcs that are owned by the Crown, they should be excluded from the scheme.

Mr. Blair: I have some sympathy with the amendment moved by the hon. Member for Beconsfield (Mr. Smith). Similar related points were raised in the debate on the amendments that are tabled in my name and have been taken together. Of course it is the case that, on the whole the public sector will be excluded from profit-related pay. Indeed, if clause 6 is passed as it stands at present, it will be totally excluded. One of the things that Professor Weitzman put forward—I confess that I did not totally understand the basis upon which he managed to do it—was some profit-related pay scheme for the public sector as well as the private sector. I hesitate to recommend that the Government turn their minds to that matter at this stage.

It is of course the case that the public sector will have no such profit-related pay scheme at all and will be unable to participate in it. One of the traditional reasons for that is that the public sector has much greater security of tenure than the private sector has and, therefore, profit-related pay is a more intelligent way of rewarding in the private sector rather than in the public sector, quite apart from the fact that, obviously, public sector profits have to be made. I am not entirely sure that that traditional argument would apply so much nowadays.

As I understand it, the question raised by the hon. Member for Beaconsfield concerns bodies under Government or local authority control with a fairly autonomous existence which can make profits. I join him in his question to the Minister about the purpose of excluding a body under central or local government control which makes profits and is therefore susceptible of engaging in a profit-related pay scheme. Why, if we wish for efficiency in the public sector and believe that that is the method of obtaining it, and if there are public sector bodies that are susceptible of being in these schemes, should not we allow them to participate?

As well as the point raised by the hon. Member for Beaconsfield, my amendment deals with, for example,

local authorities' direct labour organisations which can tender for and perform contracts, and which, in certain circumstances, may be able to participate in these schemes. Once we have accepted, as the Committee has by its decision earlier, that profit-related pay schemes are to be encouraged, the net should be cast as widely as possible. If the Government believe that that is a good idea which will encourage productivity at the work place, the burden is upon them to show why certain categories of people should be excluded. At present, there seems to be doubt over at least those two categories.

Mr. Boswell: I want to associate myself with the amendment of my hon. Friend the Member for Beaconsfield (Mr. Smith) and substantially with many of the remarks made by the hon. Member for Sedgefield (Mr. Blair).

We have a real problem here which goes to the heart of any analysis or attempt to help stimulate profit-related pay. Where profit does not exist it is difficult, by definition, to contrive some profit-related pay scheme. Nevertheless, it gives me some concern that about one quarter of the labour force which remains within the public sector under its different heads is excluded from what is a substantial advance.

Earlier, I had an opportunity to speak about the fact that I do not believe that the benefits of profit-related pay are purely internal to the schemes of the beneficiaries thereof. Nevertheless, an anomaly is created to which we should address ourselves. My purpose in rising is not in any sense to solve the problem, but to invite the Government to put down a marker to see what can be done in subsequent years to balance the position as far as it can be.

There are some grades of Government-controlled bodies at rather different levels. One is the plc with a largely public shareholding, such as the Rover Group. The next level would be Government trading funds, going through to organisations partly or entirely identified with public sector bodies, such as local authorities or the Civil Service. I have recently had the privilege of working alongside the Civil Service and I see the importance of encouraging motivation. However, one or two Opposition Members have shown a marked lack of interest in the Government's attempts to introduce incentive schemes for efficency in the public sector. Without solving these problems, I invite the Government to address themselves to them and to see whether, in a subsequent Finance Bill, they can bring forward some measures which would shadow profit-related pay.

As hon. Members have mentioned earlier, there is the problem of creating a personal incentive because of the difficulty of allocation and the invidiousness which that may sometimes bring. That may go to some of the anxieties that some hon. Members have mentioned about incentive schemes in the public sector. Nevertheless, it is unfortunate if about a quarter of the labour force cannot participate in these schemes. I understand the reason for that and the accountancy principles which make it impossible at this stage, but I hope that it will be possible to find a way to extend the benefits of what is a considerable social advance to other groups of employees in subsequent Finance Bills.

Mr. Brooke: I am grateful to my hon. Friend the Member for Beaconsfield (Mr. Smith) for his amendments and for the manner in which he moved them. He asked me a specific question about the Rover Group and I can confirm that such a body would be excluded by the legislation as it is now composed.

The exclusion of the bodies addressed in the amendment is not a reflection of prejudice but of a careful consideration of the economic merits and consequences of profit-related pay in this sector of the economy. As my hon. Friend said, many of the employees concerned would, in any event, be excluded from access to the tax relief by other profit-related pay provisions. Those provisions require that the undertaking is carried on with a view to profit; they also exclude tax relief in respect of losses. The hon. Member for Sedgefield (Mr. Blair) made similar points in the context of local authorities and I give the same observations in response.

Some trading bodies covered by the amendment show an accounting profit and compete directly with the private sector, but even those are not generally wholly comparable with the private sector. Some public concerns can achieve profit targets by raising prices in situations where the absence of other suppliers means that they are comparatively less vulnerable to losing business. Even where conditions are similar, there are often cultural differences. The full benefits of profit-related pay will flow where a concern operates fully in the disciplines of the market economy, as, if I may remark in parenthesis, privatisation shows.

We take the view that, wherever it can be done, such bodies should be freed from Government control through privatisation, after which they are fully exposed to the benefits and disciplines of the market, including the benefits of a registered profit-related pay scheme.

The matter has been carefully considered. In general, the potential benefits of profit-related pay schemes in the concerns covered by the amendment are likely to be significantly less than in the private sector, and the concentration of an innovative tax relief, such as profit-related pay, on the private sector, where the benefits of pay flexibility are most likely to have the greatest impact, has been regarded as the first priority by the Government.

The hon. Member for Sedgefield referred to local authorities. What I said about other aspects of this scheme to my hon. Friend the Member for Beaconsfield applies equally to local authority employees. There are areas in the local authority sector where there are similarities with the private sector. I am not suggesting that it is possible to make simple straightforward distinctions. But while there are similarities, there are important differences of culture and of competitive tendering in the local authority sector for all the work cannot yet be said to have been achieved.

I said in the debate on clause 1 stand part that we shall be watching with interest the evolution of profit-related pay. We expect it to be a gradual process. I hope that it will be a success. We shall certainly look at its evolution, not simply in the private sector, in terms of what is achieved there, but in terms of its potential application elsewhere. I hope that in the spirit of that response my hon. Friend will feel able to withdraw his amendment.

Mr. Tim Smith: I can see the difficulties that arise with trading funds and, to a lesser extent, with direct labour organisations of local authorities, although they are not necessarily insuperable. After all, they would have to meet various requirements in schedule 1 in order to qualify. Their accounts would have to show a true and fair view.

[Mr. Tim Smith]

There would have to be an independent accountant's report and they would have to be profit-making in the first place.

But when it comes to plcs in the public sector, I am a little disappointed by my hon. Friend's reply. I was expecting him to say not that he disagreed with me in principle, but that the Government had looked at the matter and had not been able to find a practical way to deal with the problem. In most cases there would be no question of profit-related pay. For a plc such as the Rover Group, or a nationalised industry in receipt of a Government subsidy that is loss-making, the question does not arise. If it is a nationalised industry, or a plc, which has advanced beyond that and is being prepared for transfer to the private sector and making a profit, it stands wholly apart from Government; it is not in receipt of Government subsidy. Apart from ownership, I cannot see the distinction between that plc and one in the private sector or one that is listed on the Stock Exchange. I do not wish to press this, but will my hon. Friend re-examine the sector of plcs that are 100 per cent. owned by the Crown?

6 pm

Mr. Blair: I understood a part of the Minister's speech; then there was a part that lapsed into pure ideology. That brought to mind what I believe the noble Lord Ross said when welcoming the shadow Secretary of State for Scotland during the period of the 1974-79 Government. He said that he had read his first speech; he had not read it well; and it had not been worth reading anyway. That summed up the part in which the Minister was talking about trading plcs.

I would put the case of Austin Rover differently from the hon. Member for Beaconsfield (Mr. Smith). If an organisation is not making a profit, the issue hides itself and there is no question of profit-related pay. However, if Austin Rover moves into profit, or if other organisations in the public sector are in profit, why on earth should they not participate in the schemes? It is extremely difficult to see how one can justify excluding bodies from profit-related pay merely on the basis that they operate in the public sector.

We voted earlier against the principle of profit-related pay, but now that it has been accepted, it is our duty to make it as effective as possible. At the moment, those in the public sector who have to operate on the basis of profit along commercial lines will feel aggrieved if they are unable to obtain the tax perk that arises from profit-related pay while others in the private sector can do so.

So I did not find the Minister's explanation wholly convincing. Will the Treasury keep the matter under review and bend some of its considerable resources to finding a way around the problem?

Mr. Brooke: I say to my hon. Friend the Member for Beaconsfield (Mr. Smith) and to the hon. Member for Sedgefield (Mr. Blair) that it goes without saying that if companies such as those that were the concern of my hon. Friend can be privatised, that will of itself resolve the problem. I do not want to imply that that is the sole objective of privatisation, because the benefits that can be secured through privatisation are common cause on this side of the House.

I tried to answer my hon. Friend the Member for Daventry (Mr. Boswell) by saying that the Government would keep the matter under review. It would be pleasing if, by the time we came to discuss this issue next, the problem had been solved by the privatisation of the companies concerned, but I said that we sought to take a balanced view, and that is what we shall continue to do when examining what both sides of the House have admitted is a difficult problem.

Amendment, by leave, withdrawn.

Clause 6 ordered to stand part of the Bill.

Clauses 7, 8 and 9 ordered to stand part of the Bill.

Clause 10

CANCELLATION OF REGISTRATION

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I have a small point to make about clause 10 that is important for anti-avoidance purposes. It may be dealt with in schedule 1. If so, I apologise for raising it here. Clause 10(4) provides:

"If the scheme employer, by written notice, requests the Board to cancel the registration of the scheme with effect from the beginning of a profit period specified in the notice, the Board shall comply with the request."

It seems to me that a major part of the Government's case on profit-related pay must be that the scheme exists in bad times as well as in good. There is not much point in having a profit-related pay scheme if it exists only in the good times. It must exist in the bad times, too. That is what is supposed to give firms the benefit of not needing to make redundancies when recession hits them and profitability drops. When those bad times come, what is to prevent an employer saying that he intends to cancel the profit-related pay scheme? In other words, employers obtain the benefit when times are good and profits are rising, but, as soon as profits go down, they cancel the scheme, and thus avoid any of the microeconomic benefits that are supposed to accrue under the scheme. Is that provided for anywhere else? If not, does clause 10(4) open that scheme of avoidance to them?

Mr. Brooke: At first blush, I do not see what the attraction of making such a change would be from the point of view of the employer. Of course, there may be circumstances that call for the cancellation of the registration that arise out of the economic performance of the company, but those are dealt with in terms of the legislation as a whole. As the Government argued that potential benefits to employers and employees flow from having profit-related pay schemes at a time of downturn, I do not understand why there would be a benefit for the employer in effecting such a change at such a time.

Mr. Blair: I appreciate that there is perhaps a difference between us as to how great a community of interest there will be between the workers and management in these profit-related pay schemes. However, if the profits of the firm drop under a PRP scheme, so the wages of the workers drop. It may be agreed between the workers and management that, rather than let their pay drop, which is the effect at present, they will engage in voluntary redundancies and keep paying at the same level and cancel the profit-related pay scheme for that reason. When it is so easily cancelled by the employer, it might be in the interests of employers and employees to do that. That would militate against the better purposes of the scheme.

Will the Minister give consideration to the problem of those scheme employers who decide that it is in their interests to engage in a PRP scheme for a limited period and then, if it is clear that profits will accrue only over a limited period, halt that scheme and move into a different scheme with a different company? When the scheme can be easily cancelled, there is surely a risk that it will be entered into not for the benefit of the official purpose of PRP but for purposes of avoidance.

Mr. Brooke: I have a continuing problem with the hypothesis advanced by the hon. Member for Sedgefield (Mr. Blair). The act of cancellation, just like the act of going into loss under one of the methods detailed in the schedule, produces a discontinuity of the scheme. If one found that things were improving fairly soon thereafter, one would not be able to maintain the benefit in the way in which one would if there had been continuity through the bad periods. Clearly, it is possible for a company to make an application for cancellation of registration, and subsection (4) puts the board under an obligation to respond to that request.

It may be helpful if I say something about the consequences of cancellation of registration. It obviously depends on the rules of the profit-related pay scheme, but some companies might continue to provide profit-related pay to employees even in respect of periods after the effective date of cancellation, though entitlement to tax relief would no longer exist. Payments of profit-related pay made after the effective date of cancellation may continue to enjoy tax relief where they relate to profit periods preceding the cancellation date. In respect of any such periods, the scheme employer will remain obliged to account to the Inland Revenue for the operation of his scheme. Payments of profit-related pay made after the effective date of cancellation may not enjoy tax relief where they relate to profit periods after that date. If any tax relief had been given for such periods, the employer would be liable to repay it to the Inland Revenue under the provisions of clause 11, which we shall shortly be debating.

Question put and agreed to.

Clause 10 ordered to stand part of the Bill.

Clauses 11 and 12 ordered to stand part of the Bill.

Clause 13

OTHER INFORMATION

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I have a short point on the detail of clause 13. It is fair to say that this clause is fairly broadly drafted. It says:

> "The Board may by written notice require any person to give them, within a period of thirty days or such longer period as may be specified in the notice, any information which is so specified and which—
>
> *(a)* that person has or can reasonably be required to obtain, and
>
> *(b)* the Board consider they need to have in order to perform their functions under this Chapter."

The clause says that the board may require by written notice "any person" to give information. Is that provision limited to those people who are employed by the scheme employer and who are engaged in the profit-related pay scheme, or does it mean any person at all? For example, does it mean a customer of the employer? When we come to schedule 1, we will see more clearly the computations about the profit and loss account, and we will need to ensure that we get the proper profit and loss account upon which to base profit-related pay. Before we give the Inland Revenue such broad powers, we should ask from whom it can require information. On the present drafting, the Bill appears to mean people who are not even employed by the scheme employer.

Mr. Brooke: We have passed over a number of clauses fairly quickly, and it may be helpful if I say a brief word about the Inland Revenue's attitude to the management of the scheme as a whole. This is the background to the clause that we are discussing. As the hon. Gentleman implies, this clause empowers the board to obtain information in connection with profit-related pay schemes additional to that provided by the return and the report which are covered in clause 12.

The Inland Revenue will not normally be involved in the day-to-day running of profit-related pay schemes. On occasions when the Inland Revenue needs to become more closely involved, adequate information powers are clearly necessary. Clause 13(1) provides a general authority to seek information.

Specific anticipated examples of that are cited in subsection (2), and subsection (3) lays an obligation on a scheme employer to pass certain information to the board. The general authority permits the board to require information related to a profit-related pay scheme from any person who has that information or who can reasonably be required to obtain it, provided the requirement is in writing, allows the person at least 30 days to reply and is information which the board considers that it needs about that scheme.

The cited examples deal with situations where such information is likely to be needed. The first case concerns information related to concellation of a scheme. Situations in which this might occur are dealt with in clause 10. The second case is about information related to employee or employer tax liability. This is to ensure access to all pay documents for profit-related pay purposes. The third case concerns information related to the administration of a scheme and this may be especially necessary where one scheme covers several employers in a group of companies. The fourth case concerns information related to changes of persons paying profit-related pay under a scheme. This may be relevant to reorganisations within groups.

6.15 pm

The hon. Member for Sedgefield (Mr. Blair) asked a specific question about any person giving information. A wide variety of circumstances may call into question the operation of a registered scheme and the continued entitlement to tax relief. Therefore, the powers provided are wide and permit information to be obtained from any person about a profit-related pay scheme. Such powers are especially likely to be needed in group situations. The employer who registers a scheme may be the parent company, but it will be the subsidiaries who hold details of administration and payment. I hope that it will reassure the hon. Gentleman when I tell him that this information provision is closely modelled on the equivalent authority in respect of approved share option schemes in schedule 12(14) to the Finance Act 1984. The 1984 legislation did not prove contentious in Committee and has posed no significant problems in operation.

Mr. Blair: The Minister is right in thinking that I require reassurance. A profit-related pay scheme is different from an employee share ownership scheme because by its very nature a PRP scheme deals with the computation of profit. That exercise is different from dealing with the dividends paid under a share scheme. The powers proposed here are broad and the Revenue will be able to require any person to give it any information that it wishes. There is no requirement upon the Revenue even to act reasonably in doing so.

Mr. Tim Smith: The person has to have the information that the Revenue is seeking or has to be able reasonably to acquire it.

Mr. Blair: It is true that the person has to be reasonably able to obtain the information, but there is no duty upon the Revenue to act reasonably in obtaining the information that it requires. The matter of a customer has been raised. As I understand it, the Minister says that the Inland Revenue is entitled under clause 12 to require information from customers, presumably about a sale deal or a contract. That does not arise in employee share ownership schemes and they are wide powers for the Revenue.

One of the dangers of debating the Bill in the way that we are is that things can slip through without the Committee requiring some fairly stringent limitations on the powers of the Inland Revenue. I should like to know whether solicitors or other third parties could be required by the board to give information. If they are, that constitutes a broad power for the Inland Revenue. If we are to involve people who have nothing whatever to do with the scheme, it is important that we at least get a statement of intent from the Minister that the powers will not be abused or used to require information from people who are not participating in any way in a scheme. I should be obliged to the Minister if he could give me that assurance.

Mr. Brooke: I am not sure that I can afford the hon. Gentleman all the assurances that he wants. Effectively, he is asking whether somebody to whom the Revenue made a request for information will be able to resist that request. In this area, enforcement by means of penalties has to be sanctioned by the special commissioners of income tax, the independent appellate body. Therefore, there is an appeal against such a request if it is unreasonable. I am reluctant to accept that it would be unreasonable; that hypothesis was adumbrated by the hon. Gentleman.

Mr. Blair: With respect, will the Minister answer my two specific questions? Do the provisions apply to customers and to other third parties such as solicitors?

Mr. Brooke: Subject to correction, yes, but I shall certainly let the hon. Gentleman know if I have given him an incorrect answer. Earlier, I referred to the phrase "any person" and I stand by that wording.

Mr. Austin Mitchell: This is an extremely important point. Is the Minister now saying that access to solicitors' records and a requirement on solicitors to give information about their clients are implicit in the Bill?

Mr. Brooke: I have been seeking to say that, while the Revenue will have a relatively light control over the process, if circumstances arose in which they needed information, they could seek it. I continue to make the observation that there will be the opportunity to resist the provision of that information by reference to the special commissioners for income tax, should the request be regarded as unreasonable.

Mr. Mitchell: Does the Minister realise that he is abrogating an extremely important professional principle? It is true that some of my best friends are solicitors and I would not wish to seem to be speaking in defence of their interests, but the principle of confidentiality is vital to the solicitors' profession, and, indeed, to other professions. Yet the Minister blithely tells us—with no contradictory message coming along the supply lines from the Olympian powers that usually rescue Ministers — that he is abrogating that essential professional principle. That surely cannot be correct.

Mr. Brooke: I repeat that the information provision is closely modelled on the equivalent authority in respect of approved share option schemes in the Finance Act 1984. That was self-evidently before my time; I was not involved with the Committee on the Bill, although I dare say that the hon. Members for Great Grimsby (Mr. Mitchell) and for Sedgefield (Mr. Blair) were. I do not know what they said in similar circumstances in 1984, but I know that this was not a contentious issue in 1984. That provision has worked perfectly satisfactorily and I hope that the Committee will be confident that this provision will work similarly.

Mr. Blair: I shall not labour the point, but I am really not persuaded by the analogy with the employee share option provision; for the simple reason that in that case the board would not be engaged in the same calculation. The whole purpose of profit-related pay schemes is to tie pay to profits; that involves a wholly different set of computations.

I think that we very often allow the Revenue to get away with much greater powers than it needs and it is a serious matter if we are about to pass a clause which will allow the Revenue to interfere with the normal rights of confidentiality of clients and solicitors and to obtain information from people who have nothing whatever to do with the profit-related pay scheme. The Minister says that they will have a right of appeal, but they will have that right only within the terms of the statute. The board's powers are qualified only by subsections (1)*(a)* and (1)*(b)*. The person can be required to give information that he

"can reasonably be required to obtain".

There will be a lot of information that a person can reasonably obtain, because it is to hand, but he may not want to divulge that information and perhaps should not be forced to do so.

The second qualification is that

"the Board consider they need to have"

the information

"in order to perform their functions"

under the Bill. That is very wide indeed, and I hope that we have at the very least put down a marker to make it clear to the Inland Revenue that the provision is not intended to give it carte blanche to trawl the accounts of people who have nothing to do with the profit-related pay scheme.

It is incumbent upon the Government and the Revenue to ensure that legislation of his nature is drawn as narrowly as possible. It should give the Revenue only the powers that it needs to perform its duties adequately. This provision is drawn much more widely than it need be.

Mr. Brooke: As I said in my opening remarks, there is a potential marginal disadvantage in passing over a number of clauses without debate, because the framework for the Revenue's involvement has not been discussed or described.

As I said earlier, the purpose is that there should be minimum and minimal Revenue interference and involvement in the scheme, to leave maximum flexibility and freedom to employers. As is apparent from the rest of the provisions, this is very much a employer-orientated scheme.

The hon. Member for Sedgefield is worried lest people who could be placed in an embarrassing position with regard to confidentiality were obliged to provide information under the arrangements, although he recognises that the wording is such that the board may require a person to give it information only that

"that person has or can reasonably be required to obtain".

The debate has demonstrated that the Revenue would be most unlikely to ask someone for information to which a degree of controversy or drama was attached without first asking those in the employing organisation who might be expected to provide the information to do so. We are talking about an unusual case, because in a scheme intended to be run with minimum Revenue involvement and maximum flexibility and freedom for the employer, the first source of information will clearly be the employer. However, I understand why the hon. Member for Sedgefield wished to pursue the question of the wording.

The Revenue will go to those who are most likely to have the information readily to hand. However, it needs some residual powers so that it can secure the information that the House would properly expect it to secure to ensure that the relief is provided properly. This is an unusual case, but I am grateful to the hon. Member for Sedgefield for raising it in these terms and this tone. I am sure that the Revenue will have heard what he has said.

Mr. Kirkwood: I am sorry to prolong the debate. The Committee will be grateful to the hon. Member for Sedgefield (Mr. Blair) for raising this matter. The point had certainly not occurred to me during our cursory examination of the Bill. Will the Treasury Bench re-examine the matter and come up with a slightly more convincing series of answers on Report? As a solicitor—albeit of the Scots variety—I would like to ask the Minister what sactions he thinks the Inland Revenue will have at its disposal if a solicitor pleads professional privilege. That would put both the solicitor and the Inland Revenue in a very difficult position.

I therefore echo the fears expressed by the hon. Member for Sedgefield and others, because I am not satisfied either. There seems little point in pressing the matter to a Division today, although if the hon. Member for Sedgefield has a mind to do so I shall certainly support him. A more positive approach might be for the Government to look at the matter in more detail and to return to it on Report.

Mr. Austin Mitchell: I echo the remarks of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). The Minister's reply was unsatisfactory. It is in this way that liberties are thrown away—with blithe assurances that the circumstances will be highly exceptional, that the provisions will be invoked with sensitivity and that the Inland Revenue, that well-known instrument of sensitivity, care and kid-glove handling, will operate will all due processes in this instance. On the basis of such assurances, essential professional practices and liberties can easily be lost.

6.30 pm

If a Labour Government had proposed a similar provision in a Finance Bill Committee there would have been howls of outrage from the Conservative Opposition. A heart-rending, tear-jerking picture would have been painted of the demise of liberty in this country as a result of the terrible powers being invoked by Somerset house. I heard just such harangues on the Finance Bills of 1977, 1978 and 1979 until my heart bled for the poor British people subjected to such tyrannical powers. Yet a Conservative Minister now blithely invokes just such powers.

The precedent from 1984 that the Minister cited is not adequate because these are more trenchant, more wide-ranging powers. The Minister may be riding them in on the back of the 1984 concession, but that concession cannot be claimed as a precedent because he is extending the circles of tyranny. Perhaps more important, the Minister's argument that the Revenue would go first to the directors of the firm and only secondarily to the legal advisers is not satisfactory either. If the Revenue does not obtain satisfaction from the directors there will be an ever-widening circle of inquiry which will lead directly to the infringement of an essential professional practice. The confidentiality of the relationship between professional adviser and client will be infringed and abrogated by the clause.

There is not a great deal that we can do about the matter today, but I hope that we can return to it on Report as the Minister's reply was not satisfactory.

Mr. Brooke: I am grateful to the hon. Members for Roxburgh and Berwickshire (Mr. Kirkwood) and for Great Grimsby (Mr. Mitchell) for prolonging the debate. In the context of the latter's earlier reference to over-selling, I hugely enjoyed his reference to "circles of tyranny", a phrase which we shall no doubt read in other places.

A sinister quality has been read into the clause which it does not possess, but it is absolutely right that the Committee should be vigilant in these matters. The Inland Revenue proposes to manage and oversee the scheme on behalf of taxpayers everywhere with a light touch, but feels that residual powers are necessary. The hon. Members for Great Grimsby and for Sedgefield (Mr. Blair) said that the 1984 case to which I alluded was not an adequate support for the argument that I was advancing. I can only say that the 1984 case exists and has not given rise to the dramas and ever-widening circles of tyranny to which the hon. Member for Great Grimsby has referred.

Of course, this is an issue of public moment. The Keith committee, with which we have been concerned in other contexts, has made various proposals on professional privilege. Those proposals are still under consideration, but I accept the spirit in which the Opposition have raised this matter. I shall, of course, look at it again to see whether any greater reassurance can be given.

Question put and agreed to.

Clause 13 ordered to stand part of the Bill.

Clauses 14 to 17 ordered to stand part of the Bill.

Schedule 1

PROFIT-RELATED PAY SCHEMES: CONDITIONS FOR REGISTRATION

Mr. Blair: I beg to move amendment No. 33, in page 70, line 23, leave out '80 per cent.' and insert '50 per cent.'.

This is clearly a probing amendment but it is worth discussing to ascertain the basis on which the Government have drawn up the rules on profit-related pay. At first blush, it is difficult to see why profit-related pay can operate only if 80 per cent. of the work force agrees to it. Presumably employers are able to have different pay systems for those taking part and for the remainder up to 20 per cent. Why must 80 per cent. agree?

I could see an argument for saying that, unless everyone agreed, the scheme could not be introduced because of the administrative difficulties involved in calculating two different bases of pay, but it is plainly accepted that up to 20 per cent. of people within the same employment unit and presumably doing the same type of work under the same terms and conditions can nevertheless opt out of the scheme. So why has the figure of 80 per cent. been chosen? Why should not anyone who so wishes be allowed to participate and the others be allowed to opt out? I see no rational basis for seizing upon the figure of 80 per cent. The real distinction must be between having everyone or no one in the employment unit on profit-related pay or allowing diversity within the same unit. I should be obliged if the Minister would explain that to me.

Mr. Tim Smith: I sympathise with the comments of the hon. Member for Sedgefield (Mr. Blair). It is not clear to me why 80 per cent. has been chosen. I am also not sure exactly what the words

"to whom the scheme relates"

mean. Perhaps my hon. Friend the Minister will clarify that.

My hon. Friend the Member for Woking (Mr. Onslow) asked me to raise a number of points about schedule 1 which were put to him by a firm which for 15 years has operated in the specialist area of employee participation arrangements, particularly employee share schemes, and which numbers about 350 of the top 500 United Kingdom companies among its clients. One of its concerns is the 80 per cent. rule. The firm says:

"It appears that Inland Revenue will interpret this Rule to mean not that such plans must be 'available' to at least 80 per cent. of employees but that 80 per cent. of employees must actually receive payments thereunder. Companies are very conscious that a dissident minority of 20·1 per cent. of the work force could effectively lose the tax efficacy of an otherwise splendid scheme for the majority of their colleagues."

I rather agree with the hon. Member for Sedgefield that once one concedes the principle that 100 per cent. of employees are not needed to participate in the scheme, why not simply say that all those who wish to participate may do so regardless of the proportion?

Mr. Brooke: The hon. Member for Sedgefield (Mr. Blair) has moved a probing amendment and my hon. friend the Member for Beaconsfield (Mr. Smith) supported him.

The profits to which pay will be related are the profits of the whole employment unit. Therefore, as the hon. Member for Sedgefield implied, ideally all the employees of an employment unit would participate in profit-related pay because the profits relate to the efforts of all of the employees. However, when the Green Paper was published last year we recognised that there would be circumstances in which it would not be appropriate or possible for all the employees to be eligible. Therefore, there is a need for some flexibility for employers.

The benefits that we believe will flow from the widespread adoption of profit-related pay will be best achieved if a substantial majority of the employees in each unit participate. That goes back to the discussions that we had on clause 1 stand part.

The Government considered that 80 per cent. was a reasonable, minimum level if tax relief is to be made available. I appreciate that the hon. Member for Sedgefield was arguing that his figure of 50 per cent. was chosen simply as a probe against the Government's figure of 80 per cent., but I am puzzled that the Opposition are seeking to reduce the percentage. The lower the figure is taken the easier it is to have what I would euphemistically describe as an arrangement. The more people who are required to take part in the scheme, the less likely it is that some artificial arrangement will be reached.

Mr. Blair: Let me explain our position straight away. I do not believe that there is any inconsistency. Indeed, it is in the best tradition of constructive opposition that, having lost the vote on clause 1 stand part, with the result that profit-related pay schemes will come into existence if the Bill is carried, the Opposition should try to make the scheme work as effectively as possible. It was in that spirit that I moved the amendment. I believe that it is important that we should be given a good reason why, if the scheme is to be generally available, it should not be made available on the widest possible basis.

Mr. Brooke: The disadvantage in the proposal of the hon. Member for Sedgefield is that if the scheme were required to cover only 50 per cent. of employees to secure tax relief, the scheme would be much more selective and would not embrace the totality of the work force. I suspect that if it were the other way around, if we had come up with the figure of 50 per cent., the hon. Member for Sedgefield would have proposed 80 per cent. on the basis that the 50 per cent. could lead to artificially structured schemes.

Essentially, I believe that the proof of the pudding is in the eating. We put the figure of 80 per cent. in the Green Paper. The hon. Member for Sedgefield will be aware that we had a wide variety of comment on all aspects of the Green Paper, but few respondents saw any difficulty with the 80 per cent. requirement.

I agree with my hon. Friend the Member for Beaconsfield that a blocking minority of 20·1 per cent. would be a complication. However, the Government believe that that complication would apply whatever the figure as there would still be a problem regarding what would happen on either side of the line.

The Government believe that 80 per cent. is a sensible figure to get the global advantages of the scheme within the employment unit. We did not receive significant objections to that figure during the consultation period. For that reason, we stand by that figure.

Mr. Blair: I believe that it is unfair to say that, had the Government suggested 50 per cent., I would have moved an amendment to the effect that we should make it 80 per cent. I moved this amendment on the basis that, if it were

thought that profit-related pay was a good idea, it would be positively beneficial for those who were not working on profit-related pay to see how well those on profit-related pay were doing. Perhaps there would be an element of contagion. I accept the Minister's arguments. It is fairly clear that the figure of 80 per cent. has been plucked out of the air. However, as that figure was not objected to extremely strongly, other than in the terms mentioned by the hon. Member for Beaconsfield (Mr. Smith), I am content to let the amendment fall.

Mr. Brooke: I failed to answer one other question that was raised in the course of the debate regarding "employees to whom the scheme relates".
That is defined in clause 1(2) which states:

"References in this Chapter to the employees to whom a profit-related pay scheme relates are references to the employees who will receive any payments of profit-related pay under the scheme."

Mr. Blair: I am grateful to the Minister for his reply. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

6.45 pm

Mr. Blair: I beg to move amendment No. 34 in, page 73, line 28, after 'must', insert
'in the view of the Board'.

I entirely accept that, given all the comments made about the powers of the Inland Revenue in an earlier amendment, this should demonstrate the degree of objectivity I have towards the Inland Revenue. This amendment would, if anything, give the Inland Revenue greater powers than it would otherwise possess.

The purpose of this amendment is to ask the Minister whether he is satisfied with the Government's anti-avoidance provisions. The Institute of Personnel Management and others have recognised that one of the difficulties with the profit-related pay scheme is the potential for tax avoidance.

I vaguely recall in my dim and distant youth—long before I got to the House of Commons—that there were debates on incomes policy and how the pay that people received could effectively be related to productivity. There were all sorts of arguments about how people could get round the rules that related to wage structures.

With profit-related pay there is a clear potential for avoidance unless the Inland Revenue is extremely careful that the profit and loss accounts give a fair and true view. I know that there are a myriad of different arguments advanced in relation to proper auditing and accounting procedures. The hon. Member for Beaconsfield (Mr. Smith) will know more about that than I do. However, it is the case that when one is computing pay on the basis of profit and when tax relief is given, there is clear scope for avoidance.

The purpose of this probing amendment is to ask the Minister for his assurance that the rules are drawn as tight as possible to minimise the risk of avoidance.

Mr. Brooke: Obviously, the hon. Member for Sedgefield (Mr. Blair) has drawn attention to a central issue and I shall therefore reply at some length.

Paragraph 19 of the schedule deals with how the measure of profit for profit-related pay purposes is to be ascertained. Essentially, a profit and loss account must be produced that follows the rules and requirements of schedule 4 to the Companies Act 1985, which governs the production of a profit and loss account by a company. This provision ensures a standard approach to the production of such accounts using widely accepted rules. The Companies Act 1985 also requires a profit and loss account to show a "true and fair" view of the profit. That is broadly understood as an accounting concept and it is central to a qualified accountant's duty that he establishes that the accounts meet that requirement.

There is no requirement in the 1985 Act that any Government body should confirm that the account produced under that legislation meets the "true and fair" criterion. To insert such a requirement in the profit-related pay legislation would have the effect of supplanting the approach adopted in these proposals for ensuring a minimum of official intervention in the day-to-day operation of registeredschemes and relying on independent accountants to verify the adequacy of profit-related pay accounts and the operation of profit-related pay schemes. It would place a major burden on the Inland Revenue and increase substantially the administrative complexity of the scheme for the employer as well as for the Revenue. In any event, the Revenue will have the power to call for a check on profit-related pay accounts under clause 13, which the hon. Member for Sedgefield will recall vividly, whenever it believes that to be necessary.

The amendment would leave the provisions for an independent accountant's audit in place. We see the provisions as adequte. The statement that a profit is or is not "true and fair" will be made by the independent accountant, not by the employer, as such a statement cannot be made authoritatively by a person unqualified in audit matters. Who may act as independent accountant is closely constrained by clause 17. The individual must be properly qualified and must not be closely connected with the scheme. The statement of a "true and fair" view is one that we have taken pains to make independent of the employer concerned. The employer is responsible for all profit-related pay matters, and he must obtain and submit to the Revenue a report by an independent and properly qualified accountant.

If the hon. Member for Sedgefield is concerned that the employer is the person who decides what is or is not "true and fair", I trust that this explanation of objective and external reference allays his fears. The Government feel that there is no point in introducing another level of checking by the Inland Revenue, which could only adopt the same principles of accountancy and audit as those that would be adopted under this proposed legislation by the independent accountant.

Mr. Tim Smith: I wanted to hear what my hon. Friend the Paymaster General had to say about the amendment before commenting briefly upon it. I like the novel idea that is incorporated in it, that the Inland Revenue would offer its own view on whether the accounts showed a "true and fair view". Even if we were to give the Revenue that power, we would not strengthen its hand. Pretty high standards of accounting are required and the accounts will have to comply in all respects with company law.

There will have to be an independent auditors' certificate that will state whether the auditors consider that the accounts show a "true and fair view". That happens a great deal now and I have no doubt that the Revenue takes a view on the firm of accountants concerned. Firms of accountants, like other undertakings, vary in quality and the Revenue will not rely on the accounts that are

[Mr. Tim Smith]

presented. It can always demand further information, and we know from a previous debate that it has substantial powers to do so. It will not accept unchallenged the statement that the accounts give a "true and fair view" and conclude from that that there are no further questions to be asked. It will always have the opportunity to go behind that statement, and I think that that will happen in practice. Although the amendment contains an interesting and novel idea, it probably is not necessary.

Mr. Blair: I largely accept the statement of the Paymaster General and the comments of the hon. Member for Beaconsfield (Mr. Smith). I thought it right—this is still my view — that we should not leave our consideration of profit-related pay, and especially the schedule that deals with its implementation, without making it clear that every measure that can reasonably be taken is taken to ensure that there is not tax avoidance. It is clear that there are opportunities for tax avoidance when a scheme such as that proposed by the Government is introduced. I hope that the rules that appear in schedule 3 balance adequately the rights of individuals with the rights of the Revenue to act successfully and adequately on behalf of the taxpayer. In view of what the Minister has said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That this schedule be the first schedule to the Bill.

Mr. Tim Smith: The firm to which I referred in an earlier debate has three further concerns about the schedule. We have passed over paragraphs 13 and 14, which deal with the two profit-sharing formulae, and anyone who considers the text of those paragraphs will agree, I am sure, that they are extremely complex. Surely it is desirable that the formulae for determining profits should be as simple as possible. It is obviously desirable that participants should be able to understand them easily. The firm that is concerned about these matters considers paragraph 14 to be almost unintelligible. I wonder why it is necessary for the formulae to be so complex.

Secondly, the firm says that the 80 per cent. rule that we discussed earlier effectively precludes the 750 or more companies that have already implemented equity-linked profit-sharing plans under the Finance Act 1978 from offering employees participation either in that plan or in the new profit-linked pay arrangements. I am not sure whether that is exactly what the firm means, and it may be that it is trying to say that if a compny participates already in the 1978 arrangements it cannot participate in these arrangements. I do not know whether that is true and I hope that my hon. Friend the Minister will be able to deal with the matter. The firm may have it completely wrong. It is alleging that there are two mutually contradictory profit-related plans on offer.

Thirdly, the firm says that it must be appreciated that lower-paid employees who have previously participated in a trust-related profit-sharing plan under which no national insurance deductions were made will receive less cash under the new arrangement than under the old scheme. The firm contends that while a fellow of All Souls may be able to make the distinction between a national insurance deduction and an income tax liability—there may be a few others who are able to do so—the majority will not. I hope that my hon. Friend the Minister will be able to deal with these three issues.

Mr. Blair: First, I wish, like the hon. Member for Beaconsfield (Mr. Smith), to draw attention to the complexity of the two formulae for determining the distributable pool of profits. I found them to verge on the incomprehensible.

I think that I understand the basic principles in method A and method B. It appears that under method A the pool is equal to a fixed percentage of the profits of the employment unit in the profit period. Method B is based on the first profit period to which the scheme relates, or the distributable pool for the previous profit period. In other words, that method fixes a base year by which the distributable pool is to be computed.

I should like to know what steps the Treasury intends to take to make the schemes more understandable to those who will be called upon to use them. If profit-related pay is to be encouraged, I hope that it will not be a privilege that is confined to those employed by large companies. It must be open to small companies as well. There are many small companies with 10 or 15 employees that will read schedule 3, and whatever greater productivity arises through profit-related pay will be negated immediately by the time that the firm has to spend discovering how to administer the scheme.

I do not fully take on board the points made by the hon. Member for Beaconsfield about the employee share ownership plan. I cannot see any inconsistency, although there may be one, but that is obviously something to which it is right for us to address our minds.

I should be grateful if the Minister could inform us of the steps that he will take to ensure that people can understand and administer the schemes easily. We may have the greatest theories and plans, but if they are difficult to implement in practice, they will be of little practical use.

7 pm

Mr. Brooke: My hon. Friend the Member for Beaconsfield (Mr. Smith) asked me several questions relating to correspondence that I too have had the pleasure of seeing, and I shall respond to his questions. The hon. Member for Sedgefield (Mr. Blair) asked me some specific questions in reinforcement of the profit sharing formulae.

I shall respond first to the questions raised by my hon. Friend the Member for Beaconsfield about the overlap of the schemes and their potential complications. The Committee knows that tax incentives for share schemes already exist, but the new tax relief is for cash. For it to be effective in terms of pay flexibility, the relief must be targeted on employees in business units in which the great majority of employees participate in a PRP scheme. We discussed this point a moment or two ago. There is, of course, nothing to stop a separate share scheme from running at the same time and in that case the benefits would be complementary. However, it would be quite wrong to try to combine into a single scheme the different tax incentives for share schemes with those that are proposed for profit-related pay. The result would be a muddle and it is, and would be, unnecessary to try to do that.

My hon. Friend the Member for Beaconsfield raised the subject of method A and method B, which are described

in the correspondence as the complex profit-sharing formulae. The hon. Member for Sedgefield also alluded to that. There is a paradox in that the simpler and more flexible one seeks to make the arrangements, the relatively more complicated is the legislation. However, when employers have had some time to grow to know and to love this legislation, I am sure that they will acknowledge that under its umbrella, a fundamental flexibility and simplicity exists.

The hon. Member for Sedgefield raised the question of the ways in which we could make the schemes simpler, although I do not know whether he acknowledges the paradox that I have just explained. However, we shall pay attention to that. I referred earlier to the guidance notes that the Inland Revenue is to send out. We shall seek to explore whether there is a way in which we can provide a child's guide element.

My hon. Friend the Member for Beaconsfield returned to the issue of national insurance contribution and said that some employees would be worse off as a result of the changes. However, that is a separate issue. The decision to withdraw certain concessions that relate to trusts, which flow out of what has happened since the 1985 changes to the upper earnings limit, is unrelated to the propositions that we are now considering. Some of the literature and some of the representations that have been made have missed some of the fundamental points about the schemes in quoting the sums of money that would be at risk or that would be involved in terms of the changes that we are making. That is an unrelated issue. I hope that those companies that have a tradition of profit-related pay will feel able to embrace the arrangements that are contained in this legislation for the generality of their employees and assuming that they take the fullest advantage of the profit-related pay arrangements, they should be able to do very satisfactorily.

Question put and agreed to.

Schedule 1 agreed to.

Clause 18

REGISTRATION

Question proposed, That the clause stand part of the Bill.

Mr. Blair: With clause 18, we come to the issue of personal pension schemes. I am acutely aware that I have stumbled into an area in which there are many experts. I do not count myself among them. I gather that we shall hear from the hon. Member for Kensington (Sir B. Rhys Williams) about some of the amendments that he has tabled. I simply want to ask the Minister—I thought that this might be an appropriate time to do so—to tell us something about the scheme outlined in this chapter.

As I understand it, the Social Security Act 1986 has given birth to the present provisions. This tax regime follows on from the changes in pensions that were made in the 1986 Act, under which there was the right to opt out of occupational pension schemes and to have a personal pension instead. I need not rehearse the arguments about that or about whether greater mobility would be enjoyed by people being able to opt out and, on the other side, about whether that would mean that the younger people in the pension scheme would end up financing the older ones, and the difficulties that might arise for the pension schemes in such circumstances.

As I understand it, at the present time, the provisions will come into force in January of next year—somebody who is self-employed can buy what are called section 226 policies. The provisions in the Finance Bill substantially re-enact some of those section 226 rules and ensure that the pension schemes for the self-employed and for employees are brought together. I should like the Minister to outline briefly the main changes that would be made by this part of the Bill. As I understand it, these provisions essentially reflect the changes that took place in social security legislation in 1986, together with certain new matters that have been introduced into the Finance Bill, including many that simply translate into law some procedures that are already practised by the Inland Revenue.

The provisions also introduce the lump sum limit of £150,000 and certain restrictions on the amount of lump sum that can be paid on retirement. Obviously, that is extremely important to millions of people. I did not think it right to allow the first clause in this new chapter to go by without at least raising some of the more general matters.

Sir Brandon Rhys Williams (Kensington): I had intended to raise on clause 19 the points that I think I might equally appropriately raise under this clause, but since I did, in fact, table an amendment to line 29 of clause 18, which did not have the good fortune to be selected by the Chair, I hope that I shall not be speaking out of order if I deal in a general way with the expression "the Board" which appears at the beginning of this section.

The amendment which I tabled—I do not wish to dwell on it in a way that will vex the Chair—which did not make the selection——

The Temporary Chairman (Miss Janet Fookes): Order. The hon. Gentleman must not dwell on it at all. It was not selected.

Sir Brandon Rhys Williams: I anticipated that rebuke, and I intend to comply totally with the Chair's ruling. I had intended to draw attention to the fact that "the Board" here is assumed to be the board of the Inland Revenue. However, there is the Occuptional Pensions Board, which also has status in connection with private personal schemes. I rather wonder whether here, in the Finance Bill, the Treasury is right to arrogate, as it is seeking to do, to the Inland Revenue what appears to be the primary status of controlling authority, when the Occupational Pensions Board exists and also, simultaneously with the consideration of the Finance Bill, the House has been presented with no fewer than 20 statutory instruments emanating from the DHSS, which also seek to regulate the way in which these schemes are run.

I accept that the Revenue must be the authority which grants the tax haven status to personal pension schemes, but I wonder whether all that follows in this long chapter of personal pension schemes is the property of the Inland Revenue to decide. I rather wonder whether it is in the best interests of these schemes that it should be the Inland Revenue that takes the primary status. I believe that it would be highly desirable if the Revenue were to drop the practice of regulating pension schemes minutely and were to leave it either to the Occupational Pensions Board or to the DHSS using the different methods that have grown

[Sir Brandon Rhys Williams]

up under those Departments to regulate these schemes. Therefore, I rather wonder whether one is entirely happy with the entire tenor of clause 18.

We should simplify the rules that operate in connection with personal pension schemes to the absolute bare minimum. That is not the Inland Revenue practice. Under its guidance, the rules affecting pension schemes have proliferated to a terribly burdensome extent over the past 50 years or more. I believe that extreme simplicity of legislation should be accepted by the House as a virtue in its own right of the greatest possible importance, particularly when dealing with small employers and private citizens, as we are when we are discussing personal schemes. It would be a great mistake if we started off by making the whole apparatus of control, which must be considered, so complex that almost everybody is likely to be frightened off unless they can afford professional advice.

On questions of procedure, the appointment and conduct of trustees, for example, and routine management of the trust, it would be far better to leave it to the OPB as it is expert in this area and is bent on the promotion of these schemes, rather than the restriction of opportunities for saving which these schemes are intended to offer. But that is not the Inland Revenue's way.

On the question of the various obligations of the parties —the employer and employee—I would would be happy for the DHSS to operate because it looks at these schemes on the basis of the maximum and minimum contributions which are appropriate. The Inland Revenue's way is to set limits on the benefits which emanate and that really is incompatible with the conception of the money purchase schemes which lies behind the Government's intention.

When one speaks to professionals in this area—I am sorry to say this, but I have to—one finds that they regard the Inland Revenue as a menace to the occupational pensions movement. They regard it as a burden and wish that the dual control system which has grown up could be ended. The Inland Revenue is now more concerned to prevent people from exploiting the advantages of tax haven status than to promote thrift and a habit of saving for retirement.

Where the two thirds limit is concerned, which is what the Inland Revenue seeks to apply to the annuities which emanate from these schemes, why should it be important what the pension is in relation to the final salary of the beneficiary? In the end the taxpayer recovers his share which has grown up in the fund, because the system on which all these schemes operate—the tax haven status which we are giving to these schemes—is the basis of save now, pay tax later. The beneficiary pays tax later on the annuity, so why do we seek to restrict these schemes?

I know that there is a reason, and that is because the lump sum option appears in these new proposals just as it does in the occupational pension schemes, which no doubt we shall deal with in due course when we reach schedule 3. The right way for the Inland Revenue to tackle that problem is to introduce new thinking on the tax-free status of the lump sum. I have tried to make a contribution on this before.

I would like my right hon. Friend the Minister to tell me whether he genuinely insists that it is the Inland Revenue that is the prime authority in view of the shadow that that will cast over the private pensions movement, and if this attitude of the Inland Revenue is not changed.

7.15 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): The hon. Member for Sedgefield (Mr. Blair) invited me to outline the proposals on personal pensions in this part of the Bill. I am aware that it is difficult for me to respond to his request without, by implication, going a little beyond clause 18, although it introduces the provisions of Part II. The hon. Gentleman is right about how the new provisions follow the section 226 regime but with improvements in that there are new higher contribution limits for older people and employers' contributions may be made to personal pensions, which was not possible with retirement annuities.

The provisions implement the promises made by my right hon. Friend the Chancellor of the Exchequer in his Budget statement—first, that the new personal pensions would have the same tax treatment as is enjoyed by retirement annuities and, secondly, that much greater transferability of pension rights would be possible between different types of pension arrangement. Therefore, the legislation completes the major programme of pensions reform which was announced by the Secretary of State for Social Services.

The provisions were originally included in the Finance Bill introduced earlier this year. Several technical amendments have been made, but it is essentially the same as was proposed in April. The new regime for personal pensions was outlined in a consultative document published by the Inland Revenue last November. I have referred to the changes that have been made, which include a wider range of pension providers, to include building societies, banks, and unit trusts in addition to the present life offices and friendly societies; the ability for individuals to contract out of SERPS through a personal pension scheme; the provision for employers to contribute, if they wish, to their employees' personal pension schemes; and the same basic limit of 17·5 per cent. of income for younger people and a more generous scale of higher limits for those over 50, as now on contributions. I hope that in outlining the bones of this section, clauses 18 to 57, I have responded to the hon. Gentleman's request.

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) has leapt straight into an area which is also referred to in a later amendment which he has tabled, so I have no doubt that he will pursue the theme and repeat some of the points that he made. He is concerned about the relationship between the Inland Revenue and the DHSS and the Occupational Pensions Board. We have discussed this on many occasions. He believes that there is a conflict between the objectives of the Revenue and the DHSS. Naturally, many Government Departments sometimes think that they are in conflict with the Inland Revenue or the Treasury and, indeed, sometimes they have different objectives.

The Inland Revenue is responsible under the powers conferred on it by the Finance Act 1970 for administering the tax regime for pensions. As my hon. Friend always acknowleges in his speeches on this subject, these tax reliefs are extremely generous. Indeed, he has suggested that they should be called pension trusts and he frequently uses the phrase "tax haven" when referring to pension

funds. For the reasons he gave, the Inland Revenue is concerned about the cost of these generous limits, so the tax rules set levels of maximum benefit.

On the other hand, the DHSS rules are primarily concerned with the level of benefits which an occupational pension scheme must provide if it is to be contracted out of the additional component of the state scheme. That is to say that the Inland Revenue is responsible for the tax approval rules while the DHSS and the OPB have their own requirements for contracting out only which applies to employees in occupational pension schemes.

The DHSS, as I have said, is concerned with the level of benefits that an occupational scheme must provide if it is to be contracted out of the additional components of the state scheme. The requirements of the DHSS concern minimum levels of benefit. Between the minimum benefits required by the DHSS and the maximum benefits imposed by the Inland Revenue, there is considerable scope for occupational schemes to offer whatever level of benefit seems appropriate without Government interference, although there is a danger that Revenue rules would restrict DHSS minimum benefits, for example in relation to preserved benefits to which Revenue rules do not apply.

I know that my hon. Friend the Member for Kensington would prefer to see a maximum benefit requirement on all final salary pension schemes. However, that takes us way beyond clause 18. I am sure that my hon. Friend will rehearse his arguments and concern about some types of pension being limited by contributions and others limited by benefit, all of which he sees as examples of the lack of integration. He has heard my views on these matters before. I have tried to explain why that has happened and why I believe that to some extent it is still unavoidable. I know that I have not persuaded my hon. Friend about this, but I think that he understands the position and I know that he would like to see the whole area of pensions radically reformed. No doubt my hon. Friend will come to that point later.

I know that I will not deflect my hon. Friend the Member for Kensington, but I am bound to say that, after so many changes in pensions in recent years, there are some who feel that a period of calm and stability is desirable. However, my hon. Friend has been a great campaigner on all those issues for many years. He has a very lucid and coherent view of what the whole pensions regime should look like. Basically, he believes that we should start off on an entirely different basis.

I should not really respond to all the points made by my hon. Friend the Member for Kensington. We will have specific debates on the lump sum later and my hon. Friend can develop his philosophy about that and its tax exemption. I have tried to respond to my hon. Friend about the different roles of the Revenue and the DHSS. I do not believe that there is a great conflict which my hon. Friend has described. However, I know that he wants to see the whole system established on an entirely different basis.

Sir Brandon Rhys Williams: I would like to take the opportunity to thank my right hon. Friend the Financial Secretary to the Treasury for his remarks. He has penetrated to the core of what I was saying. In this country we have a public sector pension scheme which is extremely handsome. However, the private sector is really paltry by comparison in all too many cases. Therefore, we ought to be accentuating the positive which will be encouraging people to put in better and better schemes rather than to think mainly in terms of ways in which we can restrict the savings habit from becoming too exuberant.

I do not like to be critical of the board of the Inland Revenue, because the way in which it approaches its task is immensely dedicated, as it is a dry and often very detailed business. It takes the Revenue into areas that are sometimes barely comprehensible. There is an important job to be done in avoidance work with regard to fraud and outrageous abuse of well-intentioned concessions.

Moreover, I do not think that the board ought to be eliminated entirely from the scene; it would be an exaggeration if I gave that impression. Indeed, in a later amendment I hope to use the board's discretionary power to promote the idea of transferability at long last at the full value of the beneficiary's asset. I do not want it thought that I do not want the Inland Revenue board to have a place in the regulatory scene.

I took the opportunity to make my point because I feel that we need to put more emphasis on the positive aspects. The positive aspects are emphasised by the DHSS approach of placing minimum levels of contribution rather than maximum levels of benefit. I do not wish to pursue that matter or to stand in the way of the Committee and its further consideration of these clauses.

Question put and agreed to.

Clause 18 ordered to stand part of the Bill.

Clause 19 ordered to stand part of the Bill.

Clause 20

ESTABLISHMENT OF SCHEMES

Sir Brandon Rhys Williams: I beg to move amendment

No. 41, in clause 20, page 12, line 5, at end insert 'after consultation with the Occupational Pensions Board'.

Amendment 41 requires the Treasury, before amending section 20, to consult the Occupational Pensions Board. I express reservations about the role of the Inland Revenue in the pensions scene and I have my reservations about the Occupational Pensions Board too. I am afraid that on a number of issues on which I hoped that it would speak out clearly and strongly, it has appeared to be rather pusillanimous and vacillating, possibly because it is not quite sure whether it is expected to respond to guidance from the Inland Revenue or from the DHSS. Nevertheless, that body has been set up and it has a status that is very important for occupational pension schemes and I think that it should be made to rise to its responsibilities and should be encouraged to do so.

Clause 20(4) states:

"The Treasury may by order amend this section as it has effect for the time being."

That places in the hands of the Treasury a very substantial power particularly as clause 20(5) states:

"An order under this section shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of the House of Commons."

Unfortunately, hon. Members who study statutory instruments and the way in which the House deals with them know that again and again, once the statutory instrument is in print that is really the end of the matter and although hon. Members may have reservations they cannot voice them, as was the case sadly with the 20 statutory instruments tabled last week by the DHSS, and with all too many statutory instruments laid under provisions of this kind.

I hope that, even if the House of Commons is unlikely to have any say in what the Treasury does in amending the section, proper consultations will take place with the Occupational Pensions Board. I must announce to the Committee that the example before us this week is not very optimistic. I am referring to the report from the Occupational Pensions Board in relation to statutory instrument number 1105 which is now before the House entitled

"Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations 1987".

I do not know how many hon. Members have gone so far as to read the comments in the report. I thought that they might have some relevance to the debate.

Indeed, I discovered that they had relevance when I read what the Occupational Pensions Board had to say on the draft statutory instrument submitted to it for comment. The board's comments are dated 3 June 1987 and are alarmingly trenchant. The report ends as a sad story. I hope that I am not detaining the Committee too much if I read just the comments made by the board with regard to regulations 2(5) and 2(11). The report states:

"Regulation 2(5) requires the information introduced into Schedule 2 of the principle regulations to be furnished on request to any member of a tax-approved scheme. We believe that these requirements for information about additional voluntary contributions are incapable of being met and are likely to prove to be completly unacceptable to the pensions industry and trustees. To determine the maximum amount of AVCs that a member may make the scheme would need to have full details of remuneration (including overtime earnings and benefits in kind) and this information would often not be available to the administrators. It could be misleading to members to quote the maximum tax-deductible AVC if payments of AVCs at this level could result in the Inland Revenue benefit levels being exceeded. There is another potential problem. The Government have announced their intention that scheme members should be free to pay AVCs to schemes other than their own occupational pension scheme. If this proposal is implemented, it would mean that scheme trustees and managers would have no control over the payment of these AVCs or of the benefits that they produce. We therefore believe the practical considerations of actually providing the information required would make this provision unworkable."

7.30 pm

In the same report, we read the reply, dated July 1987, on behalf of the Secretary of State:

"As regards paragraph 7 of the Board's report, regulations prescribing the information to be provided about additional voluntary contributions will not be made until the Board of Inland Revenue have published any requirements that they may have in regard to such contributions."

We read in the revised, summer Finance Bill, that, notwithstanding that type of extremely trenchant comment from the Occupational Pensions Board, which may presumably be regarded as the most expert in the field, the dogs may bark but the caravan moves on. So far as we can read in the Bill, the Inland Revenue has simply repeated the unacceptable recommendations which appeared before the House in the first Finance Bill this year, and which aroused a great deal of adverse comment from the professionals at that time. If, in regard to anything as important as this, the Revenue is simply not prepared to listen to the Occupational Pensions Board, and the DHSS abdicates its role and leaves the Revenue to carry on as it pleases, how much hope have we that, when the Treasury exercises the power that the Committee is about to grant it under the subsection, there will be any closer liaison in the future?

I hope that the Committee will agree that it would be a good idea at this stage to write in the requirement for consultation with the Occupational Pensions Board when the clause is amended by statutory instrument.

Mr. Norman Lamont: I congratulate my hon. Friend the Member for Kensington (Sir B. Rhys Williams) on his assiduity and research in digging out the report of the Occupational Pensions Board. We shall probably discuss the relationship of AVCs to scheme limits on a later amendment. It may be more appropriate then to discuss the practicalities of observing the final salary scheme limits and discussing the extent to which they are endangered by the AVC proposals, or the extent to which the proposals may be criticised on grounds of practicality.

The purpose of the amendment is to require the Treasury to consult the Occupational Pensions Board before making an order to amend clause 20. I think that the amendment is unnecessary. Clause 20 sets out which bodies may establish personal pension schemes. The main purpose of the Treasury order would be to extend the range of personal pension providers, if and when that seems appropriate, without having to introduce primary legislation in a future Finance Bill.

If such an order were being made, we should naturally consult the OPB, and any other interested body, if appropriate. But the OPB would not always be the appropriate body to consult. The board is responsible for certain aspects of occupational pension schemes, in particular contracting-out rules and the preservation of deferred benefits. It is not a general pensions watchdog and it is not necessarily equipped to act as such.

We might, for example, be dealing simply with pensions for the self-employed, in which event it might not necessarily be appropriate for us to consult the board. In many cases, we would consult the board, but I would resist the idea of writing such consultation into the legislation.

The regulations are primarily a DHSS matter, concerning the requirement on scheme administrators to disclose information to members about the scope to pay AVCs. They are not strictly tax matters, although, as my hon. Friend the Member for Kensington spotted immediately, they have some relevance to the relationship between AVCs and benefit limits. We shall discuss that later.

Sir Brandon Rhys Williams: My right hon. Friend is right in saying that some of my remarks were wide of the immediate context of clause 20. I took the opportunity of pointing to a place where it seemed to me that the relationship between the OPC and the Revenue had already broken down, which could not possibly refer to the particular interests found in clause 20.

I do not wish to press the amendment, because I hope that what I have said may have had a small effect, at all events, in advancing the cause of the OPB as a body that ought to be taken seriously and should play a serious role. This was the first opportunity that presented itself in the Bill for me to make the points that I have sought to make, and if they went somewhat wide of the clause, I apologise.

Having made that point—I see that my right hon. Friend has taken it on board—I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I should like clarification of one small point. There may be a very straightforward answer. The purpose of clause 20, as the Financial Secretary rightly said, is to give a list of new pension providers. I understand that some of those—for example, the banks—are already engaged indirectly in the provision of pensions. How much real change does the clause make regarding the bodies able to provide pensions? Are many of these institutions, albeit indirectly, already providing pensions, or is the measure of a much wider nature?

Mr. Norman Lamont: It is a considerable change. In future, direct providers will include not just banks—the hon. Gentleman suggested that they were already providing pensions indirectly, and I suppose that that is right—but building societies and authorised unit trusts. The clause also provides for other types of provider to be authorised subsequently by the Treasury. For example, it is possible that investment trusts may provide personal pensions in the future. At present, the business can be carried out only by life assurance companies and certain friendly societies.

This considerable change is very much in keeping with the breaking down of divisions that we are seeing in the City and in financial markets generally. However, I do not think that its significance can be underestimated.

Mr. Blair: I am grateful to the Financial Secretary. I was uncertain about how far some of the institutions were already engaged in providing pensions, but it is clear that there will be considerable changes.

The Financial Secretary spoke about investment trusts. Has the Treasury certain types of institution already in mind which it might allow, using its power under subsection (4), to carry on such business, or is the power to be held in reserve?

Mr. Norman Lamont: The power will be used largely in response to representations. I referred to investment trusts only as an example. We made several changes in the clause in response to representations, and I imagine that any further widening will be based on representations from those in the market place who wish to get into this business. It is not a question of us wishing to impose it; it is more a question of the people who wish to join the pensions industry—one can think of many institutions—coming to us. We have not yet worked out the plans.

Question put and agreed to.

Clause 20 ordered to stand part of the Bill.

Clause 21

SCOPE OF BENEFITS

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: I think that I am right in saying, but I ask my right hon. Friend to reassure me, that the provisions of clause 21 cover Government approved personal pension schemes, provided that they comply with the conditions laid down in paragraphs *(a)* to *(e)*—that is, the conditions elaborated in clauses 22, 23, 24, 25 and 26. Would I be right in thinking that if they are contracted-out schemes, they are also regulated by the 20 statutory instruments which emanated last week from the DHSS? If I am making an ignorant mistake, I hope that my right hon. Friend will forgive me, but I think I am right in saying that contracted-out schemes would fall under both sets of conditions. If that assumption is correct, may we hear to what extent these provisions have been agreed with the DHSS so as to make certain that there is no risk of incompatibility with the conditions laid out in the 20 statutory instruments?

Mr. Norman Lamont: The answer to my hon. Friend's question is yes. They are controlled in this double way. Clause 21 is just an introductory provision. The answer to my hon. Friend's second question is also yes. These matters have been discussed and agreed with the DHSS.

Sir Brandon Rhys Williams: Can we take it that there is no risk of any of the provisions in the clauses of this Finance Bill producing any friction or incompatibility with what has emanated from the DHSS?

Mr. Norman Lamont: That is what I was seeking to imply to my hon. Friend. That is the objective, and we hope that it has been achieved.

Mr. Blair: As I understand it, the Financial Secretary is saying that there would be no conflict between the

[Mr. Blair]

statutory instruments and the provisions in the statute. If there was such a conflict, I presume that the provisions of the Finance Bill would prevail.

Subsection (2) states that nothing in subsection (1) will prevent the approval of a scheme

"which makes provision for insurance against a risk related to the non-payment of contributions."

Does that refer to cases where, for example, due to illness someone is unable to contribute for a period? Is that insured against under the terms of the scheme? Does that represent a change from the present law?

Mr. Norman Lamont: I am advised that the answer to the second part of the hon. Gentleman's question is yes. I am afraid that I do not know whether it is a change. Clause 21 relates to benefits from voluntary contributions only. Protected rights from minimum contributions is a separate matter for the DHSS. There is no incompatibility.

Question put and agreed to.

Clause 21 ordered to stand part of the Bill.

Clause 22

ANNUITY TO MEMBER

Question proposed, That the clause stand part of the Bill.

7.45 pm

Mr. John Greenway (Ryedale): I declare an interest as a practising insurance broker. What advice will the Treasury give to life assurance companies with regard to clause 22(2) in respect of existing retirement annuity contracts? If in this legislation we are introducing a new minimum retiring age of 50, which I greatly welcome, what will happen to existing retirement annuity contracts? Some guidance on the question will be necessary either today or in the future.

Mr. Norman Lamont: Subsection (2) stipulates that a member's annuity must normally commence between the ages of 50 and 75. But subsection (3) permits commencement before the age of 50 if a member retires early through ill health or incapacity, or if the board is satisfied that his occupation is one in which people customarily retire early.

Mr. Greenway: Perhaps I have not made the point clear. As my right hon. Friend will know, under the 226 and 227 1970 regulations, the minimum pension age is 60. We are now introducing a new concept. I greatly welcome the fact that we are reducing the age to 50, but it will create a dilemma with regard to practice between now and 4 January next year. Should people be advised to wait until next January to obtain an earlier age, or will the Inland Revenue accept an earlier retirement age applied to existing retirement annuity contracts?

Mr. Lamont: Existing retirement annuities will continue on the same basis, but I am advised that they will be able to convert to personal pension plans. That is all that I can tell my hon. Friend at this stage. But I understand his point about whether the new conditions should apply to those who invest in annuities between now and January next year and what advice they should be given. I shall try to make available more precise information to my hon. Friend.

Mr. Greenway: I am most grateful.

Mr. Blair: The hon. Member for Ryedale (Mr. Greenway) has made an important point. The present age limit is 60, and subsection (2) would change it to 50. Will subsection (3), which allows the annuity to commence even before age 50, translate into legislation what already exists in practice? My understanding is that it does not. As a result of subsection (3), the annuity will commence before age 50 if it is payable on the person becoming incapable through infirmity of body or mind of carrying on his work or if the board is satisfied that the occupation is one in which people customarily retire before that age. I understood that if the board could be persuaded that people normally retired young in an occupation, it would allow the annuity to be paid before age 60.

Mr. Norman Lamont: I am sorry that I cannot answer the point put by the hon. Member for Sedgefield (Mr. Blair). I undertake to make the position clear to him.

Sir Brandon Rhys Williams: Subsection 22(5)*(a)* refers to the marriage of the annuitant as being one of the reasons why an annuity may terminate after the death of a member. Clauses 24 and, I think, 25 refer to what happens to annuities after the death of a member. I do not want to rule out the possibility of my raising a point concerning clause 24 by failing to put down a marker here. This matter appears to be foreshadowed in clause 22(5)*(a)*

Question put and agreed to.

Clause 22 ordered to stand part of the Bill.

Clause 23

LUMP SUM TO MEMBER

Sir Brandon Rhys Williams: I beg to move amendment No. 40, in page 13, line 15, leave out subsection (4).

The Temporary Chairman: With this, I propose to group amendment No. 39, in page 13, line 15, leave out '£150,000', and insert '£156,000'.

Sir Brandon Rhys Williams: I am grateful for the generosity shown by the Chair in allowing me to move so many amendments. I hope that I can deal with amendment No. 40 as quickly as possible and that I shall not weary the Committee too much. This matter concerns lump sums emanating from the new personal pension schemes. A similar matter arises in schedule 3 in respect of existing schemes which may in future give lump sums of more than

I am not happy with this provision. Although there are not many people who are able to reach a salary of £100,000 a year, and therfore qualify for a lump sum of £150,000, I do not like introducing discrimination against any particular group in the way clause 23 undoubtedly does, for no evident moral purpose. I tabled amendment No. 39, which proposes that the sum be £156,000 rather than £150,000. I think that my right hon. Friend the Financial Secretary would be hard put to explain why £150,000 is the chosen figure and why £156,000 would not be almost equally good.

I did not pluck the figure of £156,000 out of the air. I suggested it because it corresponds to £2,000 a week, a round figure. The Treasury has to explain why it decided that this is the point after which people become second-rate citizens. Not withstanding the conditions of their

scheme, they will not be allowed the benefit of a tax-free lump sum such as that given to someone who has arranged his affairs in such a way that the tax-free sum is £149,000.

I do not like discrimination against the better-off. It is not a particularly Conservative principle. I am horrified to find this arbitrary and sudden recommendation appear in a Conservative Budget. That does not mean to say that I am happy with the tax-free lump sum. I spent a great deal of time in Standing Committee on the previous Finance Bill explaining how I thought it should be phased out. I do not think that a tax-free lump sum should have a place, because it attracts all kinds of consequences. It encourages people to commute their annuity for a lump sum, which they may not spend wisely. If they do spend it, it may simply force up house prices, because people have the benefit of a tax-free bonus which they can use in conjuncion with house purchase finance schemes of various kinds. They may do other things with this enormous tax-free lump sum which are not in the public interest.

The Inland Revenue is approaching this difficult matter in the wrong way in trying to victimise the top echelon of salary earners. I happen to be the Member of Parliament for Kensington and I dare say that there may be people in my constituency who will be affected by this clause. If so, they have not been in touch with me. In my opinion, this recommendation should not have appeared in the Budget. I should be very much happier if it did not appear in the part of the Finance Bill that refers to these new personal pension schemes. It is a pity that it is there. I hope that the Treasury agrees to think in other terms about the tax treatment of lump sums.

Sir William Clark (Croydon, South): I support my hon. Friend the Member for Kensington (Sir B. Rhys Williams), although I do not necessarily congratulate the powers-that-be on selecting his amendments but not mine. I do not understand why amendment No. 3 was not selected because, as far as I know, it was not out of order. As I have some short experience of Finance Bills, I should have thought that that amendment could easily have been taken with my hon. Friend's amendments. I congratulate him on getting so many amendments covered. I must talk to him later to find out how he exercises the influence to effect that.

I agree with my hon. Friend the Member for Kensington that £150,000 is an arbitrary figure. I do not know why the Revenue has thought of £150,000. Why not make it £200,000? Since the average national wage is £10,000 a year, I should have thought that a salary last year of £100,000 was an extremely low amount to be considered in respect of lump sums. I disagree with my hon. Friend the Member for Kensington about the amount of the pension that should be commuted. Spending the lump sum does not necessarily put up house prices. Normally, when a pension is commuted, the individual's mortage liabilities are immediately paid off and the balance of the money is then put into some sort of annuity or investment, so the commuted sum carries on after the individual dies.

I deplore the idea of reducing the commuted ceiling to £150,000. I accept the question of my hon Friend the Member for Kensington as to why the sum was not £156,000. I should have thought that, if the Government are to be logical — although they have plucked this figure out of the air with no logic—they could adopt the same logic as they do with personal allowances. The Rooker-Wise amendment — or, as I remind the Committee, the Rooker-Wise-Lawson amendment — gave us indexation at the beginning. My amendment, which as you realise, Miss Fookes, was not selected, called for the indexing of the £150,000 lump sum each year so that it does not decrease in value. My hon. Friend the Member for Kensington has suggested that the figure should be £156,000. I appreciate his logic in saying that it corresponds to £2,000 a week. I think that most Committee members would have worked that out. Actually, it is £3,000, not £2,000, a week.

Sir Brandon Rhys Williams: By my reckoning, £2,000 a week comes to £104,000 a year. As the lump sum is one and a half times the final salary, that brings it to £156,000.

Sir William Clark: That is right. I think that we have unaminity. Taking a basic sum of £2,000 a week, one and a half times that must make £3,000 a week, so the £156,000 lump sum equals £3,000 a week. I do not think that we should become involved in any more arguments about that. I assumed that my hon. Friend intended having some form of indexation in respect of the £150,000.

Why have the Government plucked this £100,000 out of the air, giving the £150,000 commuted amount? Why is the sum not indexed, as per the Rooker-Wise-Lawson amendment? Clause 23 states that the lump sum

"must not exceed £150,000 or such other sum"

as the Treasury may prescribe. Will my right hon. Friend the Financial Secretary confirm that, if the £150,000 is changed, it will only be changed upwards and not downwards?

8 pm

Mr. John Greenway: I endorse the remarks made by my hon. Friend the Member for Croydon, South (Sir W. Clark). Will the Minister assure the Committee that the £150,000 will not be reduced by Treasury order? I disagree with my hon. Friend the Member for Kensington (Sir B. Rhys Williams) on people taking all their money in tax-free cash. That is not the purpose of the provision. We see a reduction in the amount that can be commuted. Clause 23 (3) states:

"The lump sum must not exceed one quarter of the total value".

That is somewhat less than the present practice under the existing retirement annuity arrangements, and it is to be regretted.

Mr. Blair: I wish only briefly to disturb the argument that is going on between the Government Back Bench and Front Bench and to defend the Chancellor against the accusations of Socialism that have been made against him in introducing the £150,000 limitation. On Second Reading of the Finance Bill, the Financial Secretary described the lump sum as a tax-free perk. That seems to sum up the position. The generosity is in having such a high limit at all. In some ways, it is difficult to see how one justifies it.

Hon. Members are perfectly entitled to press the Minister on how the Treasury intends to use the powers that it will be given. The Treasury is given a completely free hand to decide what it wants to do—it could raise it, reduce it, or do whatever it wants. We should at least have some outline of how it intends to exercise that power.

[Mr. Blair]

I do not promise that the Opposition will support the Treasury if it decides to give that outline, but it is a little unsatisfactory to leave the matter as open and vague as it is at present.

Mr. Norman Lamont: On Second Reading, I described our thinking on the lump sum. No doubt *Hansard* will clarify whether I described it as a tax-free perk, but I made it clear that the Government and I regard pension funds that qualify for extremely generous tax reliefs as being primarily for the provision of pensions. The lump sum has been debated many times before; it has its critics and supporters, particularly in the industry. I recall that, on one occasion, my right hon. Friend the Chancellor used the phrase

"the much loved lump sum".

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) thinks that we should tackle the anomaly, problem or tax-free perk — however one wants to describe it—in a different way. His view is that it should be taxed. We have left it alone, and various assurances were given in the past by my right hon. Friend about what would or what would not constitute Green Paper territory.

There is no doubt, as my hon. Friend the Member for Kensington said in Committee during pre-election deliberations on the Finance Bill, that people use the lump sum provision in all sorts of ways, particularly when combined with accelerated accrual provisions. Notwithstanding the changes that we are making, it is still possible to use different accelerated accrual provisions in combination with the lump sum. People are getting tax deductions for contributions to pension funds, and they get a tax-free sum at the end. We certainly felt that it was not wrong that there should be a cap on the lump sum.

My hon. Friends have perfectly fairly asked me why £150,000, why not £150,000·02, or something like that.

Mr. Blair: It is a round number.

Mr. Lamont: It is a round number, says the hon. Member for Sedgefield. By any standard, it is a generous figure. My hon. Friend the Member for Croydon, South (Sir W. Clark) suggested that, perhaps, it should be indexed. Notwithstanding what happens to personal allowances, it is our general stance, in a time of low inflation and at a time when we intend that inflation should remain low, to resist general indexation provisions. It is our intention to keep on top of inflation rather than to build indexation into large parts of fiscal legislation.

In response to the point that is worrying my hon. Friends, I repeat the assurance that I gave before the election. I said that, from time to time, we shall examine the limit and that we did not wish to see the limit eroded. I repeat that statement for the benefit of the Committee, and I hope that it will satisfy my hon. Friends, even if my hon. Friend the Member for Kensington is not entirely at one with me on the approach to the problem.

Sir Brandon Rhys Williams: I am sure that the House is grateful to my right hon. Friend. I intervene in the debate again because he made one remark about my own position which I cannot allow to stand. He said that I am against the tax-free lump sum—just in so many words. I do not believe in retrospective legislation for pension schemes. When someone has already served 20, 30 or more years in a pension scheme in the confident expectation that, on retirement, he or she will be eligible for a commuted annuity to be taken in the form of a tax-free lump sum, we should not intervene. That was suggested by the Treasury some three or four years ago, when it received an extremely negative response from the public.

I do not think that we should say that, notwithstanding the fact that they have worked all those years in that expectation, that expectation should now be taken away. That is why I made the suggestion, which I elaborated at some length in Committee during consideration of the Finance Bill before the election. It is only in so far as entitlement accrues in future years that the ability to apply the tax provisions when a pension is commuted for a lump sum should apply.

I hope that my right hon. Friend will look again at my suggestion that the amendment is the right solution and that clause 23 is the wrong one. We should give everybody equal treatment. We should not discriminate against people on high salaries. That is an absolutely wrong principle. If the Treasury were to adopt my approach, it would be 40 years before we reached the stage at which the lump sum option became totally taxable. In my estimation, that is a long enough period for people who have relied on the tax-free lump sum to make their adjustments. That is why the Treasury is entirely wrong in proceeding in this way. I do not feel able to withdraw my amendment.

Amendment negatived.

Clause 23 ordered to stand part of the Bill.

Clause 24

ANNUITY AFTER DEATH OF MEMBER

Sir Brandon Rhys Williams: I beg to move amendment No. 44, in page 13, line 26, at end insert

'or, in the event that the member is not survived by a spouse, to an employee of his.'.

The Temporary Chairman: With this it will be convenient to take the following amendments: No. 42, in page 14, line 3, leave out subsection (6).

No. 43, in page 14, leave out line 25.

Sir Brandon Rhys Williams: I think I am right in supposing that the significance of the surviving spouse is connected with the decision to move towards unisex treatment of pensions, so that a balance is found between the claims of a male employee, or a male member of the scheme, and the claims of a female employee. I certainly welcome that move. I should not want to do anything to upset it. In fact, I am only too anxious to do everything I can to support it.

I am grateful to the Chair for taking, in conjunction with amendment No. 44, my amendments Nos. 42 and 43. They raise a slightly different point, but the amendments are so fully related that the Chair's discretion in grouping them is perfectly right.

My intention in amendment No. 44 is rather narrow, but it arises from the general principle that, as I understand it, when a man reaches the normal age of retirement he will have a certain life expectation, whereas if a woman retires at the same age she is likely to have a much longer life expectation. Therefore, her claim on the fund for an annuity will extend over a longer period and have a greater value than that of a man with an identical career record or other form of entitlement under the

scheme. Therefore, women have the advantage over men in so far as they are likely to benefit for longer from the annuity which they are entitled to claim under the scheme.

On the other hand, men have an advantage over women in the actuarial tables in that they are more likely to leave a surviving spouse for the obvious reason that, a man's expectation of life being shorter, it makes it more likely that the woman will survive him. If we are to recognise that the benefit to the survivor is part of the entitlement which has been acquired through the earnings achievement of the member of the scheme, it is not right that the subsequent conduct of the spouse should be relevant in the calculation. Equally, where there is no spouse in the case where a man's wife has died before he does, or where the reverse might be the case, it is not right that the scheme should benefit and the household should suffer.

The amendment seeks to deal with the case of a man whose wife has died who may take a caretaker or some other person to look after him for a salary. That is not uncommon and the rules should not exclude that person being designated by the original member of the fund as the person who is entitled to continue to draw the benefit which we have decided should be allocated to the survivor under the standard rules. That is why I have moved that we should add the words "to an employee" of the member when deciding what to do about the residual annuity after the original member has died.

The other amendments in the group refer to the conduct of the survivor. It is objectionable, if I have interpreted the clause correctly, that the annuity should be shut off if the surviving spouse remarries. The surviving spouse's conduct in deciding to get married again should not determine what the member's asset was worth when he ceased employment and the benefit of the pension scheme was awarded to him.

I have often thought it a most disagreeable condition that where a wife in particular remarries after her husband's death, the scheme shuts off her benefit. It is a vindictive clause and the woman should not be expected to remain single after her husband has died in order to obtain the benefit of his assets.

It may be that there is something else to this which I have not detected, but it appears to suggest that if the surviving annuitant does not go through a marriage ceremony to another party but continues to live in the same house with that person, the scheme has to go on paying. It is only if there is marriage that the scheme is entitled to dry up the annuity.

If I am straying from the correct interpretation of the clause, I can only apologise, but the Bill has not been before us long enough for hon. Members interested in such points to consult experts who can explain such provisions.

If one looks at the comparable statutory instrument No. 1100 emanating from the DHSS called "The contracting out widowers' guaranteed minimum pension regulations" we find something different. The DHSS goes further in considering the conduct of the survivor and deals with the question of where a widower has entered into a new relationship with another woman. Paragraph 33(2)(b) provides:

"There is excluded from the periods prescribed . . . any period during which he is under pensionable age and a woman to whom he is not married are living together as husband and wife"

Paragraph (c) says:

"If after he has attained pensionable age if immediately before he attained that age he and a woman to whom he was not married were living together as husband and wife."

That is more specific than the clause we are discussing and it is an example of where liaison between the DHSS and the Inland Revenue has not been complete.

I am not trying to score points in respect of that, but I want to understand the nature of the provision. I hope that my right hon. Friend will tell me whether I am right in thinking that these provisions have the effect that the subsequent conduct of the surviving spouse can reflect on the value of the asset which has been earned by the member of the scheme during his lifetime.

8.15 pm

Mr. Blair: Unfortunately, I cannot support the hon. Member for Kensington (Sir B. Rhys Williams) in his amendment, for two reasons. First, as I understand it, amendment No. 44 would considerably change and, indeed, widen the scope of the annuities that would be permissible under clause 24. The annuity would be payable not only to a surviving spouse of a dependant, but even to an employee of his. The employee may be a person in the category to which the hon. Gentleman referred, but the term "employee" can be much wider. It may well be that if the person was self-employed and employed several people it could extend to them. That is going way beyond the purpose of the original legislation.

Secondly, sub-paragraph (6) does not insist that the annuity cease to be payable on the marriage of the annuitant; it simply allows that the annuity cease to be payable on the marriage of the annuitant. The word is "may" not "shall", and that is probably a critical distinction. Therefore, it is entirely up to those who are phrasing the terms of the annuity to decide whether they want that annuity to cease on the marriage of the annuitant. That is perfectly rational. They may decide that if the person remarries it is not necessary for him to have the benefit of the annuity in the ordinary way.

It may be helpful if I raise at this stage a purely drafting point. It is only if one looks at the annotations at the side of clauses 24 and 25 that one realises that they refer to annuities after the death of members. Otherwise, one has to read clause 24 in conjunction with clause 21. Clause 24 simply follows on the conditions already laid out in clause 21. That is slightly unsatisfactory; perhaps the Minister will have somebody look into that, because there have been difficulties in construing statutes where there are qualifications on the scope of a particular clause which are placed in annotations rather than the body of the clause.

Mr. John Greenway: I cannot support the amendments of my hon. Friend the Member for Kensington (Sir B. Rhys Williams). It is important that the House should realise that we are dealing with personal pensions acquired by the individual on a money purchase basis. From an actuarial viewpoint the real issue is the provision of a pension for a member of a scheme—the person who is buying the pension policy. The more people and conditions one puts on the payment of benefit after the member's death, the less pension benefit the individual will obtain in his retirement. The actuaries would have great difficulty in dealing with a position in which one carried on paying an employee an annuity after the death of a member.

Mr. Norman Lamont: I want first to apologise to my hon. Friend the Member for Kensington (Sir B. Rhys

[Mr. Norman Lamont]

Williams) for misrepresenting his views during discussion of the previous amendment. I know from long experience that my hon. Friend has not only an answer to most problems, but a detailed answer. In fact, I was completely aware of the solution that he had to the problem that we were discussing — the long transitional period. I apologise for describing his views in shorthand, which led him to think that I was not familiar with them.

Clause 24 sets out the conditions applicable to annuities payable under a personal pension scheme to a surviving spouse or dependant of the member after his or her death. I should stress that those conditions reflect current law and practice as they relate to retirement annuities. There are no changes; these are the existing practices. Persuasive as I find my hon. Friend on many issues, I do not find him quite so persuasive on this one, for the reasons given by the hon. Member for Sedgefield (Mr. Blair) and by my hon. Friend the Member for Ryedale (Mr. Greenway), who rightly emphasised the difficulty for the whole personal pensions and annuity markets if one went on adding conditions.

I shall come to amendments Nos. 42 and 43 in a moment; I had more sympathy with them initially than with amendent No. 44, which would allow an annuity to be paid to an employee of the member—even, as the hon. Member for Sedgefield emphasised, if he was not a dependant and there was no surviving spouse or dependant of the member. As my hon. Friend the Member for Kensington knows, at present, such annuities can be paid only to someone who is a dependant. Revenue practice has been, I think, to accept a reasonably broad definition of "dependant", and I can confirm that that will continue to be the case. My hon. Friend is proposing to widen this scope for annuities to be paid even to people who have only the most tenuous connection with the member.

I return to the point about the generous tax reliefs upon which the whole subject that we are discussing is based. Given that we have such generous tax reliefs, I can see no justification fo enabling someone who was not a dependant to benefit in that way. If the position were as my hon. Friend described it for amendments Nos. 42 and 43, he would have been entirely right and I would have shared his feelings, but, as the hon. Member for Sedgefield grasped—I congratulate him on doing so—the present rules are permissive.

At present, an annuity paid to a surviving spouse or dependant may cease if the person receiving the annuity subsequently marries or remarries; but there is no objection to such an annuity being payable for the whole life of the annuitant in the normal way. The amendment would prevent an annuity payable in these circumstances from ceasing on the subsequent marriage of the recipient. That would remove an element of choice. It is entirely right that we should have a market that allows people to choose annuities or personal pensions providing for either circumstance. I share my hon. Friend's feelings that the provision would be insensitive if it were as inflexible as he thought it was. However, it is not, and we have a market here that can meet many different circumstances.

Sir Brandon Rhys Williams: I fear that my right hon. Friend the Minister has not quite got the point that I wish to make. I am not happy with provisions that appear to drive people into cohabitation rather than formal marriage. It appears to me that that is permissible as one of the options that the clause would make available. My primary concern is to protect the unisex quality of the pension asset so that, at the date of award, whether the person is male or female, his or her expectation of the benefit that he or she would draw from the scheme would be the same. Since, as I pointed out earlier, the man has to rely on the fact that the scheme provides assets in one form or another that continue after his death, in order to have the equivalent value from the scheme that a woman would get in otherwise similar circumstances at the same age—of course, she would expect to live longer—I do not want the man to lose that asset for any reason.

The scheme should not be able to treat the man badly because he has died younger than the woman would have done in the same circumstances, and has therefore got less benefit from an asset for which he has saved. If there is no surviving spouse, I want the asset that we allocate to the survivor to be available to go to someone else, or to some other objective. It might not be a large one, and it would probably taper. If a man lived to be 99, the benefit for the survivor need not be large, but if he died a year after he qualified for his pension, the asset that the pension scheme would hold on his behalf ought to be large and should not be forfeited because he does not have a surviving wife, or because she has chosen to remarry.

It is not right to undermine the attempt to put men and women on the same footing in pension schemes. I hope that my right hon. Friend will give further consideration to that matter. I do not seek to press him on it now, but if he studies what I have said he will realise that we are potentially reintroducing inequality of the sexes, and that does not seem right.

Mr. Norman Lamont: My hon. Friend is making the point that, as a woman has a longer life expectancy, the annuity costs more. He wants the system to be unisex. There is nothing to prevent the annuity lasting for the widow's lifetime, but the system allows it to stop if she marries again, and there is an element of choice for the person who takes out the contract. The Government require contracted-out personal pensions to be unisex. Annuities from voluntary contributions allow a choice to the member. However, I shall look at what my hon. Friend has said to determine whether the position is unsatisfactory.

Sir Brandon Rhys Williams: In view of my right hon. Friend's helpful assurance, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 24 ordered to stand part of the Bill.

Clause 25 ordered to stand part of the Bill.

Clause 26

RETURN OF CONTRIBUTIONS ON DEATH OF MEMBER

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: Will my right hon. Friend enlighten me on a point that I raised on a similar clause in the Finance Bill before the election? At that time, unless I am much mistaken, I tabled a probing amendment at the end of subsection (2) to add the words

"whichever provides the greater amount".

the object being to elucidate what appears to be somewhat ambiguous. Subsection (2) says:

"the lump sum must represent no more than the return of contributions, together with reasonable interest on contributions or bonuses out of profits."

I may not have understood that correctly, but it seems to me that an option is available there and I would not want it to be possible for the option to be exercised — if I have read it correctly — in such a way that it is a disadvantage to the beneficiary. Perhaps my right hon. Friend could explain that or, if I have misunderstood the way that the clause ought to be read, perhaps he would say so.

8.30 pm

Mr. Blair: Perhaps I can assist. I do not think that there is a difficulty in clause 26 of the type that the hon. Gentleman suggests. That is partly because it seems that subsection (2) will simply ensure that a lump sum does not represent any more than the return of the contributions together with reasonable interest on the contributions or bonuses out of profits. It is almost a form of anti-avoidance provision to ensure that what is returned is not more than what should have gone into the scheme under the rules. As such, the clause is necessary to ensure that the rules of the scheme are not abused.

Mr. Norman Lamont: The hon. Member for Sedgefield (Mr. Blair) is perfectly correct and he has summed up the position. No surplus will arise in this instance and we are talking about two different forms of contract—one unit linked and the other guaranteeing the annuity.

Question put and agreed to.

Clause 26 ordered to stand part of the Bill.

Clause 27

SCHEME ADMINISTRATOR

Sir Brandon Rhys Williams: I beg to move, in page 15, line 6, after 'Kingdom', insert

'or in another member state of the EEC.'.

I was rather surprised when I saw this provision because I do not know why it is there. I thought that I would ask my right hon. Friend to expand and give him an opportunity to do so. I have a particular interest here in that when I was a member of the European Parliament in 1981, I had the honour to be made the Rapporteur for the subject of the integration of the European market for capital. In the course of my work as Rapporteur I became totally convinced of the necessity for us to proceed as far as possible to regard Europe as a single capital market.

Of course, a pension scheme is pre-eminently a capital project, and it seems a little jarring and out of tune with the Government's stated policy of supporting the conception of the integration of the European market for capital to say that where personal pension schemes are concerned we will have this "United Kingdom only" label attached to them. There must be more to this clause than meets the eye, because it seems such a petty and unsuitable restriction to insert. I trust that my right hon. Friend will be able to explain just what benefit is likely to accrue if we retain this clause in the Bill.

Sir William Clark: I trust that my right hon. Friend will resist this amendment. We are dealing with annuities, and pensions paid by institutions in this country enjoy certain tax advantages. That is the main thing. How can we say, if a pension scheme is operated in Greece or France or Portugal, that the same fiscal system will be applied to those pension funds? No doubt this amendment is well-meaning, but it is highly impracticable. In any case, we are dealing with our own fiscal system and complete harmonisation with the EC may never come. Until it does, it would be ridiculous to try to transfer some of the operations, and certainly the operation of our pension funds or annuities, to any other member state. I hope that my right hon. Friend will not waste much time on this amendment.

Mr. Norman Lamont: I agree with my hon. Friend the Member for Croydon, South (Sir W. Clark) but in the interests of making progress I am not sure that a summary dismissal of the amendment would be the appropriate thing to do. My hon. Friend the Member for Kensington (Sir B. Rhys Williams) is always pushing integration with Europe and he brings the same care, drive and point of detail to the pension fund debate. I am afraid that I must agree with my hon. Friend the Member for Croydon, South——

Sir William Clark: What are you afraid of?

Mr. Lamont: —even though I am afraid of my hon. Friend the Member for Kensington. Given the very generous tax reliefs that seem to dominate debates of this kind, it is essential that we have people within the United Kingdom jurisdiction accountable to the Inland Revenue. I should stress that it has always been a requirement of an occupational pension scheme that it has an administrator resident in the United Kingdom. We are simply proposing for personal pensions the same rules as apply to occupational schemes. They do not discriminate unfairly against the nationals of other EC states. As I say, someone within this jurisdiction must be accountable to the Revenue in order to ensure that the reliefs are not abused. A similar rule is contained in the Department of Health and Social Security regulations. My hon. Friend the Member for Kensington has been following those and will find that the rule is mirrored there.

Sir Brandon Rhys Williams: My right hon. Friend has explained that, as I understand it, the Inland Revenue would need to have someone living within the United Kingdom in order to proceed against that person if the scheme were to be improperly conducted. Obviously, in the same way that we do not like overseas landlords misconducting themselves behind foreign frontiers, we would not want scandalous abuse of the rules of pension schemes. It would seem to be a pity if there was no opening for competition and if the people providing facilities for personal pension schemes were to be excluded from doing so unless they were substantially British companies or British institutions.

I hope that the meaning of the clause does not preclude other institutions from other financial centres entering into competition, because that would be highly undesirable. On the other hand, if it is necessary for them to establish one of their managers here as a kind of Aunt Sally, the clause seems rather a small-minded provision and I am bound to say that I regret it. However, I do not think that it is of such serious importance that we need to divide on it. Unless my right hon. Friend has further remarks to make, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question put and agreed to.

Clause 27 ordered to stand part of the Bill.

Clause 28

TRANSFER PAYMENTS

Sir Brandon Rhys Williams: I beg to move, in page 15, line 14, at end add—

'(3) Regulations made under this section shall provide that the rules of the scheme shall require the trustees in respect of any member withdrawing from pensionable service before the normal pension age under the rules of the scheme at the withdrawing member's option either—

(a) to pay an approved scheme a transfer payment in respect of the withdrawing members' entitlement of the sum that would be required by the withdrawing members' scheme for the purpose of admitting a new member of the same age, sex and pensionable remuneration as the withdrawing member in order to credit him with the same number of years of pensionable service as the withdrawing member (but subject to modification in accordance with (4) below, or

(b) to award preserved benefits to the withdrawing member of the same actuarial value as that sum.

(4) In a case where an actuary certifies that on the date of the certificate the scheme under this section is not fully funded, (which is to say that the scheme does not have sufficient assets to meet its liabilities in respect of the whole or any specified part of the accrued rights to benefit of its members), the transfer payment, or as the case may be, the part of the transfer payment which corresponds with the specified part of those accrued rights, may be reduced at the discretion of the trustees by the percentage by which the scheme is so shown to be deficient.

(5) It shall be permissible for the pension trustees of an approved pension scheme under this section to amend the rules of the scheme in regard to the calculation of transfer payments and of preserved benefits on behalf of any member ending pensionable service before the normal age of retirement under the scheme in accordance with the provisions of this section.

(6) An approved pension scheme which by 1st January 1988 does not have rules such that the transfer payments and the preserved benefits payable under the scheme are to be calculated on terms at least as favourable to the beneficiaries as those specified in this section shall not qualify as an approved pension scheme in repect of liabilities incurred after that date except by the permission of the Occupational Pensions Board.

(7) The pension trustees of an approved pension scheme may apply to the Occupational Pensions Board for deferment of the latest date for the amendment of the rules of their scheme if necessary to accord with this section and with the approval of the Board the scheme may retain its status as an approved pension scheme in respect of its liabilities incurred after that date to a date not later than 1st January 1989.

(8) The Secretary of State for Health and Social Security shall lay before Parliament regulations under this section subject to affirmative resolution of the House of Commons which shall specify the grounds on which the Occupational Pensions Board may approve applications for deferment under subsection (8), above.'.

Before I embark on this I should like to say that this provision is not a new recommendation of mine but is new in the context of the newly available personal pension schemes. I shall be tabling a new clause to the present Finance Bill which would have the effect of applying a similar method of valuation for transfer values or preserved benefits in schedule 3 or wherever it is appropriate in regard to schemes already in existence. I want to say the minimum at this point in moving this amendment because I do not want to make myself ineligible to move a similar one at a later stage in the proceedings of the Committee.

There is merit in having the same rules across the board where valuation of transferred or preserved assets is concerned. Therefore, I do not think it is wrong that we should seek to apply this particular formula to the new schemes just as much as to the old. I have to move this amendment at this point if I am right in thinking that there is room for it where the private personal schemes are concerned. I realise that, for the most part, in a money purchase scheme, the proposals that I have drafted, which were intended to relate primarily to final salary schemes, would seem to have only rather tangential relevance. However, I think that it might well happen in the competition which is arising already to attract the interest of people who may decide to take out personal pension schemes, that systems will be devised which will allow a measure of latitude in assessing the transfer value, or at any rate the preserved value, of the assets, of one who decides to terminate his connection with the scheme before the normal age of retirement. Therefore, I believe that I may be serving a useful purpose if I present this method of valuation so that the same regime would be applicable right across the occupational pensions and the private pension schemes.

I emphasise that, I refer only to the new schemes set up under this chapter. In order not to say too much on this point and to come to the central feature, what I am suggesting here — I have suggested it on previous occasions in the House — is that the transfer payment should be calculated by a formula which would be precisely the same if the movement of the employee was reversed. If the employee or the person taking out the pension were moving into the scheme and buying himself in, that would be a method of valuation of what I think should be the appropriate transfer or preserved value when the member leaves the scheme.

I have to say that the result of using that formula— which I have set out in the amendment and which I do not need to read out in detail — would be very different indeed from what is often recommended even by highly competent and actuarially trained people and in normal practice now. It is difficult to estimate what people who leave schemes early leave behind and how much they lose by changing their jobs. However, over the whole field of pension provision in approved schemes, it is a very substantial amount and, after all the years for which I have been pressing this on successive Governments, I find it rather disappointing that I still have to make this point. Everyone agrees that the early leaver gets a raw deal, whether he takes a transfer payment or leaves behind a preserved asset; yet the House does not act.

If my right hon. Friend the Financial Secretary does not think that the formula that I have adopted here for assessing the early leaver's assets is the best possible and the fairest, I trust that he will come forward with an equally specific and better provision. If he is not able to come forward with anything better, I strongly recommend that he should accept this, because it is not only in the interests of fairness and the good reputation of the private scheme institutions which are springing up that they should be seen to be giving a fair deal to someone who severs his connections before the normal age of retirement; it is also all-important to the Government's policy of encouraging the mobility of labour, particularly among senior executives. It is when a man is a senior executive that his pension asset is likely to be worth most. Therefore the fact that he is very likely to be cheated if he changes his plans and leaves his scheme early under existing normal practice makes the mobility of labour argument so important.

I have said enough on this. The Committee can see precisely what I am aiming at in my amendment. I trust that my right hon. Friend will welcome it and that, by suggesting this again tonight I shall have got a stride nearer to a genuine system of statutory fair treatment for the early leaver. That is why I hope that the Government will accept my proposal.

8.45 pm

Mr. Norman Lamont: Clause 28 sets out certain basic conditions relating to transfer values and personal pension schemes. My hon. Friend said that, in a sense, his amendment anticipates the broader assault that he intends to make on this problem in relation to occupational pension schemes. The amendment appears to relate primarily to transfer values paid by occupational pension schemes. My hon. Friend acknowledged that the benefits under a personal pension scheme will be based on money purchase and will be attributable to the individual. Therefore, I am confident that the problem outlined by my hon. Friend will not arise in the same precise way with transfers from personal pension schemes. I suggest that we might debate this more widely when we come to schedule 3. That would perhaps be more appropriate than discussing it during a debate which is narrowly focused on personal pensions.

Sir Brandon Rhys Williams: My right hon. Friend rightly pointed to the fact that, in private pension schemes that we envisage at present, my proposals might not be especially relevant. However, I think that we have to work with the ingenuity of the market, and I imagine that schemes which will be eligible for approval—which have not yet been envisaged, at any rate by me—will come into existence. Therefore it would be a good thing from the start to have a simple uniform regime for valuation of the early leaver's asset which would become applicable from the beginning.

We have this catastrophe that in the occupational pension schemes nothing was laid down from the beginning as to the valuation of the early leaver's assets and it has done untold harm in this country that early leavers have been cheated year in year out, since the start of the private occupational pensions movement. It does not apply in the public sector, mercifully, and a very far-seeing civil servant, Mr. Herbecq, whom I had the pleasure of knowing some 15 or 20 years ago, did manful work to ensure that people moving in the public sector within a very wide range of occupations were able to protect their pension rights. But this does not apply in the private sector and there is a real problem.

I do not think that we want to start a whole new type of scheme without provision from the beginning for the early leaver to have a fair deal. Even if my particular recommendations here are not entirely appropriate, I hope that I am asking my right hon. Friend to move in a direction in which he is willing to go and that he will provide some valid protection for the early leavers asset from the very start. In the circumstances, as I accept that, in this case, I am on a rather narrow point, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question put and agreed to.

Clause 28 ordered to stand part of the Bill.

Clause 29

EXCESS CONTRIBUTIONS

Question proposed, That the clause stand part of the Bill.

Mr. John Greenway: Will my right hon. Friend consider how life assurance and pension companies can meet the provisions of clause 29 for self-employed scheme members? I understand that it is intended that, where an employee is setting up a pension scheme, perhaps with the co-operation of an employer, there should be arrangements to ensure that the contributions paid are not excessive in relation to the employee's salary. However, unless I have read this wrongly, it seems to me that we are asking a pension scheme to include in its arrangements the means to ensure that contributions are not excessive. I am at a loss to understand how the Revenue expects the life assurance industry to police the provisions with regard to people who are self-employed. Perhaps this matter needs further thought.

Mr. Blair: On a similar point, I assume that the purpose of the clause is to determine what happens to excess contributions above the permitted maximum. Under the new personal pension schemes, the employer as well as the employee will be able to contribute. A novel situation therefore arises if the aggregate amount contributed by employer and employee exceeds the maximum. As I understand it, the purpose is to repay any excess to the employee up to the extent of his contributions and for the rest to be paid to the employer. I do not see how that affects the situation in relation to the maximum amount allowable, which seems to be governed by clause 32, but I should be grateful for confirmation that clause 29 merely determines what happens to excess contributions.

Mr. Norman Lamont: The hon. Member for Sedgefield (Mr. Blair) is right. Nevertheless, my hon. Friend the Member for Ryedale (Mr. Greenway) has hit upon a point which requires further investigation. It is the subject of consultation with the pensions industry and I will see whether anything more can be said on Report. The matter is being explored and my hon. Friend is right in saying that it is recognised as an area in which there may be problems.

Question put and agreed to.

Clause 29 ordered to stand part of the Bill.

Clause 30

RESTRICTION OF CONTRIBUTORS

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: Unfortunately, it was brought to my notice only this morning that there could be a most unfortunate interpretation of subsection (2)*(b)*, which reads:

"in an office or employment to which section 36 below applies."

This is a technical area and I may be misinformed, but it appears that paragraph *(b)* adds a restriction in that members of an occupational pension scheme may not arrange for minimum contributions arising under the Social Security Act 1986 to be paid to a personal pension scheme. If that is correct, it will effectively prevent a

[Sir Brandon Rhys Williams]

member of an occupational pension scheme which is not contracted out from using a personal pension scheme to opt out of SERPS.

My right hon. Friend the Minister knows that I am not particularly well disposed towards SERPS and I think that it ought to be wound up, but while it continues every employee should be entitled to opt out of it if he or she so wishes. It seems completely contrary to Government policy to prevent employees from opting out. If my interpretation of paragraph *(b)* is correct, will my right hon. Friend give an assurance that it will be amended so that it does not have that unfortunate implication?

I recognise that I am trespassing on a very technical area and raising a point which I was not able to cover in an amendment because it was brought to my notice only today. Nevertheless, it is a serious point and I trust that my right hon. Friend will consider it.

Mr. Norman Lamont: I am advised that my hon. Friend may have a point. I undertake to look at it and to report back to the House on Report.

Question put and agreed to.

Clause 30 ordered to stand part of the Bill.

Clause 31 ordered to stand part of the Bill.

Clause 32

LIMIT ON DEDUCTIONS

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: Subsection (2) sets out a scale allowing older people to benefit from a higher percentage limit on deductions, but in subsection (3) the figure of 5 per cent. appears not to be graduated according to age. I wonder whether it would be fairer and simpler to say that whatever subsection (2) entitles the individual to receive the provisions of subsection (3) may amount to one quarter of that figure. That would bring into subsection (3) the age scale already present in subsection (2).

Mr. Norman Lamont: My hon. Friend is bowling me out with every ball. I am informed that the 5 per cent. is not graduated but merely follows the existing rules, so there is no change. I note what my hon. Friend says, however, and will certainly look at it to see whether there is purpose behind what he says, as he has clearly raised a serious point.

Question put and agreed to.

Clause 32 ordered to stand part of the Bill.

Clauses 33 and 34 ordered to stand part of the Bill.

Clause 35

MEANING OF "RELEVANT EARNINGS"

Question proposed, That the clause stand part of the Bill.

Mr. Blair: This point might have been raised on a starred amendment but it can probably be raised just as easily in this debate. The importance of clause 35 is in the definition of "relevant earnings" in terms of the amount of contributions that can be made under earlier clauses and thus the amount on which tax relief applies.

Subsection (7) provides:

"For the purposes of this Chapter, a married woman's relevant earnings shall not be treated as her husband's relevant earnings, notwithstanding that her income chargeable to tax is treated as his income."

I wish to probe the Government's thinking on this. If the wife's and husband's earnings were aggregated, the amount of contribution would be much larger, so they must be disaggregated to ensure that the husband can contribute only the relevant percentage of his own earnings and cannot top up his contributions by aggregating his wife's earnings. I assume that that is the only purpose, but I should be grateful for the Minister's confirmation that clause 35 merely translates into legislative effect what is already customary practice.

Sir Brandon Rhys Williams: I should be grateful if my right hon. Friend the Minister would reassure me about the effect of subsection (7), as it appears to reintroduce an element of inequality between the sexes. I should like to feel that we are preserving the unisex character of our legislation across the board, but I cannot see how that will apply if we insist on retaining this provision.

If the subsection was read the other way round, it would read:

"a married man's relevant earnings shall not be treated as his wife's relevant earnings, notwithstanding that his income chargeable to tax is treated as her income."

Is the clause intended to be read as applying equally in both senses? I may be showing my ignorance with this remark, but I believe that the Committee should express some uneasiness about that provision and that we are entitled to ask my right hon. Friend for an explanation.

Mr. Norman Lamont: My hon. Friend the Member for Kensington (Sir B. Rhys Williams) is certainly not showing any ignorance of the subject, but rather a remarkable knowledge of it. My hon. Friend's summary was correct, as indeed was what the hon. Member for Sedgefield (Mr. Blair) said. The clause follows the existing rules for retirement annuities under which the wife's annuity is treated as earned income. I shall read what my hon. Friend said to consider whether there is anything that I can add to it. If there is, I shall write a note to my hon. Friend.

Question put and agreed to.

Clause 35 ordered to stand part of the Bill.

Clauses 36 and 37 ordered to stand part of the Bill.

Clause 38

EMPLOYER'S CONTRIBUTIONS

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I simply want to make sure that I have understood the effect of the clause that we are about to pass. As I understand it, it is a necessary consequence of the changes that have been made that the employers' contributions to the personal pension schemes should not constitute a taxable benefit. If that is the purpose of clause 38 it is no more than following on the changes to the rules that have been made.

Question put and agreed to.

Clause 38 ordered to stand part of the Bill.

Clause 39

EXEMPTION FOR SCHEME INVESTMENTS

9 pm

Sir William Clark: I beg to move amendment No. 47 in, page 21, line 27, at end add—

'(5) In respect of income which is exempt from tax under subsection (1) above or section 314 of the Taxes Act 1970, notwithstanding the provisions in section 240(5) of the Taxes Act 1970, the board shall make regulations providing for the repayment of income tax and tax credits to come into effect on or before 4th January 1988.'.

I believe that it is well known that I am a consultant to the Life Insurance Association.

The investment income of pension funds and insurance companies, as far as it refers to pension funds, is tax-exempt. The present rules relating to the repayments of tax deducted at source are anomalous and tend to penalise insured pension business in comparison with the self-administered pension schemes and new pension providers approved under the Bill. My amendment is an endeavour to obviate that difference.

The amendment intends—I trust that the wording is correct and I trust that my right hon. Friend will not resist the amendment because of faulty wording — the repayment of tax on investments and tax credits, deducted at source, to all providers of approved pension schemes in respect of investments that are only attributable to the pension business. If the amendment is effective it will enable competitive distortions, which exist against life insurance companies, to be removed by permitting all providers of pensions to receive prompt tax repayment on an equal basis.

This is a technical amendment and it affects the cash flow position of pension funds. As this anomaly exists, I hope that my right hon. Friend will feel able to accept the amendment or, if not, to give an undertaking that, on Report, he will return to this matter in order to eliminate that anomaly. The wording of the amendment may be slightly faulty, but I hope that my right hon. Friend will accept its spirit.

Mr. Norman Lamont: I have considerable sympathy with my hon. Friend. I would not like to accept the amendment at this stage and I am not sure that, on Report, I will be able to return to the matter. However, I am entirely sympathetic to my hon. Friend's case.

The purpose of my hon. Friend's amendment is to provide a mechanism for insured pension funds to secure monthly repayments of income tax and tax credits. That matter is already a matter of discussion between the Revenue and the Association of British Insurers. Some detailed information has still to be made available to us.

We must take account of the cost to the Exchequer, which could be substantial. I understand what my hon. Friend has said. He wishes these pension funds to be on the same basis as self-administered pension schemes and not to be at a competitive disadvantage. I assure my hon. Friend that I entirely understand that and I am sympathetic to that suggestion.

I cannot give an unconditional commitment, but we are certainly well aware of my hon. Friend's argument. Indeed, we are discussing the matter with the industry.

Sir William Clark: I am grateful to my right hon. Friend for that reply. I do not know whether it was a slip of the tongue, but this change would not cost the Exchequer anything, because tax will be repaid at some time. It is merely a cash flow problem because payments are made monthly rather than quarterly or annually. If we want to extend the number of pension schemes throughout the country—that is the Government's philosophy and I go along with it—all pension funds should be treated on an equal footing. The amendment will ensure that when repayment of tax is due—this will not cost the Revenue a scrap—the pension fund will receive the money sooner than at present. It will be able to reinvest the money and compete effectively with other pension funds.

In the light of what my right hon. Friend the Minister has said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 39 ordered to stand part of the Bill.

Clause 40

UNIT TRUSTS

Question proposed, That the clause stand part of the Bill.

Mr. Blair: As I understand it, the clause makes a technical adjustment for unit trusts to ensure that there are no untoward tax consequences for them in running personal pension schemes. I understand that the clause is in the Bill because there is anti-avoidance legislation that could lead to injustice unless the clause is enacted.

Mr. Norman Lamont *indicated assent.*

Mr. Blair: I am grateful for that confirmation.

Question put and agreed to.

Clause 40 ordered to stand part of the Bill.

Clauses 41 to 43 ordered to stand part of the Bill.

Clause 44

TAX ON UNAUTHORISED PAYMENTS ETC.

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I wish merely to raise a query that has been put to me. I understand that the purpose of the clause is to ensure that if a pension fund makes a payment that it should not make and the payment is therefore unathorised, there will be a tax on the payment. In other words, tax relief will be lost. It would seem that this is a method of ensuring that there is compliance with the rules that involves placing a penalty on pension funds that pay out when they should not do so. I am sure that this is a negligible or rare practice, but I shall be grateful for the Minister's confirmation.

Mr. Norman Lamont: That is correct.

Question put and agreed to.

Clause 44 ordered to stand part of the Bill.

Clauses 45 to 51 ordered to stand part of the Bill.

Clause 52

REMUNERATION OF MINISTERS AND OTHER OFFICERS

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: Virtually all the provisions in the clause are new. They did not appear at all, or did

[Sir Brandon Rhys Williams]

not appear in this form, in the Bill that we considered in March. As the clause reflects on the remuneration of Ministers and other officers, perhaps it would be appropriate for the Committee to ask my right hon. Friend the Minister to give us a brief explanation of what it portends. These provisions are rather complex but presumably they have a meaning, and I think that the Committee should know what it is.

Mr. Norman Lamont: As my hon. Friend the Member for Kensington (Sir B. Rhys Williams) has said, this clause has been amended because of the provisions in the Parliamentary and Other Pensions Act which was enacted just before the general election. I do not believe that there are consderable changes of substance. Members of Parliament who are holders of qualifying offices may elect not to participate in the parliamentary pension scheme in relation to their salary from that office. In such cases, the clause enables the salary from the qualifying office to be treated as relevant earnings for personal pension purposes.

Question put and agreed to.

Clause 52 ordered to stand part of the Bill.

Clause 53 ordered to stand part of the Bill.

Clause 54

RETIREMENT ANNUITIES

Question proposed, That the clause stand part of the Bill.

Sir Brandon Rhys Williams: Since my right hon. Friend is being so obliging in Committee and is helping us all so much, I hope that he will not object if I ask him to explain the import of clause 54 which, as I understand it, is new in the Bill and did not appear in the previous one. I imagine that my right hon. Friend will be able to enlighten the Committee with a brief explanation of what the clause means. This, too, is a very technical clause and an explanation of it would be helpful to the occupational pensions movement.

Mr. Norman Lamont: When personal pensions are introduced in January next year, retirement annuities will cease to be available—this was the point that my hon. Friend the Member for Ryedale (Mr. Greenway) touched on earlier—although existing arrangements will be able to continue under the present tax rules. The purpose of the clause is to make two changes in the retirement annuity regime for the period between the Budget of last March and next January.

The first of those changes is to introduce the same higher contribution limits as will apply after next January for personal pensions, and, secondly, to impose the same cap of £150,000 on lump sums, to which my hon. Friend the Member for Kensington (Sir B. Rhys Williams) took exception earlier, with effect from 17 March of this year for new occupational pension schemes and new members of existing schemes.

The provisions concerning the lump sum limit in subsections (3) to (7) of the clause are new, but the rest of it is not. It was not possible to include them in the pre-election Bill, but I can assure my hon. Friend that it was our intention to introduce them in Committee.

Question put and agreed to.

Clause 54 ordered to stand part of the Bill

Clauses 55 and 56 ordered to stand part of the Bill.

Clause 57

MINOR AND CONSEQUENTIAL AMENDMENTS

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I simply want to check that schedule 2 follows the pattern of our earlier discussions and that its only consequences are to make either minor changes or those that are already consequential to the provisions that we have passed earlier.

Schedule 2 refers to personal pension schemes. Since we have considered a large number of clauses on personal pension schemes in a fairly short time, I simply wanted to make sure that what happens in schedule 2 is nothing more than was stated as giving effect to minor and consequential amendments, and that there was nothing of substance or moment that would mean any change was occurring. I thought it right to raise this point, otherwise we would have passed the schedule without comment.

Mr. Norman Lamont: I am happy to give the Committee the assurance that that is so.

Sir Brandon Rhys Williams: It would not be right for the Committee to pass from this important chapter without my taking the opportunity of saying that this embodies some of the most far-reaching new provisions on pensions that we have had for many years. My right hon. Friends are doing an inspired and imaginative thing in introducing these proposals. Although I may have appeared to be critical tonight, it is only in respect of certain details, which I am sure can be improved. I think that the Committee should give the warmest possible welcome to this chapter of the Bill.

Clause 57 ordered to stand part of the Bill.

Schedule 2 agreed to.

Clause 58

OCCUPATIONAL PENSION SCHEMES

9.15 pm

Mr. Tony Marlow (Northampton, North): I beg to move amendment No. 4, in page 29, line 9, at end add—

'(2) Any benefit received under any scheme approved under Chapter II of Part II of the Finance Act 1970 shall be exempt from income tax on the first £5 per week, when the recipient is aged 65 or more.'.

The Temporary Chairman (Mr. Donald Coleman): With this it will be convenient to take the following amendments: No. 5, in page 29, line 9, at end add—

'(2A) Any benefit received under any scheme approved under Chapter II of Part II of the Finance Act 1970 shall be exempt from income tax on the first £10 per week, when the recipient is aged 65 or more.'.

No. 6, in page 29, line 9, at end add—

'(2B) Any benefit received under any scheme approved under Chapter II of Part II of the Finance Act 1970 shall be exempt from income tax on the first £20 per week, when the recipient is aged 65 or more.'.

Mr. Marlow: General elections are useful. They give the public the opportunity to say yet again, time after time, that they prefer our lot to that lot on the other side of the Committee. But it is also three weeks of high profile

politics when the electorate as a whole can give prospective Members of Parliament a right royal ear-bashing about the issues which they think are most important.

Apart from the fact that I was often told, "If the other lot get in, then, your Honour, we'll have to emigrate," and, "For goodness sake, do something quickly about the rates and introduce the community charge," the issue that was brought to my attention more than any other was the position of some old-age pensioners.

As you know, Mr. Coleman, many of those who have recently retired have supplementary pensions, earnings-related supplements and savings. People in that position are much better off as a result of eight years of Conservative Government than they were when the Labour Government were in power. Those on the basic state pension are also often entitled to supplementary benefit in many of its forms, including the various forms of housing benefit. They, too, are better off than they were in 1979 when the Government took office.

But somewhere in the middle there is a slice of people with limited personal savings and a limited occupational pension of perhaps £5, £10 or £15 a week. They are God's Conservatives—Thatcherites. When they were younger, in employment and creating wealth, they put a bit by for their old age so that they could be better off and enjoy some privileges and advantages in their old age. They have found that they are scarcely better off than their neighbours down the road who did not save and who do not have an occupational pension, but who receive supplementary benefit. This matter was brought to my attention on copious occasions during the election campaign and more than virtually anything else. I know from having spoken to many colleagues that it was also brought to their attention and I know that Ministers are worried about these people.

We as a nation are much better off than we were in 1979. We have a great deal to be thankful for and there is a great deal that we have worked for together that we have achieved. But this particular section of our community who no longer have the opportunity to generate more wealth for themselves—they have had their working life and put their savings on one side—are not benefiting. If the rates increase and they do not get a rate rebate, some find that they must cash their savings, which they hoped would stretch until they were in their 80s or 90s, to pay the rates. These people feel, not only that they are not better off, but that they are worse off than when they first retired and worse off than they deserve.

I know that the Government have done a great deal for pensions and pensioners as a whole, but this particular group has slipped through the net. The amendment seeks to allow that group of people with small savings and small supplementary pensions to have tax-free a slice of their pension which they have saved for during their working life. Amendment No. 4 seeks to allow £5 a week to be tax-free, amendment No. 5 £10 a week and amendment No. 6 £20 a week. I do not know how generous my right hon. Friend is inclined to be today. I should like my right hon. Friend to go the whole hog. I know that he is sensitive to the issue, and I am sure that the Committee will be very interested to hear what he has to say.

Mr. Blair: I want to respond briefly to the amendments. The hon. Member for Northampton, North (Mr. Marlow) is to be congratulated on drawing our attention to the plight of pensioners in the United Kingdom. The Labour party drew attention to that plight regularly during the election campaign, during which, I understand, people such as the hon. Member for Northampton, North described how well the pensioners were doing. However, he is right to raise the plight of pensioners and the difficulties that they face. I am not at all sure that it is appropriate to deal with the matter in the way that the hon. Gentleman suggests.

Mrs. Elaine Kellett-Bowman (Lancaster): Why not?

Mr. Blair: If the hon. Lady wants to force a Division on the issue, that would be delightful and interesting.

I used to think that the hon. Member for Northampton, North was one of those hon. Members who thought that everything that came before us should be adequately costed and put together in financial terms. However, he has not given us any information about the costings of his proposals.

Mr. Marlow: It is late at night and I know that the Committee has a lot of business that it wants to attend to. I am grateful to the hon. Gentleman. To go as far as the first amendment would cost the taxpayer £150 million a year. The second amendment would cost £290 million and the third amendment would cost £510 million. Those figures were kindly provided for me by my right hon. Friend the Financial Secretary to the Treasury. If we consider the first figure and compare it with taking 1p off income tax, it represents about 15 per cent. or 20 per cent. of the reduction. As we know, the Government are contemplating reducing income tax and that might be one way forward.

Mr. Blair: I am grateful for the figures. If the amendments do not find favour with the Government tonight, at the very least perhaps the hon. Member for Northampton, North can join us in voting for a larger increase in the pension later. I do not think that this is the time to introduce what would be a fairly novel tax regime, although we have deep sympathy with the plight faced by pensioners.

Mr. Norman Lamont: The amendments would provide for part of the occupational pension paid to a pensioner over 65 years of age, varying from £5 to £20 in the different amendments, to be exempted from tax. In other respects, the amendments are identical.

My hon. Friend the Member for Northampton, North (Mr. Marlow) is correct to identify a particular slice of the pensioner population who often have difficulty in making ends meet, as they have put money by for their retirement, but none the less find that the small occupational pension is even smaller than they had expected. My experience mirrors that of my hon. Friend and I have come across many people who feel that they face difficult circumstances notwithstanding the fact that they have contributed to an occupational pension scheme for some years.

Unfortunately, there are a number of objections to the amendments, which would represent a significant departure from the general principle that all income, whatever its source, should be subject to income tax. An exemption of this kind would create unfairness between occupational pensioners and pensioners with different kinds of income. There is no obvious reason why a pensioner receiving a pension under an occupational pension should receive such generous treatment while someone not fortunate enough to receive an occupational

[Mr. Norman Lamont]

pension, but who has had to rely either on the national insurance retirement pension or has simply saved and has an investment income does not receive similar treatment. He may be in that category described by my hon. Friend, but instead of contributing to an occupational pension, he may have put money into a savings account or a few stocks and shares. That pensioner may find himself in the position described by my hon. Friend.

We must recognise the circumstances of all elderly taxpayers. That, of course, is why we have provided for the age allowance, subject to an income limit giving them a higher level of personal allowance.

My hon. Friend the Member for Northampton, North knows the cost of the amendment already, as he said, because I gave it in a written answer. I think that he would agree that I cannot easily just concede such sums in a debate late at night, persuasive though my hon. Friend is. For the reasons that I have given, much as I sympathise with my hon. Friend, I think that help ought to be targeted more broadly. I entirely agree about the category of people whom my hon. Friend is trying to help, but they are not only people in occupational schemes. They may also be people with a savings income, not from a pension scheme as such. The best way to help those people is to try, by means of the age allowance, to increase the proportion of their incomes that is exempt from tax.

Mr. Marlow: I am grateful for the sympathetic hearing that my right hon. Friend has given the amendment, and the understanding way in which he has approached it. I appreciate that such an amendment raises all sorts of issues of great complexity, and that to do anything about that would require a more sophisticated measure than can be put forward by a modest Back-Bencher late at night. I am grateful for my right hon. Friend's acceptance, in large measure, of a problem that many hon. Members on both sides of the Committee came across during the election campaign, and I hope that before long a more generous measure than we have experienced so far, along the lines suggested by my right hon. Friend, can be introduced.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

To report Progress and ask leave to sit again.—*[Mr. Norman Lamont.]*

Committee report Progress; to sit again tomorrow.

Licensing (Northern Ireland)

9.27 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Richard Needham): I beg to move,

That the draft licensing (Northern Ireland) Order 1987, which was laid before this House on 2nd July, be approved.

Let me begin by welcoming the hon. Member for Kingston upon Hull, North (Mr. McNamara) to the Front Bench, and say how much we appreciate and understand the deep and abiding interest that he shows in Northern Ireland affairs. Conservative Members will be extremely interested in everything that he has to say. We know how much concern and care he feels for all the people of Northern Ireland. There are those who say that to receive a post on either Front Bench is a poisoned chalice, but I have never found that. I have always found it an honour — and, of course, a challenge. We all know the dedication and concern that the hon. Gentleman brings to his post, and we look forward to his contributions.

Both this order, which amends the liquor licensing legislation contained in the Licensing Act (Northern Ireland) 1971, and the one that follows it owe much of their parentage to the Blackburn report. Mr. Blackburn was an extremely distinguished Clerk to the Stormont Parliament and later in the Assembly, and I know that he was highly respected by hon. Members in this House. The two orders owe much to him and his committee, and should be seen as a package of measures designed to bring greater control over the regulation of clubs and to make the licensing law fairer and more easily enforceable.

That is about as far as agreement on this order is likely to go. Now I wish to discuss whether public houses in Northern Ireland should be allowed to open on Sundays, as they do in the rest of the United Kingdom. I have read with the greatest care the views put forward from all sides for many years, and I have especially taken into account the views expressed in the Assembly and by hon. Members of this House. If there has been a delay in introducing these orders during the past 18 months, I am the culprit, as I wished to consider for myself all the options and the proposals that I had inherited from my predecessor. I have considered the case for banning all drink in Northern Ireland on Sunday; a Provincewide referendum on Sunday opening; districtwide referendums on Sunday opening; bringing the law into line with that in England and Wales, which those who back integration would support; bringing the law into line with that of Scotland, which those who support devolution would support; keeping the law as it is in Northern Ireland; and doing as we propose in the order.

I share hon. Members' anxiety about the way in which primary legislation for Northern Ireland is made. All that I can say is that no one can accuse me of not having considered every permutation and laboured over every variant of this order.

My starting point for what needs to be done is the same as that of the right hon. Member for Strangford (Mr. Taylor). I am sorry that he is not here tonight because he is a considerable expert in these matters. He was the architect of the 1971 legislation. On 24 May 1983, in the Assembly, he said:

"Since our consolidating legislation in 1971 the situation in the licensing trade in Northern Ireland has got out of control . . . This is yet another argument in favour of devolved Government for Northern Ireland."

Having wrestled with the problem for the best part of two years, I heartily agree with the right hon. Gentleman on both counts.

A review of the history of licensing in Northern Ireland must start with the major cut in 1923, which was followed by a series of amending measures in 1927, 1959, 1971 and 1978. The right hon. Member for Strangford said:

"In the early 1920s there were very stringent controls introduced in Northern Ireland, but since 1923 we have seen a gradual relaxation of these controls which were introduced to combat the excesses experienced at the turn of the century."

The questions before the House tonight are as follows. Do we continue the relaxation? Do we stay where we are? Do we return to the draconian rules of the 1920s? Some would wish all liquor sales banned in any outlet in Northern Ireland on Sundays. Of course, I respect the depth of their feelings, but I think that they are wrong. Circumstances are changing in Northern Ireland, and it is impossible to ignore the changes in social behaviour that are now taking place. Many people choose not to worship on Sundays, and no amount of persuasion would make them do so. They do not deny the right of people to observe the Sabbath strictly, but they ask why they should be denied their right to enjoy themselves as they want because of other people's moral principles.

I hope that the hon. Member for Antrim, North (Rev. I. Paisley) will not mind me praying him in aid in my view of the matter. During the Assembly debate in 1985, the hon. Gentleman said:

"Everybody knows where I stand on this particular issue. I do not run away"—

no one would ever accuse him of that; he might be accused of running into things, but not of running away—

"some people say I would like to—but I meet it head on and say that if I had it my way, I would want this Province to be obedient to God's law, but I do not have it my way. I can only speak to people and try to morally persuade them . . . I am not saying to the Member for West Belfast (Mr. Glendinning) that he must not drink on Sunday. I am telling him that he has to make a choice. I have made my choice."

In the 1983 debate on the same subject, the hon. Member for Antrim, North accepted that Northern Ireland is a pluralistic society and must be treated as such. I agree with him. We have a pluralistic society in Northern Ireland and we need to reflect the differing aspirations of the different strains in our society. This was well put in the Blackburn report. Paragraph 12 states:

"If on the one hand the law is more restrictive than a significant proportion of the people wish it to be, then it is likely to be widely disregarded. If on the other hand the law is more permissive than the prevailing climate of opinion wants, then the public is needlessly offended and society incurs unnecessary cost."

Paragraph 13 continued:

"We do not think, therefore, that the operation of the law can be confined to limiting or influencing the individual's use of alcohol. We think that to be successful it must also to some extent reflect the demand for alcohol within the community."

Our present problem, as the right hon. Member for Strangford said, is that the licensing law is out of control. Can we therefore do something more to enforce the existing law? The answer given by the police is no. I have some sympathy with them, because the present law is extremely difficult to interpret.

I shall give the House an example. The hon. Member for Antrim, North said during the same debate during 1983 that he was not against the provision of drink on Sunday provided it was taken with a proper meal. But what is a proper meal? I know what a proper meal means to the hon. Gentleman. It means the same as it does to me—quantity and quality, perhaps in my case accompanied by a pint of Guinness. But that is not everyone's view. There are those who believe that a lettuce leaf resting lightly on some small unbuttered square of brown bread is a proper meal. Those who would consume such a meal would no doubt feel entitled to a glass of chilled white wine with such a feast. Are they to be denied?

Is each constable in the RUC to be left to determine the definition of a proper meal upon his own preference or palate, or will the matter be left to the whim of the magistrate and the preferences of their clerks? Is police and court time to be spent fruitlessly deciding how much fruit constitutes a meal or on interrogating a customer as to what he is about to eat or what he has just eaten? It would certainly make no sense to try to bring greater equity to this by bringing clubs and pubs into line with hotels on the provision of food. Why should the middle class who can afford to buy meals on Sunday have a drink while the ordinary working man in his club or pub would be denied?

I do not believe either that we should succeed if we decided on outright prohibition. The precedents of prohibition are hardly encouraging. There is enough gangster activity in Northern Ireland without encouraging any more. Shebeens would no doubt sprout like shamrock. How would we check that each tonic, each tomato juice, each orange cordial served in each hotel and each golf club on a Sunday was free of anything more exciting than lemon peel and ice? The present rules are ridiculous, but it is exactly because we have stumbled down this alley that we now have the law as an ass, unenforced and unenforceable.

The question is, if we accept that there is nothing in principle against a person purchasing liquor on a Sunday, or visiting a leisure centre or an ice rink, when and where should he or she be allowed to buy drink? What will be the effect on society? Will it, for example, increase the consumption of alcohol? Will it lead to greater alcoholism, or to increased public nuisance? As to increased consumption, of course I have carefully considered this aspect, but under the reforms in this order and the Registration of Clubs (Northern Ireland) Order, which go together, I do not believe that that will happen. Under this order, not all pubs will open on a Sunday—the publican will have the choice. Under the registration of clubs order, clubs will lose four hours a week. Under this order, bring-a-bottle clubs, where drinking goes on at 3 o'clock in the morning, every morning, will be banned. I am confident that the effect of the Sunday opening of pubs on the overall availability and consumption of alcohol is likely to be small.

I have also been influenced by the finding of the surveys carried out in Scotland on the changes in the licensing laws since 1976, which included the Sunday opening of pubs. The overall conclusions were that the changes had not directly led to an increase in drinking, any adverse health effects, more alcohol-related crime, or more drunken driving.

That is not to deny the danger that alcohol abuse poses to health or, of course, the need to control and to treat it, but I do not believe that keeping pubs in Northern Ireland shut on a Sunday will make any impact on the health problems that are brought about by excessive drinking. We are legislating in support of a social custom that is enjoyed by the majority of the population in Northern Ireland—about 80 per cent. of men and 60 per cent. of

[Mr. Richard Needham]

women—very few of whom commit offences as a result of their drinking habits and very few of whom have related health problems.

As to nuisance, I am not convinced that the alterations will make life for the ordinary citizen any different. I spend many Sundays in Northern Ireland, where pubs are closed, and many Sundays in England, where pubs are open. I have noticed no great difference between the Province and the rest of the United Kingdom except the greater churchgoing of the Ulster people. I certainly do not take the view—to me it is insulting—that was taken by the former Assemblyman, Jim Wells, who said to my predecessor that most people go into pubs in Northern Ireland to get drunk. I just do not believe that. There are those who have said that Northern Ireland pubs are not like those in England and Wales. That statement conjures up the image of the "spit and sawdust" pub as being the norm in Northern Ireland, and there is the implication that people are satisfied with that. I reject that also.

Obviously those who say that have not been in many Northern Ireland pubs recently, or observed the large number of pubs that have been extensively refurbished. I hope that the changes that are being brought about by the order will lead to a better quality of pubs and perhaps, as has been experienced in Scotland, encourage a move from clubs to pubs.

There is also the matter of consultation. Why did we not decide to test opinion either through a Provincewide referendum or through district council referendums? I considered the matter carefully. First, I am not convinced that, even if a majority were opposed to Sunday opening of pubs, we should necessarily not allow the minority their wishes. As the hon. Member for Antrim, North said, this is a moral issue to be decided in a puralistic society. Secondly, it would be impossible to frame a question that would cover all the issues relating to the availability of drink on a Sunday. It would require the ingenuity of the general council of the TUC to wrap all the possible variations into a single composite question. The same difficulty would apply to local referendums, with the additional problems that we all know about with cost and wet and dry areas.

Mr. William Ross (Londonderry, East): Does the hon. Gentleman realise that another way of testing opinion through the elected representatives in Northern Ireland is by introducing a Bill in the House? All the serious matters that he is treating so flippantly could be explored with the depth and seriousness that they deserve rather than be treated with the hon. Gentleman's flippancy.

Mr. Needham: I assure the hon. Gentleman that I do not take the matter flippantly. I take it with the greatest possible seriousness. He is well aware that I wrote to him in October, putting forward the proposals that the Government intended to introduce. Until his intervention, I had not heard a single bleat or murmur from him. In fact, if it is his view that the matter should be considered in greater depth, there are ways, even now, to do so. For example, the hon. Gentleman could have utilised the Northern Ireland Committee if he had so wished. He did not undertake to do that. I am delighted to hear his intervention. I look forward to his continued interventions. The House takes the matter seriously, and so do I as the responsible Minister.

I now refer to the order. I apologise for the difficulty in following the amending legislation. The order, while substantially altering the 1971 legislation, leaves a large part of it unaffected, and its provisions have to be read in the context of the principal 1971 Act. In due course the licensing laws will be consolidated in a single piece of legislation. I hope that we shall be able to do that over the course of the next year.

I shall deal quickly with the main provisions of the order. The effect of article 3 is to ban bring-a-bottle clubs.

Mr. Barry Porter (Wirral, South): I appreciate and understand the anomalies and defects in the present law in Northern Ireland, but it would be helpful for the House to know whether there has been any pressure from a majority or a minority of the people of the Province to change that particular law which may or may not suit them.

Mr. Needham: The fact that the law in Northern Ireland on Sunday opening is widely abused and is unenforceable, and, as I said, I think before my hon. Friend took his place, has made the law appear a complete ass is one of the reasons why we feel that we should take this action. We cannot, as I said earlier, return to the draconian rules of the 1920s. We have spent most of the past 60 years making sensible amendments to them. It is because of the nonsense of the present laws, which many in Northern Ireland do not accept, that we are considering doing what we are tonight to bring the law into an enforceable and acceptable state for the majority of those who want to drink on Sunday.

Mr. Seamus Mallon (Newry and Armagh): Has the Minister been aware of a substantial active lobby over the years against the 1971 legislation as it applies to the licensing of clubs? That is a crucial question.

Mr. Needham: As is usually the case in Northern Ireland, as the hon. Gentleman knows only too well, there are lobbies on everything and he is right to say that there have been fierce lobbies for and against what we intend doing in this order and what we are proposing to do in the next order on clubs. This order, as the hon. Gentleman is aware, deals with licensing provisions and the next order deals with clubs and their registration.

Mr. Mallon: I probably have not made myself clear and the Minister has misunderstood me. I have lived in the north of Ireland all my life and I have never been aware of a substantial lobby against the licensing laws as they apply to clubs. What is the difference between the licensing laws as they apply to clubs and as they apply to pubs? It was the answer to that question that I was trying to elicit from the Minister.

Mr. Needham: I apologise for not understanding the hon. Gentleman's point and I accept what he says.

Let me continue with the effect of article 3 which is to ban bring-a-bottle clubs. These clubs run until 3 am or 4 am and are largely supported by young people. Because they do not sell drink or supply it, they are completely outside the terms of either the licensing or clubs law. They cause law and order problems and are open to profiteering by criminal and paramilitary bodies. I am satisfied that the only answer is to ban them.

Article 4 will allow pubs to provide overnight accommodation, provided that they meet certain requirements. I am sure that that will be welcomed as another aid to tourism in the Province.

Article 5 makes changes in the application procedure for licences. The most important of these is to allow the individual publican to decide whether he wishes to open on a Sunday.

Article 6 allows a court to grant up to 13 occasional licenses on one application. At present, a separate application is needed for each. The new provision is designed to help bodies such as the Royal Ulster Agricultural Society which run a large number of exhibitions. This should reduce the work of the courts and save both the licensee's and the court's time.

Article 7 refers to extension licences which allow a licensee to sell drink at certain functions after normal hours. As under the existing law, there will be no restriction on the number of these which can be granted for any licensed premises in any one year. However, the extension licences will now stop at 1 am instead of of 1.30 am as at present and will be granted only for premises that a court regards as suitable for functions.

Article 8 provides the rules covering Sunday opening. The permitted hours will be from 12.30 pm to 2.30 pm and from 7 pm to 10 pm. On that day no off-sales will be allowed for pubs, hotels or off-licenses. Neither hotels nor pubs will be required to serve a meal as a condition of serving a drink. However, the meal and other conditions will apply to licensed restaurants.

Article 9, paragraph 1, amends the provisions of the 1971 Act relating to alternative hours for off-sales. The Government are worried about the growing problem of late night drinking in public, especially by young people. They have received many complaints on that subject and there is no doubt that some of the problem is due to the fact that young people can get their drinks from off-licences as late as 11 pm. The amendment means that off-sales shops will now be able to open only from 9.30 am to 9 pm, except in the case of off-sales that are attached to pubs.

Article 10 bans young people under the age of 18 from off-licence premises, except when they are with their parents. That, I am sure, will be welcomed by everyone. Apart from drink, off-licences in Northern Ireland can sell only cigarettes, tobacco, matches and fizzy drinks. Article 4, at their request, adds corkscrews. Generously, we have also added items such as crisps, pork scratchings and lighters, and that will also apply to public houses.

Article 9, paragraph 2, amends section 45 of the 1971 Act. The new provisions of the amendment will put pubs on a par with hotels and restaurants when applying for additional hours orders. However, pubs will still have to satisfy the conditions that apply to hotels and restaurants, and will also have a certificate from the tourist board stating that the premises are well equipped, run by competent staff and provide a high standard of catering. Here again, we are trying to improve the quality of public houses.

Article 11 substitutes a new section 67 for sections 67 and 68 of the 1971 Act and provides for new rights of entry and inspection by the police. Articles 12 and 13 contain miscellaneous amendments to the 1971 Act, and article 13, paragraph 6, brings ballrooms and horse and dog racing tracks within the range of facilities that can now apply for licences.

Article 14 substantially increses the maximum penalties for a number of offences. For example, the fine for permitting minors to be on licensed premises will go up from £400 to £1,000. The penalty for selling drink to a minor on licensed premises or purchasing it for his consumption on those premises goes up from £400 to £2,000 or imprisonment for six months, or both.

That concludes my detailed description of the provisions of the order. I thank hon. Members for their attention and patience. As I have explained, the order is the first part of the package of reform which we are here to discuss; we shall debate the second part later tonight.

Public debate in Northern Ireland on this order has focused almost exclusively on the issue of Sunday opening of public houses. The key question on that issue is whether to take the route advocated by some and abandon Sunday opening altogether, or move closer to the pattern of the rest of the United Kingdom. In an increasingly pluralistic society, we could not agree to closing everything, nor could we, for the overwhelming practical reasons I have given, either stay where we are, or impose further piecemeal restrictions. I believe that what we are suggesting this evening creates a more sensible balance and introduces a law which at last is enforceable and will be enforced.

Rev. Martin Smyth (Belfast, South) *rose*——

Mr. Needham: I commend the order to the House.

Rev. Martin Smyth: I thank the Minister for giving way. He referred to the increased fines or penalties for selling drinks to teenagers. Can he say how many people have hitherto been brought before the courts for such offences? What difference will increasing the penalties make if the law, as it stands, has not been in operation?

Mr. Needham: The whole point of what we are trying to do this evening is to ensure that the law that we introduce is more capable of enforcement than that of the past.

As I was just about to sit down, I shall cover the hon. Gentleman's point when I reply. For the second time, I commend the order to the House.

9.53 pm

Mr. Kevin McNamara (Kingston upon Hull, North): First, I thank the Minister for the kind words that he addressed to me at the beginning of his speech. I appreciate them greatly and I look forward to my work shadowing him and his right hon. and hon. Friends. The Minister used the phrase, "the poisoned chalice of Northern Ireland". I do not regard it as such, but I wondered what sort of vessel I was being given when I went to the Library this evening having suddenly been given this work to do in the space of two hours, and was presented with all these documents. I was left with the feeling that perhaps the best thing to do would be to sit out most of this order and listen to what was said by the rival parties.

The Minister covered the whole of the ground set out in the arguments by both sides and examined very fairly the cases for and against the alterations. Within half an hour of being appointed I was lobbied by the hon. Member for Antrim, North (Rev. Ian Paisley) on this matter. I toyed with the idea of the local option and thought, "Why not?" Then my mind went back to the time when I lived

[Mr. Kevin McNamara]

in Liverpool and looked at what was happening in Wales about local options. They just did not work there and that was for the reason that the Minister has given.

If a person belonged to a golf club or to a branch of the Royal British Legion or some other institution, he could get a drink on Sunday anywhere in Wales. That did not drive to drink people who did not want to have a drink. It did not stop people going to chapel or church if they wished to do so and it does not stop people in any locality who do not wish to have a drink on Sunday from attending any of the places that sell drink on that day. If such places are not allowed to sell drink on Sundays, they will not open on Sundays.

I am concerned about minors being prohibited from certain premises and about preventing under-18-year-olds buying drink from off-licences. This may be an important reform being introduced in Northern Ireland and it will be watched carefully by people on the mainland to see the effect that it has on under-age drinking and on some of the unfortunate things that many of us see in our constituencies. We see young people, some under-age and some over-age, going into off-licences, purchasing drinks and then going away and getting drunk and disturbing innocent residents and passers-by.

One of the problems associated with this matter is the responsibility of the person controlling the premises. When the Under-Secretary of State replies to the debate, perhaps he will tell us whether the defence will be that of unknowingly selling to people under the age of 18, or will it be a question of absolute prohibition? Will the defence of not knowing be applicable in this case? I am conscious of the fact that I have not carried out as much reading as I should have liked of the Assembly report, although I did manage the Blackburn report. On balance, we think that this measure ought to be supported because it can do away with some of the problems. It can help the police in Northern Ireland and make the law more enforceable and may introduce important reforms on sales to minors. We support the measure.

9.58 pm

Rev. Ian Paisley (Antrim, North): I regret that I was not present at the beginning of the debate. I am sorry that I did not hear what the Minister said about remarks that I made. However, I think that I received a true and accurate report from my hon. Friend the Member for Belfast, East (Mr. Robinson). Before I come to that matter, I should say that we in Northern Ireland must enter the strongest possible protest about the way in which this matter has been dealt with in the House. Scotland had a similar problem. Liverpool has been mentioned and so has Wales.

When the matter came before the House every consideration was given to there being a drastic change in the opening hours of public houses on the Christian Sabbath. Hon. Members from those parts of the United Kingdom had every opportunity to put before the House amendments giving the reasons why certain matters should be taken into account. We should keep in mind the effects of our legislation on majority and minority interests.

If I had been in this House when it debated the legislation for the rest of the United Kingdom I could have moved amendments and had them voted on. Northern Ireland hon. Members now find themselves considering a matter that runs into the very heart and gut of the Northern Ireland community, yet we are not to have the opportunity of a democratic debate. We cannot move any amendments and we shall not be given the opportunity to vote on any amendments. An unamendable Order in Council will be put through this House with the overwhelming support of a majority of hon. Members who will probably never be in Northern Ireland on a Sunday. They will probably never enter a public house in Northern Ireland on a Sunday or partake of alcohol in Northern Ireland on a Sunday.

That is what we protest against tonight because it goes against the very principle of democracy. That is what the people of Northern Ireland find obnoxious. I do not think that I need to reiterate that point, because others in this House are beginning to realise at long last that the long series of protests made by hon. Members from Northern Ireland has a great deal of credibility; our protests have their own authority.

As the House votes on these orders it should remember how it dealt with the legislation affecting other parts of the United Kingdom. It is wrong to suggest that every part of this kingdom is the same and therefore that all the laws should be the same. England has different laws from Scotland and, in some cases, Wales has different laws from England and Scotland. Whatever their attitude on this matter, the people in Northern Ireland have the right to insist that their elected representatives should enjoy the same rights as the elected representatives of other parts of the United Kingdom—to state and argue their case, to move amendments, to vote and to seek the satisfaction of their wishes in a democratic way in this democratic House.

Let me come to the point which has to do with legislating for morality. Everybody agrees that the House cannot legislate for morality. Of course we cannot make people do things that they do not want to do. But in its legislation this House puts up certain markers to morality. Take the matter of prostitution, for instance. Certain laws in this country provide markers on that and possibly deterrents to it. It is no use the Minister instantly dismissing this point and saying, "Well, as I cannot legislate for morality, I am on firm ground in introducing this order." If we said that we could not legislate on any matter that would intrude into the morality or choice of individuals, no Government would have a case for making any laws at all. But we legislate on such matters all the time.

Something else needs to be said to the Minister. I do not understand his view that in these circumstances we cannot have a choice in law to say that certain places should be closed on Sundays. That is not what successive Governments have done on this issue. The people of Northern Ireland are perfectly entitled, through their representatives, to say what they think should be done and what should not be done. The Government have already made decisions in various matters of this kind.

Some people have the strange philosophy that this is a purely Protestant issue, that those who do not want the public houses opened are all Protestants and that the Roman Catholic community is unanimous in wanting the pubs of Northern Ireland to be open on Sundays. Ulster Marketing Surveys Limited carried out some research into this matter. It showed that 39 per cent. of the total population strongly opposed Sunday opening, 19 per cent. were strongly in favour, 24 per cent. were slightly in favour, 13 per cent. were slightly opposed and 6 per cent.

did not know. The breakdown of those strongly opposed showed that 45 per cent. were Protestant and 30 per cent. were Roman Catholic. It is therefore quite wrong to suggest, as I have heard from Members whom I have lobbied on the subject, that this is merely a Protestant interest and that the Protestants do not want the Roman Catholics to be allowed to drink on Sundays.

The Secretary of State smiles, but I must tell the House that anyone who wants a drink on Sunday in Northern Ireland can get one. I challenge anyone to claim that some poor thirsty souls cannot get a drink anywhere in Northern Ireland on a Sunday. The Minister and I do not often agree, but he will agree with me that those with that particular type of thirst can always find a drink on Sunday in Northern Ireland. I am sorry that their thirst is not for that water of which a man drinks and will never thirst again, but that is their misfortune. I hope that no one will be so foolish as to say that a person who wants to drink on Sunday in Northern Ireland cannot do so because that is totally untrue.

I cannot understand why Northern Ireland cannot be treated in the same way as other parts of the United Kingdom were treated when this was an issue there. It was an issue in Scotland and, indeed, in Wales.

I welcome the new Opposition spokesman on Northern Ireland — the hon. Member for Kingston upon Hull, North (Mr. McNamara)—to his post. He will probably have a rough ride from Ulster Unionists, but he has been used to that through the years and it will not make any difference to him. The hon. Gentleman mentioned Liverpool.

Sir John Biggs-Davison (Epping Forest) I do not quite follow the argument of the hon. Gentleman. I feel that he has begun to destroy his argument. The hon. Gentleman says that someone can get a drink on a Sunday in Northern Ireland. Why is it all right to get a drink in an hotel, restaurant or even a club but wrong to get it in a pub?

Rev. Ian Paisley: That is not what I am saying. I am sorry that the hon. Member does not know a little bit more about Northern Ireland and about drinking in Northern Ireland. All those in Northern Ireland who have studied alcohol abuse, no matter what their religion—no matter if they have no religion — say that there are far too many outlets for alcohol in Northern Ireland.

If we pass this order, there will be 10,000 additional hours for alcohol consumption. I do not know of a stronger argument that could be put against this order.

It is a pity that the Government did not take the bull by the horns and dealt with drinking clubs in the way that they should have been dealt with. That is the trouble.

Sir John Biggs-Davison: They have dealt with those clubs.

Rev. Ian Paisley: The drinking clubs have got away with a coach-and-four with regard to the sale of alcohol. I can understand the views of publicans—I have been lobbied by them. They must have a certain standard of premises, their trade must be carried on to a certain standard and the public house is open to inspection by the police at all times during opening hours. However, the drinking clubs do not have those restrictions and publicans cannot understand that. I can understand the concern of publicans.

The Government have not moved to shut the other outlets for alcohol and they will continue to exist. However, as a result of this order, the Government will allow an additional 10,000 hours for alcohol consumption.

The hon. Member for Epping Forest, who said that I was destroying my argument, should come with me to parts of Northern Ireland where both sides of the community do not want the public house to be opened on a Sunday. They want the peace and quiet that is hard to get and they want that peace and quiet to continue.

I have also been lobbied by people who work in public houses who say that they deserve a day of rest—I am talking about people in the trade union movement. They say that it is all right for the publican, but they want a day of rest.

Mr. Jerry Hayes (Harlow): I am a little confused by the hon. Gentleman's argument. A moment ago he suggested that the Government had done nothing about illegal drinking clubs. I believe that the essence of this order is that it would ban, as much as any legislation can, the bring-a-bottle clubs and place restrictions upon them. They will give the police rights of entry and the right to search those establishments. In all honesty, I should have thought that the hon. Gentleman would welcome this legislation.

Rev. Ian Paisley: I am afraid that the hon. Gentleman must have been sleeping. I never mentioned illegal clubs. I am talking about legal clubs that should have been dealt with long ago.

I am talking not about the shebeens, but about the legal clubs that are supposed to be recreational clubs. However those clubs spend £14 million a year on liquor. Why were the drinking hours on Sundays not restricted? Why say to the publican that he can open for a few hours but say to the licensed club owner that he may open for as many hours as he likes, well into the early hours of Monday? I am not talking about illegal clubs that should have been closed a long time ago. I am talking about legal clubs, but at long last a deterrent has been introduced to restrict the number of illegal clubs. It is necessary now to produce audited accounts.

I invite the hon. Member for Harlow (Mr. Hayes) to visit Northern Ireland. I shall arrange for a Roman Catholic to meet him and take him to the Roman Catholic district to hear the views of Roman Catholics. I shall arrange for a Protestant to take him to a Protestant area. Arrangements can then be made for a Jew to take him to a Jewish area. If it is possible to find an agnostic area, arrangements will be made to take him there. After that, he will have a proper knowledge of feelings in Northern Ireland. Anyone who intervenes in these debates should try to ascertain exactly what is happening in Northern Ireland. In these days of alcohol abuse, and when the police in Northern Ireland are strained to the utmost in dealing with terrorism, does anyone say that it is sensible to add 10,000 hours to the opening times that outlets for alcohol already have? Hon. Members should search their consciences. The issue before the House should be considered seriously.

Why were restrictions introduced in other parts of the United Kingdom? Why are the restrictions that operate in Northern Ireland all to be swept away in an hour and a half's debate? We are debating an issue that affects the

[Rev. Ian Paisley]

young people of Northern Ireland and the future of society generally in the Province. It affects the well-being of families in Northern Ireland.

I believe that the Lord's day should be a special day. I believe that the human body was so created by God that it requires a day of rest. A Sunday that is kept in the proper manner will bring a week of contentment afterwards. Apart from that, there are arguments that can be advanced showing why we should not proceed in this manner.

There are hon. Members who do not understand the way in which opening hours are arrived at for pubs in Northern Ireland. One hon. Member was amazed when he was told that our system is entirely different from that which applies elsewhere in the United Kingdom. He thought that after the passage of this measure the licensing magistrates would have a say about every public house that is to be opened on Sundays. Hon. Members should not believe that. After this measure passes through the House all public houses that currently have a licence to open during weekdays will be able to open on Sundays.

First, we must ascertain what we are arguing about, and then we can come to our own conclusions. Every reputable authority says that longer opening hours and greater consumption will bring additional problems. I do not think that the House wants to add more problems to a system that is already teeming with problems.

The House should not pass this measure. We should have a further opportunity to consider the safeguards that were given to other parts of the United Kingdom. Why have these safeguards not been given to Northern Ireland? Why cannot people have a say about what is happening in their area in respect of public houses? Why should we be faced with this blanket measure that will lead to Sunday opening?

A publican said to me, "If the public house down the street opens, I must open if I am to keep my business." That position is not helpful in Northern Ireland. We should proceed this evening in dealing with Northern Ireland as we proceeded when dealing with other parts of the United Kingdom.

10.19 pm

Mr. Seamus Mallon (Newry and Armagh): The way in which this debate is taking place puts its context into perspective. I do not have to reiterate that in the North of Ireland more than 2,500 people have died and a large number of our young people are in gaol. We have social deprivation, an economic situation and unemployment that is unequalled anywhere else in this country. Yet one of the biggest issues that is facing us is whether I shall be able to have a pint before my lunch on Sunday.

Does not that put the nature of this entire debate into context? I believe that it sharpens totally the context in which the debate is taking place and highlights the fact that with this legislation the Government are trying to do something which, quite frankly, should have been done years ago. Perhaps that view is too cynical. I hope that it is not, because I know that there are many genuine and sincere people who hold the opposing points of view on this to me, and who wish to retain Sunday closing. I accept the sincerity of their position and of their point of view.

However, this issue goes beyond the issue of the opening or closing of pubs. It even goes beyond the question of the licensing of clubs of any type. It raises two questions. It asks questions about the nature of people in Northern Ireland and about the type of people that they want to be. It also asks about the type of society that we want to create in the North of Ireland and about the type of society that we might be able to create. This debate probably tells, and will tell, more about our attitudes, in the broader sense, than many of the debates in which we shall take part. What do we want in the north of Ireland where, on an ongoing basis, we have nothing but closures? The swings on which children could play on a Sunday are closed. The swimming pools in which people could enjoy themselves are closed and the pubs in which people could relax are also closed. Is it a coincidence that those closures are accompanied by probably the greatest conglomeration of closed minds of any country in western Europe? I believe that there is a connection and that we must consider the nature of society in Northern Ireland, and its politics and structures when we engage in this debate.

We have been told, and we will be told, that it is a question of morality. We will be told, in no uncertain terms, that it is a question of one person's belief taking precedence over that of another person. I do not believe that God gives anyone the right or the duty to legislate for my conscience or for the conscience of anybody else in the north of Ireland on such a matter. One could not do so successfully in any case because the hon. Member for Antrim, North (Rev. Ian Paisley) has confirmed something that most people in the north of Ireland know, which is that, once there is this type of legislation in a modern society, one creates the opposite effect to that intended.

I ask, because this question should be asked, whether as a result of the licensing law changes in Scotland, any village or town there has gone to the dogs? Perhaps we should take Bickley, that haven of depravity, as an example of the results of the licensing laws that pertain in England. It is an insult to the people of Northern Ireland to suggest that because they have the right and the ability to go for a drink before their lunch on a Sunday, all of a sudden the North of Ireland will become a terrible place, that it will be worse than it is now and that people will indulge in depravity. The people of Northern Ireland are not like that. In my view, they will respond to this type of legislation positively and responsibly. They will be no more depraved than the people in Kirkcaldy, Bickley or any other part of western Europe.

This also poses the question: what type of ethic do we want to live by in the north of Ireland? Is it a completely authoritarian ethic where we are told we may or may not do something depending on the moral attitudes of the majority of people there or is it an ethic based on freedom of choice? Do we have the strength to accept and live respectfully with the differences, political, cultural and moral, that exists in the north of Ireland? Or are we simply so weak that we demand one set of rules and the denial of choice because at the end of the day in such matters if we have the choice to be right, we also have the right to be wrong, if that is our choice? That must be the essential view regarding morality.

Rev. William McCrea (Mid-Ulster): Is not the basis of the hon. Gentleman's argument rather false and hypocritical, particularly when one considers that he wants the Unionists to join a united Ireland which legislates on divorce, abortion, the sale of contraceptives and other such matters?

Mr. Mallon: The profundity of that question eludes me —*[Interruption.]*—and, judging from the reactions of most other hon. Members present, it has also eluded them.

Rev. William McCrea: Is it not true that the Government of the south of Ireland do not allow people the right to divorce, if they want it, or the liberty to choose to have contraceptives? Is that the sort of society which he speaks of as a liberal society and which we should all wish to live in?

Mr. Mallon: That is not the type of society that I want in a united Ireland. It is very much the type of society that I do not want. I want people to be able to live by their own consciences, not by any piece of legislation, whether in the Republic of Ireland, the north of Ireland or here. I ask the hon. Gentleman to make a serious attempt to help to create on the island of Ireland a proper legislative basis which allows that freedom of choice.

What type of people do we want to be? What type of society do we wish to have? In the north of Ireland I often hear people saying that they admire "the British way of life". I do not hear that among those I represent because we are not enamoured of the British connection. We wish to live in the type of united Ireland that I am trying to describe to the hon. Member for mid-Ulster (Rev. William McCrea). What about this "British way of life", so admired by the hon. Gentleman and his colleagues? It would be much more beneficial if they were to adopt it, to live it and to introduce it into their legislation. That is the acid test of that phrase.

Mr. Porter: Does the hon. Gentleman accept that the British way of life accepts diversity? Does he further accept that the Scots and Welsh in their own time determine whether public houses should be open on Sundays for their own reasons, whether for tourism or economics? It appears that there is no evidence yet that the Northern Irish people want their somewhat archaic laws changed.

Mr. Mallon: The fact that there has never been a substantial lobby against the licensing laws available to clubs shows that the majority of people in the north of Ireland do not hold this moralistic view about licensing laws. They are worried about the legalities and the potential for abuse. That is why I would dispute whether a majority of people oppose this legislation.

What type of society do we want? Do we want to be totally isolationist? Do we want to be introverted, or out of step with the rest of Ireland, Britain and Europe? Are we to be the oddities of the western world where we say no to everything, and where everything is closed including our minds? Is that the type of Northern Ireland that we want? Do we want to be out of step with our Johnnies over there? Do we want to be the oddities of the western world without allowing ourselves the ability to relax and enjoy that little bit of relaxation? A little bit of human frailty might get us away from many of the problems that we face and many of the terribly absolute positions that we adopt.

I praise the Minister for bringing the legislation forward. It is a recognition of the terrible injustices that publicans have suffered in the north of Ireland down through the years. They had to compete with clubs and hotels because the publicans were being under-cut in the prices that they were charging. So many of the clubs were de-rated while the publican was, and still is, paying very heavy rates. The publican was unable to deal with his overheads in the same way as the clubs and hotels. The competition was unfair and unjust and I am glad that it has been put right.

There was also social discrimination to which the hon. Member for Kingston upon Hull, North (Mr. McNamara) referred. If people can afford it, they can go to a hotel and have a meal. If they can afford it, they can become members of a club. People can have drinks at both. If people cannot do either of those things, if they live in a village in any part of the north of Ireland or in the towns, they cannot do that. That cannot be right in any man's language. The people who are suffering and being deprived are those who simply cannot afford to have a meal in a hotel or join a club.

The legislation governing clubs and hotels is one of the factors that has forced people to drink and drive. Invariably in the north of Ireland people get in their cars and drive to hotels and clubs. Would it not be much better for the whole of society, if a person feels that he wants a drink, for him to be able to walk down the street, drop into his pub and have his pint or two—and perhaps even three—and then walk home again? That factor is worth considering.

I welcome the legislation. I hope that I may indulge in a little whimsy at the end of my speech. For many of us, the legislation marks the end of an era. It is well known that forbidden fruit always tastes sweeter. There will be many in the north of Ireland who will remember with nostalgia the knock at the back door, the dim lights, walking in and then that feeling of excitement because one was going to enjoy oneself so much more because one was not allowed to do something.

10.32 pm

Mr. Michael Colvin (Romsey and Waterside): I congratulate the hon. Member for Newry and Armagh (Mr. Mallon) on extending this debate to more of the social issues of the day in Northern Ireland, because a pub is a very social place. It is a meeting place where people discuss the issues of the day and where opinions are formed. It is a sensible meeting place. Even my right hon. Friend the Member for Castle Point (S. B. Braine)—who I know has very important views on the licensed trade generally and on drink—would concede that the British pub is unique. Any legislation that will enhance its standing and improve facilities in the pub, even to the detriment of other outlets for alcohol, is to be commended. I agree with my hon. Friend the Member for Newry and Armagh that this legislation should have been brought forward many years ago.

Nevertheless, my hon. Friend the Minister is to be congratulated because the Blackburn report was produced in 1978 and it has only taken the Northern Ireland Office nine years to get around to amending the law in Northern Ireland. It is now 15 years since the Erroll report was published on reforming the licensing laws in England and Wales and we are still waiting for action. I am glad to say that, following the manifesto commitment to that end, we are likely to see a change in the law for England and Wales quite soon.

I wholeheartedly welcome the measure, because it appears to bring more into line the licensing laws relating to pubs and clubs, which over the years have manifestly become more out of line. It provides for all hotels, restaurants, clubs and pubs to share the same opening hours seven days a week. Extension hours will also be the

[Mr. Michael Colvin]

same for all. There will be no overall increase in the number of opening hours, as there will be a reduction of 13 minutes in the normal daily opening hours for clubs. All public house extensions will be reduced by 30 minutes, and club extensions by two hours. I do not know where the hon. Member for Antrim, North (Rev. I. Paisley) finds the extra 10,000 drinking hours which he says will be available.

There are more flexible features in the licensing orders for pubs to allow for greater development of tourist and food business, and that is to be commended. The two principal points are the provision for accommodation in pubs, which will allow a new style of outlet to develop, and the provision to allow a pub the same extended hours as a hotel or restaurant if it has a full restaurant facility.

The proposals do not force Sunday opening on those who do not wish to avail themselves of it. At licensing renewal, the option of a six or seven-day licence is at the publican's discretion. Even with a seven-day licence, opening on a Sunday may not be economically viable because of location, and the publican need not open.

I should like to ask my hon. Friend a question about the permitted-hours clause in the lease that most licensees sign with their brewers. That clause, if ultimately enforced, means that the publican must open for all the hours permitted by the local licensing courts. In some parts of the United Kingdom, the permitted-hours clause is not onerously enforced, but in other parts the brewers can be pretty heavy-handed. They say to the publican, "You will open for every hour that you are permitted by law to do so. If you do not, we shall evict you and tear up your lease."

Should there be any provision in the law to protect publicans if the law is relaxed so that permitted hours cannot onerously be enforced on publicans? The question is particularly relevant to Sunday opening. If the law says, "You may open on Sunday," and the licensing courts say the same, and if the publican chooses not to do so—after all, freedom of choice is an important principle in our party—can the brewer force him to?

The most controversial issue relates to the Sunday opening of pubs. The present laws, in my view, are a bit of a nonsense, and have fallen into disrepute. They seem to work unfairly against pubs as compared with clubs, hotels and restaurants, and many pubs have closed, with loss of employment and amenity. I am told that directives have been sent out by one bank to its branches saying that publicans are a poor credit risk. Perhaps changing the law will make them a better risk and enable them to obtain the credit that they require to improve their facilities, which will assist tourism and the economy of Northern Ireland generally.

The present laws on Sunday opening are almost unenforceable, save at disproportionate cost. The principle of Sunday drinking has long been established in clubs, hotels and restaurants, and anyone in Northern Ireland who wants to get a drink on Sunday can do so. As a pub is probably the most sensible place in which to drink, why can he not get that drink in a pub? Under this legislation, Northern Ireland will come more into line with the rest of the United Kingdom. I agree with my hon. Friend the Member for Antrim, North that we do not want to be exactly the same, but this is a united kingdom, and the more our laws are in line, the better. He also referred to public opinion and produced some interesting statistics, but I believe that opinion is pretty evenly divided on this issue, as shown by the attitude surveys and the response to the Government's proposal.

Mr. Geraint Howells (Ceredigion and Pembroke, North): Perhaps the hon. Gentleman is not aware that the licensing laws in Wales are different from those in other parts of the United Kingdom. The people of Northern Ireland should have the right to decide for themselves; it should not be done through an order tabled in the House. Perhaps the hon. Gentleman is unaware that, for the past 30 years in Wales, we have had the right to vote every seven years to say whether we are in favour of Sunday opening. I am the only Member in the House who represents a dry district council area. Whether that is a good thing or not, the people of Northern Ireland, like the people of Wales, should determine whether they want pubs to open on Sunday.

Mr. Colvin: That was an interesting intervention. In a sense, it was a speech, so the hon. Member for Ceredigion and Pembroke, North (Mr. Howells) can now go and have a drink and leave the answer to that question to my hon. Friend the Minister. A strong measure of local control over licensing hours is wise. That is why the Government are trying to lay down the broad parameters for licensing hours but will not force anyone to open. Even in Northern Ireland, there will be some control by the licensing courts. I agree that the law is different in Wales, but the hon. Gentleman will agree that the Welsh are very different from the rest of us.

Public opinion on this matter is pretty evenly divided. In response to the published proposals, 16,500 letters were in favour and 10,500 were opposed, and a couple of church petitions also opposed it.

There has been much discussion of the health aspects of the proposals, because some have said that they will undoubtedly lead to more drinking hours. My hon. Friend the Member for Antrim, North mentioned the example of Scotland. I shall quote some of the figures from the experience in Scotland. There is no reason why a similar experience should not pertain in Northern Ireland.

The law was changed in Scotland in 1976. Between 1979 and 1982, convictions for drunkenness in Scotland fell by 28 per cent., whereas in England and Wales they fell by only 9 per cent. The figures for under-21s were even better. Although consumption of drink has increased in Scotland, the extra drinking is done in pubs rather than elsewhere. Not so many people are buying drink at off-licences and taking it home, which is a bad place to drink. The pub is a sensible place in which to drink. That is what has happened in Scotland. The health aspects have been totally beneficial in Scotland——

Sir Bernard Braine (Castle Point): My hon. Friend has just said that everything in the garden is rosy as regards health. Since he has the figures there, can he tell us the statistics in respect of cirrhosis of the liver? Is he aware that those people who were drinking hard before the reforms are now drinking harder? What has been the effect upon women in Scotland? Let us have the whole story.

Mr. Colvin: The debate is about Northern Ireland. I am drawing a comparison with Scotland because I think that it is relevant. My right hon. Friend has asked particularly about liver cirrhosis. Liver cirrhosis mortality trends have

not changed because of the altered licensing laws in Scotland, nor has there been an increase in alcohol-related mortality. There has been a downward trend in admissions to psychiatric hospitals for alcoholism and alcohol dependence. Relative risks from drunk driving have declined in Scotland compared with England and Wales. Overall, the trends in Scotland compared with England and Wales have proved to be favourable. In 1979, there were 13,628 charges in Scotland for drunkenness. Following the experience of the change in the law, there were only 6,618 in 1984. The experience has been beneficial, and I hope that the same will happen in Northern Ireland.

We are trying to equalise the law as between the pub and the club. The *Brewing Review* published in 1986 shows that in 1976, the year in which the law was changed, 23 per cent. of drinking occurred in public houses and 23 per cent. in licensed clubs. By 1984, consumption in public houses had increased to 28 per cent. and consumption in licensed clubs had decreased to 18 per cent. Experience will show that, if we equalise the law as between pubs and clubs and make the market more equal, the trend will be in the right direction.

Although I have not drunk much in pubs in Northern Ireland, I have a son who served in the same regiment in which I served and who has just returned from Northern Ireland. He said that the experience of drinking in pubs there was to be commended. He found outside one pub a ditty which I have stuck up outside my pub, which reads:

"Who comes here?
A grenadier.
What do you want?
A pot of beer.
Where's yer money?
I forgot!
Get you home you drunken sot."

In other words, tick, or credit, in Northern Ireland is no easier than in this country here. I am sure that that notice outside my pub will encourage my hon. Friends who go there for a drink to ensure that they take enough money with them and not expect credit at The Cricketers Arms in Tangley.

I congratulate my hon. Friend the Minister on bringing forward this measure. I wholeheartedly commend it to the House and I hope that it will be passed.

10.47 pm

Mr. David Alton (Liverpool, Mossley Hill): The slip of the tongue at the end of the speech of the hon. Member for Romsey and Waterside (Mr. Colvin) was revealing when he talked about the difference between Northern Ireland and "this country here". Northern Ireland is part of this country here. It is worth reminding the House that two separate issues are before us. One is whether pubs should be open on a Sunday and the other concerns the way in which we go about making decisions for the different parts of the United Kingdom.

On the first issue, I freely admit that, like probably many hon. Members, I enjoy a drink, not least after church on a Sunday evening. If I were voting for provisions in my region, I would be one of those who argued, like the hon. Member for Newry and Armagh (Mr. Mallon) did, for the opening of public houses each day. It is a matter of choice. It is a matter of moderation. I accept that the overuse of alcohol undoubtedly leads to not only physical but emotional problems. Much violence and brutality can be associated with it. The overuse of alcohol in cities such as mine, Liverpool, can have dire consequences.

The second issue is about the differences of opinion in different parts of the United Kingdom. Clearly, there are differences of opinion in Northern Ireland. The Lord's Day Observance Society, the Presbyterian Church of Northern Ireland, people from all parts of the religious equation and the trade unions have given their opinions, suggesting that public houses should not be able to open on a Sunday.

I find it ironic that Northern Ireland hon. Members should be able to amend proposals for drinking laws in Scotland, England and in Wales, but, when we consider such matters, Northern Ireland Members cannot move amendments because of the ways in which we consider such proceedings. That is why I signal a warning to the Government that, unless we do something about the overuse of Orders in Council and the constant resort to one-and-a-half hour debates to ram through Government proposals, we shall have no choice but to—[AN HON. MEMBER: "You?"]—Yes, we and other hon. Members from other political parties. We shall have no choice but to vote against the Government when they bring forward proposals that are clearly unacceptable to many people in Northern Ireland.

Such matters would be far better considered by a Northern Ireland committee, which could be established under Standing Order No. 99. They would be far better considered by Northern Ireland hon. Members. It would be far better if we could consider Bills in the normal way, with their being open to amendment. It is for the second of those reasons—it has nothing to do with the drinking laws in Northern Ireland—that my right hon. and hon. Friends and I shall call a vote. We may find ourselves in the Division Lobby with some hon. Members from Northern Ireland. It is time that such issues were considered in the Chamber, on their merits, open to amendment and not simply put to the House for black and white yes-no decisions which force polarisation. It is quite obvious that people are constantly forced to take decisions on issues and are not given a chance to vote for the shades of grey that often exist or to vote for amendments.

For those reasons—not the ones that were advanced earlier about Sunday opening—of diversity and choice, and bearing in mind the differences of opinion that exist in many parts of our islands and people's rights to decide for themselves in the places where they live, that we shall be with those who choose to divide the House tonight.

10.51 pm

Sir Bernard Braine (Castle Point): I wish to approach the matter from a somewhat different angle and perhaps to sound a somewhat different warning. From what we have heard, it is quite clear that the licensing law in Northern Ireland is in disarray. One can understand the Government wishing to put it into better order, although it is exceedingly doubtful whether making it possible to drink more rather than less will improve matters. The licensing law is broken daily in this country. There has been a failure to deal with the rising tide of under-age drinking that is taking place all over the kingdom, the full facts of which were revealed to the Government by their Office of Population Censuses and Surveys about three years ago. Its report was withheld from publication for at least a year.

[Sir Bernard Braine]

The facts exist, and they demonstrate not only that there is a serious rising tide of under-age drinking in our public houses but that an overwhelming proportion of boys from the age of 13 upward had their first drinks not at home, not as a result of buying liquor from supermarkets, but in public houses. The law here is not being properly enforced. In short, that is why we should be concerned not merely with legal consequences but with the social and health consequences of any change in the licensing law of any part of the United Kingdom. I fervently believe that, as long as the majority of its people wish it to remain part of the United Kingdom, that should be the case. Northern Ireland should not be treated in a different way. We are all concerned about the matter. We cannot sweep aside the strong objections that are coming from the Province.

There is another good reason why we should not sweep those objections aside. There is no justification for tampering with the licensing laws anywhere in the United Kingdom before the full implications of the rising levels of consumption are understood. In addition to under-age drinking, we have the carnage on the roads and a clear link between alcohol abuse and marital break-up, non-acccidental injury to children and crime of every kind. Before any increase in drinking hours, in pubs or in clubs, is allowed, the full social and health implications should be properly understood.

The order comes to us hot-foot on the announcement in the Queen's Speech that licensing hours in England and Wales are to be extended. All this flies in the face of expert opinion. I am speaking not of the drink and tourist trades but about the views that have been expressed by doctors and magistrates.

I received a letter from Dr. Havard, secretary of the British Medical Association, when we were discussing the Bill affecting England and Wales. He wanted me to make it clear to the House that his association was opposed to any tampering with the licensing laws until the health implications were grasped. He wrote:

"There is no conclusive evidence that a change in licensing hours would decrease the health and social costs of alcohol abuse and every reason to fear that it would exacerbate an already deteriorating situation."

The Government must take note of the request by the World Health Organisation that by the 1990s all member states should reduce the level of alcohol consumption by at least 25 per cent., so great is the cost on a global scale. What has been the British Government's response? It has been to increase licensing hours, to do nothing about the proliferation of outlets, to make no moves to deal with under-age drinking in public houses and to do nothing about the link between alcohol drunk to excess and crime.

No wonder Dr. Havard wrote in his letter to me:

"Why, when other countries are desperately tightening up on the availability of alcohol, are we taking up parliamentary time relaxing things?"

Mr. Gorbachev has had the honesty to deal publicly with this problem in the Soviet Union. He has done it in a way one would never have thought possible in that country. All civilised countries are concerned about the problem, yet here we are tampering with the licensing laws before any of the other issues to which I have referred have been considered.

On 1 July *The Times* published a letter from Dr. Douglas Acres, a constituent of mine who is the chairman of the council of the Magistrates' Association, in which he made it clear that any tampering with the licensing laws was a mistake. Not only are all the caring agencies opposed to any extension, but I am astonished to note that the only published statement by any British Government since the 1930s on the subject of alcohol abuse was that produced by the Department of Health and Social Security entitled "Drinking Sensibly." What does that tell us? It tells us repeatedly that, if anything, there is a case for increasing the restrictions, not lessening them. Why is the Department of Health so silent on this matter? We have had evidence from that Department—the only evidence that we have ever had from it—that grave health harm is being caused and that there are risks in tampering with the licensing laws. The Minister responsible for roads and traffic has courageously drawn attention to the carnage on the roads. So why is there no co-ordination on these matters? Why did the Government see the light in the area of drug abuse? They appointed an interdepartmental co-ordinating committee under the then Minister of State that has worked well. It has brought together all the facets of prevention, treatment and so on. However, they have not done that on the issue of alcohol. Why? The House will find its own answer. Just as the proposed Licensing (Amendment) Bill is a mistake, the order is a mistake until such time as the Government demonstrate that they understand the totality of the problem. They must act soon, because the harm is mounting all the time.

11.2 pm

Rev. Martin Smyth (Belfast, South): I welcome the opportunity to follow the right hon. Member for Castle Point (Sir B. Braine), who stressed the health factors that are involved. Traditionally in Northern Ireland, licensing laws have been dealt with by the Department of Health and Social Services. Unlike England, where we deal with the problem largely through the Home Office, in Northern Ireland alcohol is reckoned to have a direct impact on the health of the community.

The health factors are important. I was fascinated by the concluding comment of the hon. Member for Newry and Armagh (Mr. Mallon), who spoke of the days when the "knock knock" would be over. I put it to him, and the House, that even with these laws, the "knock knock" and after-hours drinking will continue. I am worried that the Minister has put forward nothing to show us how the law as amended will be implemented any better than previous legislation.

When facts and figures are adduced to show that, since the change of licensing laws in Scotland, there has been a decrease in convictions for crime and traffic accidents as a result of drinking offences I wonder whether any examination has been conducted into whether constables have merely said, on many occasions, "Get a grip on yourself; away home and don't let that happen again." How many cases have not been pursued because of a tendency to have a little compassion on a person who is under the influence, if not downright inebriated?

When the hon. Member for Newry and Armagh talked of the more relaxed opportunities that now exist for walking down to the village pub, did he, or any hon. Member, really believe that people in Northern Ireland will not still drink and drive, with the consequent calamity of road accidents? If so, I refer them to yesterday evening's *Belfast Telegraph*, in which there is an article entitled

"Government slammed over summer drink-drive move".

Perhaps it is an act of midsummer madness to introduce extended licensing hours tonight, when, yesterday evening, two groups that are particularly concerned with fighting alcohol abuse criticised the Government for introducing a summer drink-driving campaign while passing laws to make Sunday drinking easier. That can be added to the point made by the right hon. Member for Castle Point. As we have been reminded in the debate, it is a tragedy that the House can only reject or accept the order. The Government have brought this forward and I imagine that the Whips will be in position and that there will be enough payroll votes to get the measure through. That is not a proper example of democracy in action.

Mr. Will Glendinning of the Alliance party in Northern Ireland was quoted last night as saying that it has been recognised that increased availability can lead to increased consumption and increased harm. The Government act quite rightly against drinking and driving, but perhaps they should realise that there are things other than an advertising campaign and the breathalysing of people. One of those things is the use of the law as a marker to discourage certain practices.

It is possible to quote from various statistics, but if one examines the statistics presented by the Central Policy Study Group and by others, one will discover that not only is there a difference in the rate of alcoholism between the citizens of England and Wales and those of Scotland, but that there is an increased level of alcoholism in Northern Ireland. When one examines the statistics even more carefully in terms of the health problem, one sees that an increasing number of people in Scotland suffered from cirrhosis of the liver between 1950 and 1985.

I realise that we are required to finish the debate shortly and for that reason I find it difficult to deal with all the points that have been raised in the debate. We welcome to the post of shadow Secretary of State for Northern Ireland the hon. Member for Kingston upon Hull, North (Mr. McNamara). He may discover that he will have to play many tunes over the years. He mentioned the Assembly report. In reply to my hon. Friend the Member for Londonderry, East (Mr. Ross) the Minister was rather testy and told my hon. Friend that my hon. Friend had not spoken to him or been in touch with him. It is a little like a dialogue with the deaf where one has to watch the other's lips.

The representatives of Northern Ireland were lobbied and then met in the Assembly to draw up a report. It is rather interesting to note that if the Assembly suggested something that was in keeping with the plans of the Government, they accepted it and said, "Well done." If a suggestion did not fit in with their plans they ignored it.

The report by the Assembly was an in-depth one and was produced on 6 March 1985. It recommended that current Sunday opening laws should be retained and rejected the suggestion that Sunday opening should be allowed during the same hours as in England, which was what the Government wanted.

Provision was to be made for objections along the Scottish lines and for objection on the grounds of public nuisance. That was rejected. It is nice for all of us to have certain facilities in society—as long as they are not too near where we live. We are not unduly worried about a nuisance that affects other people—as long as we have a reasonably relaxed and calm time. That was one of the reasons why objection on the grounds of public nuisance was suggested, but it was rejected by the Government. The Assembly Committee recommended the provision of a country-wide referendum or deed poll such as used to happen in Scotland. That, too, was rejected. It recommended that registered clubs should be brought into line with the provisions for Sunday drinking in hotels and restaurants. That was rejected and tinkering with the powers of the police and the registration of clubs was offered instead.

It will be interesting to see how the laws are implemented. I specifically asked about under-age drinking, and I have a specific recommendation to make. We shall never deal with the problem of under-age drinking until we adopt the practice of our American cousins and ask for identification. It is utterly impossible to be clear about under-age drinking unless some means of identification is provided. The offence relates not simply to the sale but to the serving of alcohol, and it is extremely difficult to prove. Furthermore, often it is not simply a question of under-age people going in to wine houses and purchasing alcohol; others purchase it and bring it out to them. Time after time, we have had experience of local police overlooking such offences. I suspect that that happens in the rest of the kingdom, too—partly because of the pressures on the police, who claim that they must devote their attention to much more serious crime. I doubt whether the modernisation of the laws will have any great effect. The Committee also recommended the tightening up of legislation relating to clubs to reduce the inequities between clubs and pubs, and the Government seem to have been rather half-hearted about that.

The hon. Member for Antrim, North (Rev. Ian Paisley) said that he had been lobbied by publicans; I suspect that all of us have. All that I can say is that every South Belfast publican who spoke to me said, "We are not asking that our pubs should be open. We are asking that the clubs should be restricted." I find no clear evidence in the new legislation to suggest that that will happen.

I suspect that this order is a foretaste of Home Office thinking, which favours an open season for everybody and no real restrictions. The arguments advanced tonight could equably be advanced for having no licensing laws at all. Therefore, I ask the House to think seriously about joining those of us who will be voting in the Lobby against the order. The order will affect employment, too. It will provide more casual employment but fewer full-time working opportunities and will divide more families on yet another day of the week, which is contrary to the best interests of our nation.

11.8 pm

Mr. James Kilfedder (North Down): I know that there is very little time left for this debate, and I deeply appreciate the fact that you, Madam Deputy Speaker, should have called me. I intend to restrict my remarks, although I am sorry that I have to do so because very important issues have been raised.

I wish to put it on record that I deeply resent the fact that the Government have introduced this draft order to enable public houses to open on a Sunday. Why has the order been introduced? It does not have the support of the majority of the people in Northern Ireland, and that includes Roman Catholics as well as Protestants, despite what the hon. Member for Newry and Armagh (Mr. Mallon) said. Some people have said that the reason for the order is to bring the law into line with that pertaining

[Mr. James Kilfedder]

to the rest of the United Kingdom. It has been said, too, that it is being introduced in the interest of liberty. If we had liberty, the public houses would never close. Is that what hon. Members advocate?

The hon. Member for Romsey and Waterside (Mr. Colvin), said that his son, who serves in the Army in Northern Ireland, is glad that he will be able to go to public houses on a Sunday. Having spoken to the police, I can assure the hon. Gentleman that they have endless trouble when young soldiers from the barracks in my constituency get drunk and engage in assaults, causing tremendous bother for police and local residents. I wish to put that on record in view of what the hon. Gentleman has said.

Mr. Andrew MacKay (Berkshire, East): That is disgraceful.

Mr. Kilfedder: Yes, it is a disgrace that people in my constituency have to put up with conduct of that kind. The Government should have heeded the decision of the Assembly with regard to the extension of pub hours.

Mr. MacKay: Will the hon. Gentleman give way?

Mr. Kilfedder: No, I will not give way.

Despite what the Minister said in introducing the order, it will cause extra trouble for the police, who are already hard pressed. They have difficulties enough, but the order will increase their difficulties. It is not just the difficulties of dealing with intoxicated people. When the public houses disgorge their parties at closing time there is a considerable amount of unruly behaviour which in some cases unfortunately ends in criminal behaviour. Damage is caused to property, the peace of the area is disturbed by drunks, innocent bystanders are insulted with obscenities and so forth, and from time to time there are muggings as well.

My constituents and I have a problem, especially with young people drinking to excess in Bangor and in Holywood. On behalf of those who are already incensed at the behaviour which takes place, I say that there should be no extension of drinking hours on Sundays.

Mr. MacKay *rose*——

Mr. Kilfedder: I regard the introduction of the order as dictatorial because we are being treated differently from the rest of the United Kingdom. I shall not rehearse what has already been said, but I support the views of the Father of the House, my right hon. Friend the Member for Castle Point (Sir B. Braine), and of the two Liberal Members who spoke. The way in which the order has been introduced constitutes discrimination against the people of Northern Ireland. Late as it is, I urge the Government to let the people of Northern Ireland decide. Let them have a referendum. Or are the Government afraid that their proposals will be rejected?

This measure will increase the problems in Northern Ireland. People there resent the fact that the order cannot be amended. We can only vote for or against it, and I certainly intend to vote against it. Debate is limited to one and a half hours. That is no way to treat people in a democracy. I have heard talk about British standards, but that is nothing like the British standards to which I have been accustomed.

11.18 pm

Mr. Needham: With the leave of the House, I shall try to deal with all the points raised as quickly as I can in the 12 minutes before the debate closes.

I was distressed to hear some of the comments made by the hon. Member for North Down (Mr. Kilfedder). He called the police in aid of his cause, but I must tell him that we discussed everything in the order very carefully and closely with the police. It was clear that the existing law was neither enforced nor enforceable, so we clearly wished to ascertain the views of the police on the matter. They did not tell us that they had to deal with drunken young soldiers in the hon. Gentleman's constituency as a result of existing licensing laws in Northern Ireland. The hon. Member for North Down should be more careful in his words when he talks about young soldiers who go to Northern Ireland to risk their lives in the defeat of terrorism.

Mr. William Ross: Will the Minister give way?

Mr. Needham: No I am afraid that I do not have the time.

The hon. Member for Antrim, North (Rev. Ian Paisley) was the first of many hon. Members who questioned the way that this order has come before the House. I appreciate that the hon. Member for Antrim, North was unable to be present at the start of the debate. The hon. Member for Liverpool, Mossley Hill (Mr. Alton), was also absent but I tried to cover that matter then.

My right hon. Friend the Secretary of State has said that the Government are prepared to consider changes to legislative procedures and are anxious to consider them in the context of the wider arrangements for the government of Northern Ireland. My right hon. Friend has also said that we are willing to consider changes in arrangements to determine whether it is possible to agree ways to improve the difficulties that we perceive.

When I opened the debate I quoted the right hon. Member for Strangford (Mr. Taylor), who said that if anything showed the case for a devolved Administration in Northern Ireland it was orders as complicated and as difficult as these. I heartily agree with that. I only wish that the hon. Friends of the right hon. Member for Strangford were as clear in their views.

In the Assembly debate in 1985 the hon. Member for Antrim, North said that licensing must be looked at in the context of a pluralistic society. It is a moral issue. The Government and myself do not believe that an issue of this nature is best legislated for by controlling the large number of people who wish to be able to pursue on a Sunday what they consider to be their perfectly reasonable and harmless habit of the six other days. They cannot understand why they should not be allowed to pursue that habit on Sunday. The hon. Member for Antrim, North rightly said that people are able to get a drink in Northern Ireland on a Sunday. The problem is that those people obtain that drink outside the law. The exisiting law is not enforceable.

Too many people obtain drinks in clubs over which we would like to see much tighter control. The order that follows this order goes into great detail about such clubs. I am sure that the hon. Member for Antrim, North will welcome the next order and will recognise that it will go a long way to deal with the problems of the clubs.

Many hon. Members, including the hon. Members for Antrim, North and for Belfast, South (Rev. Martin

Smyth) mentioned the number of outlets for drink. I am sure that hon. Members are aware that when it comes to applying for a new licence for a public house in Northern Ireland an old licence must be delivered. In 1985 the number of public houses in Northern Ireland stood at 1,832 and that is 39 less than the number of public houses in 1978. The number of off-licences has increased from 200 to 250; the number of hotels has gone down from 177 to 165. I hope that the House will be pleased to learn that the number of restaurants has risen by 82 to 208. Registered clubs, with which we are concerned, have risen from 483 to 625.

The views of the people of Northern Ireland have changed since the Blackburn report of 1978. The opinion of the people of Northern Ireland is much more evenly divided, even though there is still a small majority for closing public houses on Sundays. As I said at the outset, I do not believe that, given the present circumstances, the Government can legislate on Sunday opening when any law that they try to introduce is unenforceable. The law has been unforceable because of the problem of the availability of meals.

Mr. Alton: In the constituency of my hon. Friend the Member for Ceredigion and Pembroke, North (Mr. Howells) and elsewhere in the United Kingdom it is possible to exercise a local opt-out. Why cannot that option be made available in Northern Ireland?

Mr. Needham: The hon. Gentleman was not in his place when I dealt at considerable length in my opening remarks with local referendums. We would not be dealing with a simple "Can you?" or "Can't you?". We must deal with existing law, which allows drinking in clubs and in hotels with the availability of a meal. We would be faced with having to use the genius of the entire general council of the TUC to find a question that we could put to the people of Northern Ireland. It is not a simple issue.

The hon. Member for Ceredigion and Pembroke, North (Mr. Howells) proudly represented to us that he is in a dry area. What happens to all those people in a dry area who wish to have a drink on Sunday? As the hon. Member for Newry and Armagh (Mr. Mallon) said, they drive to a wet area and return in the condition to which the hon. Member for Belfast, South referred. The hon. Member for Belfast, South did not deal especially well with the argument of the hon. Member for Newry and Armagh that people should be able to walk to their local instead of having to drive elsewhere, which raises the very issue that my right hon. Friend the Member for Castle Point (Sir B. Braine) brought to our attention about drunk driving.

Rev. Martin Smyth: The Minister has said that my argument was not valid. People will continue to travel to the seaside, whether it be Newcastle, Warrenpoint or Portrush. They will travel on a Sunday and return with drink.

Mr. Needham: We are talking about what the majority do on a Sunday when they are deprived of the opportunity of walking to their local. We are not discussing whether they will go to the seaside.

I turn to the deeply held views and the powerful arguments that were expressed by my right hon. Friend the Member for Castle Point (Sir B. Braine). As the Minister with responsibilities for health in Northern Ireland, I am concerned about the health of people in the Province and with ensuring that the proposals in this measure will not make the position worse. My hon. Friend the Member for Romsey and Waterside (Mr. Colvin) produced accurate figures about the Scottish experience, and in Northern Ireland, as in Scotland, there are fewer people drinking than hitherto, and those who drink are drinking less. The problem is that those who are at the margin and are extreme drinkers drink more, and there is a greater incidence of alcohol abuse. It is a problem that lies at the margin, and the incidence of cirrhosis of the liver in Northern Ireland is much lower than in Scotland, and lower than it is in England and Wales. We want to know why that is so.

In Northern Ireland and Scotland, alcohol consumption is concentrated in fewer days. It appears that a greater proportion of Scottish men and Ulster men than men elsewhere in the United Kingdom have at least one heavy drinking day a week, which makes the alcohol abuse problem worse. I acknowledge that there is a problem of alcohol abuse, but I do not see that opening the pubs on Sunday—other experience shows that it will not lead to increased consumption—when taken alongside what we are doing in reducing the hours during which clubs can open and reducing the time that hotels can remain open, will exacerbate the problem. There will not be a nil increase in the number of opening hours, but the increase will be half that suggested by the hon. Member for Antrim, North. I do not believe that that will lead to an increase in consumption and, therefore, an increase in alcohol abuse. We have had no representations from any doctors about this.

Rev. Ian Paisley: Will the Minister give way?

Sir Bernard Braine: Will my hon. Friend give way?

Mr. Needham: I give way to my right hon. Friend the Member for Castle Point.

Sir Bernard Braine: I mentioned earlier a letter that appeared in *The Times* on 1 July from the chairman of the Magistrates' Association, which read:

"All the evidence in this country and overseas indicates that the degree of harm resulting from inappropriate drinking is directly proportional to the total consumption in terms of absolute alcohol."

If there is an increase in opening hours either in Northern Ireland or England, overheads will increase. As a consequence, sales of alcohol will increase. All the evidence supports my view and not the suppositions that the Minister is making.

Mr. Needham: I understand what my right hon. Friend has said, but none of his points have been made to me by those who are concerned with health in Northern Ireland.

I realise that this matter is of great significance and importance to the people of Northern Ireland, and I realise how strong feelings in the House are, but the Government take the view——

It being half-past Eleven o'clock, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 14 (Exempted Business).*

The House divided: Ayes 179, Noes 22.

Division No. 17] **[11.30 pm**

AYES

Aitken, Jonathan	Arnold, Jacques *(Gravesham)*
Alexander, Richard	Arnold, Tom *(Hazel Grove)*
Allason, Rupert	Ashby, David
Amess, David	Baker, Nicholas *(Dorset N)*
Amos, Alan	Baldry, Tony
Arbuthnot, James	Banks, Robert *(Harrogate)*

Batiste, Spencer
Beaumont-Dark, Anthony
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bevan, David Gilroy
Biggs-Davison, Sir John
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bowden, A *(Brighton K'pto'n)*
Bowis, John
Brazier, Julian
Bright, Graham
Brown, Michael *(Brigg & Cl't's)*
Brown, Nicholas *(Newcastle E)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butler, Chris
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Colvin, Michael
Conway, Derek
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Dorrell, Stephen
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Fallon, Michael
Flannery, Martin
Forman, Nigel
Freeman, Roger
Garel-Jones, Tristan
Gorman, Mrs Teresa
Gower, Sir Raymond
Greenway, John *(Rydale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hind, Kenneth
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Hunt, David *(Wirral W)*
Hurd, Rt Hon Douglas
Irvine, Michael
Janman, Timothy
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McGrady, E. K.
MacKay, Andrew *(E Berkshire)*
McLoughlin, Patrick
Malins, Humfrey
Mallon, Seamus
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Maxwell-Hyslop, Robin
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Morris, M *(N'hampton S)*
Moss, Malcolm
Moynihan, Hon C.
Needham, Richard
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Page, Richard
Paice, James
Parry, Robert
Patnick, Irvine
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Raffan, Keith
Raison, Rt Hon Timothy
Redwood, John
Rhys Williams, Sir Brandon
Riddick, Graham
Ridsdale, Sir Julian
Roe, Mrs Marion
Rooker, Jeff
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Short, Clare
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Summerson, Hugo
Taylor, Ian *(Esher)*
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Viggers, Peter
Waddington, Rt Hon David
Walden, George
Waller, Gary
Warren, Kenneth
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Miss Ann
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Kenneth Carlisle and
Mr. David Maclean.

NOES

Alton, David
Beggs, Roy
Beith, A. J.
Braine, Rt Hon Sir Bernard
Carlile, Alex *(Mont'g)*
Cryer, Bob
Dixon, Don
Duffy, A. E. P.
Forsythe, Clifford *(Antrim S)*
Howells, Geraint
Hughes, Simon *(Southwark)*
Kilfedder, James
Kirkwood, Archy
McCusker, Harold
Maginnis, Ken
Meale, Alan
Molyneaux, Rt Hon James
Paisley, Rev Ian
Robinson, Peter *(Belfast E)*
Skinner, Dennis
Smith, Cyril *(Rochdale)*
Smyth, Rev Martin *(Belfast S)*

Tellers for the Noes:
Rev. William McCrea,
Mr. William Ross.

Question accordingly agreed to.

Resolved,

That the draft Licensing (Northern Ireland) Order 1987, which was laid before this House on 2nd July, be approved.

Registration of Clubs (Northern Ireland)

11.41 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Richard Needham): I beg to move,

That the draft Registration of Clubs (Northern Ireland) Order 1987, which was laid before this House on 2nd July, be approved.

This is the second and, I hope, less controversial part of the package of reforms. However, it is equally important and I am glad that this measure had the support of the Assembly when it was debated there.

The order repeals the existing Northern Ireland law contained in the Registration of Clubs (Northern Ireland) Act 1967. It deals with the registration of clubs to permit them to supply alcohol to members. It contains many new provisions to consolidate some of the existing law. Like the previous licensing order, this order has its roots in the recommendations of the Blackburn report for improving the law. The Government have accepted most of those recommendations in this order.

Blackburn identified a phenomenal growth in registered clubs compared with licensed premises in the Province. That growth has continued in recent years, as has the amount of drinking that takes place in clubs. I would like to give some figures. In 1975, there were 370 registered clubs. There are now more than 600. In 1975, they spent over £9 million on purchasing drinks for their members; in 1985, that figure had risen to £34 million.

I can be more specific. I know of one club whose members on the face of things spend about £40 each a week on drinks. That is about five bottles of scotch or 45 pints of Guinness each. Strangely — or perhaps not so strangely — its membership is now down to 66. If someone happens to be the member of a certain old age pensioners social club, his limit is a mere two bottles of scotch or 17 pints of Guinness a week.

However, the more worrying still is the scope for profiteering in some clubs by criminal and paramilitary elements. In some cases this has already happened. We must have adequate measures to combat this grave situation.

Mr. William Ross (Londonderry, East): On a point of order, Madam Deputy Speaker. The Minister has said that the people were drinking scotch all the time. Why was it not Blackbush?

Mr. Needham: Madam Deputy Speaker, I did not wish to insult the name of Blackbush in the kind of clubs to which I was referring.

There are two main prongs to the Government's strategy for dealing with these problems. The first is to make it harder for clubs to become registered and to keep their registration. There are stricter criteria on which courts can determine whether or not clubs applying for registration are bona fide. District councils will now have a say in registration procedures. In addition, the advantages that registered clubs have over pubs are largely removed by bringing such things as their drinking hours, and the law on the presence of minors and on drunkenness generally, into line with requirements for pubs. Penalties for offences are also greatly increased. The second is to make the affairs of clubs more open to detailed examination, and to limit the uses to which they apply their money. To assist in that, police powers are strengthened, particularly regarding examination of clubs' accounts and records.

Those, in broad terms, are the reasons for the order. Most clubs in Northern Ireland are respectable, well-run organisations. They have nothing to fear, and will, I hope accept the additional controls brought in by the order as necessary for the protection of the community.

Let me now quickly deal with what the order does, concentrating on the main provisions, especially those that are new or depart in some way from the 1967 Act. Part I is introductory; part II deals with the registration of clubs. Article 4 describes the general requirements for registration, and brings in schedule 1, which sets out the provisions which must be included in club rules.

Paragraph (4) provides that the court must take account of any arrangement that restricts the club's freedom to purchase alcohol. It must also have regard to any provision in the club's rules or other arrangement under which it can spend money except for its own benefit or for charitable purposes. Through that provision, and the increased police powers of investigation, the Government aim to prevent any clubs from giving financial support to paramilitaries out of club profits.

Article 6, with schedule 2, deals with the grant of registration of new clubs and the issue of a certificate of registration. Under the 1967 Act, all registration business is administered by magistrates courts. The order introduces a two-tier registration system comparable with the licensing system. The county court will now deal with the initial grant of an application for registration, and the magistrates courts will continue to deal with renewal applications. In future, a club intending to apply for a new registration must give the court notice two years in advance, and must copy the notice to the police and the appropriate district council. That provision should allow the courts to be satisfied whether such clubs can exist without having to rely on income from the supply of drink. Applicants will be required to give more information than at present.

The court will now have no discretion to accept late applications. It must also be satisfied that planning permission to use the premises as a club is in force, and that the club has been conducted in good faith as a club for two years, and not for one year as at present.

A court will be able to turn down an application if the club is used for an unlawful purpose or by persons of bad character, or is conducted so as to cause disturbance, or if any club official is not a fit person to hold office or the club has been convicted of an offence. All these provisions are aimed at stopping the undesirable clubs from being registered.

Article 8 deals with the renewal of registrations, and the renewal procedure is set out in schedule 3. The existing clubs will have to meet just as stringent requirements to have their registration renewed. Again, considerably more information will be required. Article 8 paragraphs (5) and (6) list the various grounds on which the court must or may refuse an application. There is no provision for late renewal. The court must also satisfy itself that the club is conducted in good faith as a club and not mainly for the supply of drink, and the additional information to which I have referred should be strong evidence of whether a club comes into that category.

There are several new grounds on which renewal can be refused. They relate to the conduct of the club, the nature

[Mr. Needham]

of its clientele, the fitness of a person to hold office in it and whether it has been convicted of an offence under the order.

Part III of the order provides for the hours during which clubs may supply drink. The flexibility given under the 1967 Act goes, and is replaced by the same fixed hours as for other licensed premises. The effect is that all clubs will lose four hours each week in their total permitted hours — half an hour each weekday and an hour on Sunday. Article 25 largely reflects existing law relating to police authorisations extending club hours on special occasions. The limit on 12 on the number of these allowable in a year is increased to 20, but the hours are reduced so that drink cannot be supplied after 1 am, compared with 3 am at present.

Part IV relates to the conduct of registered clubs. Article 28 provides that intoxicating liquor can only be supplied to or obtained or consumed by a member or his guest or an employee of the club. Article 30 is especially important. Some clubs are engaging in what are almost commercial enterprises, such as dinners, dances and discos or other entertainment which members of the public attend. I will not embarrass the clubs by reading out some of the advertisements which they have been putting in the papers. They go far beyond the spirit of the clubs law, and those abuses must be stopped.

Therefore, article 30 prohibits, with certain exceptions, the holding of functions in club premises which are not for the benefit of the club as a whole or controlled or run by it. Functions must relate clearly to the objects of the club and be run exclusively for members and their guests. However, charity functions or private functions for the benefit of members will be permitted. Further, under article 39, it will be an offence to advertise in the media any function to be held on a club's premises.

Articles 32 and 33 contain provisions with respect to young people. At present, no one under 18 can be employed in a club or be admitted to club membership, except in the case of a sporting club. Club rules must also contain a provision that drink must not be supplied to anyone under 18. The original intention was to mirror licensing law by excluding minors from bar areas of clubs, as the Blackburn committee recommended. Sporting clubs and the Sports Council for Northern Ireland told me that this ban would seriously harm the activities of sporting clubs and the involvement of youngsters in sport. The Government have recognised the difficulties which many sporting clubs would face, not least of which would be the major structural alterations needed to many of the premises, were the ban to go ahead. They have decided that young people will be allowed until 7 pm in the drinking area of a sporting club. It does not mean that they can be supplied with drink. Any registered club which supplies drink to someone under 18 or allows him to drink on its premises will be liable to a fine not exceeding £2,000, or to imprisonment. Also, club premises could be disqualified from being used by any registered club for up to five years.

Enforcement of the new law is all-important, and the police must have adequate powers. Therefore, article 37 contains significant changes to police rights of inspection and entry into registered clubs. These provisions demonstrate the Government's determination to strengthen the hand of the police in investigating club accounts. They have been designed in consultation with the police and should help them to investigate a club's affairs and, in particular, to establish where the money goes and whether it is putting it to proper use.

Article 38 strengthens the powers of the court to disqualify club premises when a club has been convicted of an offence under the order. Part V contains miscellaneous provisions. Article 41 deals with the accounts of registered clubs. Clubs will have to keep proper books of accounts and maintain a satisfactory system of control of accounts, cash holdings and receipts and remittances.

The remaining provisions deal with items such as proceedings against clubs, proof of consumption of liquor, appeals, amendments, transitional and savings provisions and repeals.

That concludes my outline of the main provisions of the order. As hon. Members will recognise, this is a substantial tightening of the law, but given the background which I have explained I hope that they will accept that it is a much-needed reform.

Mr. Robert Banks (Harrogate): I warmly welcome the provisions of the order, which are long overdue, and I commend my hon. Friend for bringing them forward. But the period of two years before a new club can register seems to be rather restrictive and could jeopardise the club getting off the ground. Will he justify the period of two years?

Mr. Needham: The reason for the two-year period is that the Government wish to ensure that a club which sets up in Northern Ireland does not do so for the main purpose of supplying alcohol, and that the club can exist and thrive without the supply of drink. The Government's opinion is that, if a club can set itself up with a sufficiently large membership and exist for two years without drink, drink will not be the main reason for the club's existence.

As I said earlier, we deal with particular difficulties in the enforcement of club registration law in Northern Ireland and we are determined to crack down and to eliminate the disreputable club. I am reassured by the fact that almost all the letters which we have received from the public at the consultation stage have strongly supported the Government's proposals. I know that some clubs are concerned that the new controls will work unfairly against them, but I am sure that hon. Members will recognise that it is just not possible to have one law for the good and another for the bad. I believe that the new laws are vital and that they will go a long way toward the two main objectives of curbing the growth of drinking clubs and cutting off an important source of paramilitary funds from a minority of clubs.

I remind hon. Members that this order is the other half of our overall package of reform. I hope that the House will accept that, together with the licensing order, it represents a sensible codification of the law which provides a new and improved structure covering both licensing hours and the relationship between licensed clubs and licensed premises. I commend the order to the House.

11.56 pm

Mr. Kevin McNamara (Kingston upon Hull, North): On behalf of the Opposition, I welcome the spirit of the order's contents. It is perhaps not as controversial as the licensing order, but in many ways it is much more

important. It does much to deal with one of the major scourges of Northern Ireland — the financing of paramilitaries on both sides by illicit drinking, often of stolen liquor. It enables the police to control that drinking and those activities and to prevent those funds from getting into the hands of paramilitaries. Therefore, it is of the utmost importance.

However, some problems arising from the measure must be carefully considered. Many social and sporting clubs depend on profits from the sale of liquor to maintain some of their services to their members. From the way in which the order was presented to the House—perhaps this was done unwittingly by the Under-Secretary of State —one could gain the impression that what in many clubs in the United Kingdom would be regarded as legitimate sources of revenue to facilitate the purposes of, for example, a sporting club might be lost while a club awaited registration.

The powers given to the police in article 37 are very wide, both with and without warrant. Those powers, if used in an oppressive or harassing manner, could be seen to be resting unfairly on particular bodies in the community. Therefore, those powers must be applied with sensitivity and finesse, so that this order is not seen as providing an increased police power to harass people otherwise going about their lawful business. Legitimate and respectable clubs might suddenly become flashpoints if a heavyhanded policeman went in there. Neither the Secretary of State, the Government nor the Opposition would like that to happen. We want the police to have these powers, but we want them to be used sensibly and with great sensitivity.

Equally, that applies to the power which is given to local authority, which is one of the groups to which an application must be made. A local authority may object to the creation of a particular club. One club may be denied permission because there is within the locality another club which belongs to another tradition and group of people. It would be wrong if the location of one club were used to prevent the creation of a second one dealing with other people and traditions. They are some of the problems.

The other problem that worries me arises from the nature of many clubs — the legitimate ones and the respectable ones. They are run by eminently respectable and law-abiding people, but some of the provisions in the order, for proper reason, demand greater knowledge, accountability and observance of the law by ordinary citizens. In some ways, that could weigh heavily upon respectable people who conduct voluntary organisations. The Government could be seen to be over-bureaucratic in the way in which they deal with them.

Again, I trust that, in the operation of the rules, the police will look on such matters with flexibility. We are not seeking to catch the person who perhaps makes an error, does not get his papers in on time or does not always produce his account directly on the dot. The main purpose behind the proposals that we welcome is to catch the evildoer, get rid of the shebeens in east Belfast and in west Belfast, and get rid of the people who supply funds for paramilitaries. That is the main purpose of the order. If we can achieve that and, at the same time, enable ordinary people in Northern Ireland to carry out their business and social activities without fearing the contents of the order, we welcome it.

12 midnight

Rev. William McCrea (Mid-Ulster): I am sorry that I did not catch the Chair's eye during the previous debate. As the Minister said, many matters in this debate relate to the previouss debate. There is one reason why my colleagues and I must divide the House. Although we accept some of the recommendations, the House must appreciate that we are witnessing a sham. We had a one and a half hour debate, but not one word against the legislation mattered one iota. The Order in Council and the manner in which debates are carried on and legislation is passed will ensure that any hon. Member who opposes Government legislation for Northern Ireland may present a rational argument that the Government may accept as rational. Yet not one comma in the legislation will be changed. It will be passed. The Government will make sure that there are enough hon. Members to pass through the Division Lobby to vote for it. What we witnessed during the previous debate proves that the House does not care what the people of Northern Ireland want or what they have to say.

It is interesting that, in this debate, the Government are quick to quote statistics and tell us about the letters that they have received supporting their attitudes. But they dismiss letters concerning Sunday opening. They are irrelevant — they do not matter — because they are against the Government and their way of thinking in regard to this legislation.

No one can say that drink-related problems in Northern Ireland are a joke. Drunkenness in any part of the kingdom cannot be treated as a joke. Under-age drinking and alcohol-related illnesses cannot be treated as a joke. There are social problems. Many parts of Northern Ireland suffer from poverty. One must accept that the cause of much poverty can be traced to alcohol. Family funds are spent on the consumption of alcohol, and children are left to go without. Such matters should not be treated in a light-hearted manner.

The voting power of the Government is being used in such a way that, whether or not the people of Northern Ireland want this change, it will be made. That is no way, in a democracy, to treat the people of the Province. They are not children. They have minds of their own; and if they want to be different from the rest of the nation in matters such as these, why not permit them that difference?

I shall not detain the House for long, because nothing I say—any more than what my hon. Friends said in the previous debate—will have any effect when we vote on this issue soon, and the Minister, like most hon. Members in the House tonight, hopes that it will take only a few minutes to get yet another piece of legislation concerning Northern Ireland out of the way.

Rev. Ian Paisley (Antrim, North): But the problems will not be out of the way.

Rev. William McCrea: My hon. Friend is right. The problems related to this legislation will not be dismissed as easily as the legislation is being passed. I warn the House that the way in which the people of Northern Ireland are being treated proves that, no matter what an Ulsterman wants, an Englishman thinks he knows better.

The Government seem to have got themselves on the hobby-horse of sabbath-bashing. Having dealt with the Sunday opening of shops, we now have Sunday drinking. Such legislation will not bring prosperity to Northern

[Rev. William McCrea]

Ireland. Peace, reconciliation and stability are, we are told, the Government's aim. What they are doing tonight will help none of those objectives, and let it not be forgotten that many Opposition Members are supporting the Government tonight.

In opposing this order, my hon. Friends and I are registering our abhorrence of the way in which the Government are legislating for the Province. God speed the day when Ulstermen and Ulsterwomen can once again legislate for Northern Ireland and right the great wrong that is being done tonight.

12.9 am

Mr. William Ross (Londonderry, East): By an accident of the business of the House, the previous order took not an hour and a half but two hours and three minutes. But as has happened in the past, all the words that were spoken did not make one jot of difference to the outcome of the vote. I have no doubt that the outcome of the debate on the order that is now before us will be the same.

It was interesting that in the last debate—on the first half of the legislation before the House — something happened that has happened time and time again over the years. The Minister said, in reply to points that were put to him by hon. Members, that he did not have the answers then, but that he would reply when he came to wind up. However, if my memory serves me correctly, he did not answer those points. No doubt he will write in the fulness of time to the hon. Gentlemen in question—in two or three months—giving them the answers to the queries that they made publicly in the House. When the hon. Gentlemen receive their answers, no doubt they will be delighted to receive them. The point that troubles me, as it should trouble all hon. Members, is that that information, which should be available to all hon. Members and the public, will be available only to the hon. Members concerned. It will be entirely up to them whether to publish; whereas all hon. Members who took part in the debate would be interested to hear the Minister's reply. That is a little thing that highlights the shortcomings in the procedure that we are following this evening, and which we have followed now for 15 years too long.

This evening I have listened to the Minister and other hon. Members quoting from the work of the late Northern Ireland Assembly. That Assembly was able to debate these issues, but as it lacked the ability to put its own views on Northern Ireland legislation into action, it was left in a position in which the Government, under the procedures that are being followed this evening, could accept or reject anything that it desired.

The only way in which to overcome the difficulties that I have touched on so briefly this evening is to bring in Bills, to pass them through the House in the proper manner so as to hear what the various factions in the House have to say about them, to put down amendments for all to see and to discuss them, either in Committee of the whole House and or in Standing Committee. In that way, those who sometimes treat what hon. Members from Northern Ireland have to say about the society in which they live —and the legislation that affects it—rather lightly would have a clearer and deeper understanding of the ills that we are trying to cure, the fears that we have, and the cures that we would propose, which I believe would be far wiser than many of those that are so cheerfully passed through the House by hon. Members who are not even here for the debate.

I also noticed that the Minister took umbrage, when winding up the last debate, at what the hon. Member for North Down (Mr. Kilfedder) said about young soldiers. The Minister will know, of course, that North Down is a seaside resort that attracts large numbers of young people, who occasionally become unruly in pubs, or when coming out of them. That would apply whether they were in uniform or out of it, whether they were soldiers or members of other security forces, or whether they were just young fellows out for an evening. However, the Minister did not say who had rendered the legislation that we have just replaced unworkable. Who rendered it unworkable? Who is responsible for the build-up in the drinking clubs of Northern Ireland, to the extent that they have competed on such unfair terms with the traditional pub owners there? Why were we not given the answer to that question? It was because the Government do not want hon. Members to hear the truth, which is that it was the activities of the paramilitaries and the drinking shebeens that are run principally in Belfast and, at various times, throughout other parts of Northern Ireland, which led to the enormous increase in the consumption of alcohol right across the Province and, inevitably, to these changes in the law. If hon. Members on the Minister's own side of the House had had that put clearly before them, as they should have had, they might not have been willing to support him so blithely.

The hon. Member for Newry and Armagh (Mr. Mallon) talked about knocking on the pub door. I live close to a village but I do not go to pubs. However, that is a personal preference. I remember being told when I tasted whiskey for the first time that I would get to like it. I figured that if it was that hard to get to like I would not bother with it, and I am glad that I did not. The hon. Gentleman talked about knocking on the pub door and about the thrill that one got when one was in getting a drink. He said that stolen fruit was sweet.

When Mr. Speaker was being elected for this Parliament the hon. Member for Antrim, North (Rev. Ian Paisley) drew attention to the danger of making partial biblical quotations. I think that the hon. Member for Newry and Armagh was referring to a section from Proverbs. Perhaps he should look at the end of the passage about forbidden fruit. If he does that, perhaps he will not be so happy with the quotation that he gave. It is a passage that I recall very clearly because I read it many years ago.

I do not have the same objection to the content of this order as I had to the content of the last one. My objection is to the principle of legislating for Northern Ireland in such a way that we cannot have the in-depth, detailed examination that is needed to enable us to give an explanation to other hon. Members about the attitude that we adopt to these matters. If these things were presented as Bills, the hon. Member for Newry and Armagh and I might find a common meeting place occasionally. We might not have found that in the first order but we might have found it in this one.

Rev. William McCrea: Earlier in the debate the Minister said that the previous legislation could not be easily policed. Perhaps the hon. Member for Londonderry,

East (Mr. Ross) would like to hear the Minister tell us how this legislation will be policed. It is also complex legislation.

Mr. Ross: This debate may not run the full one and a half hours and the Minister may have more than the 12 minutes that were allotted to him because of speakers over-running during the debate on the last order. No doubt if he has an hour or so he will be able to give us a detailed explanation about how the legislation will work in practice. Perhaps he will also give way when he makes one of his frequent mistakes. If that happens those few hon. Members who are here will have a clearer understanding of the complexities of the legislation that is before us.

I was speaking about my objection in principle to the whole procedure that is followed in Northern Ireland legislation. The evident annoyance of many hon. Members who support the Government, never mind the hon. Members who support the Opposition, is clear to all who take part in these debates and to those who stand at the Doors of the Lobbies. I hope that as the months and years of this Parliament roll away and as we have several of these orders being debated for an hour and a half at a time, that annoyance will increase until, to adapt another biblical quotation, even the unjust judge will bow to the reasonable request by Northern Ireland Members to produce legislation by Bill so that we can have the detailed scrutiny that all legislation passing through the House deserves.

12.18 am

Mr. Seamus Mallon (Newry and Armagh): When I spoke earlier I was remiss in not extending a welcome to the hon. Member for Kingston upon Hull, North (Mr. McNamara) in his new post. We look forward to working with him and to his success.

In general, I welcome this legislation, and for one reason in addition to the reasons that I gave before. It ends the unfair competition between clubs and public houses and in addition it allows people to get to grips with the situation in which paramilitary groups are running clubs in the North of Ireland in order to further their own causes. I woonder how many young men — whether nationalist or unionist — would not be in prison, or, indeed, dead, had these places not existed. For that reason alone, this must be a good piece of legislation and in general terms, I support it. I support the provision concerning the bring-a-bottle clubs, which seem to be unique to the North of Ireland; I have never heard of them anywhere else. Those clubs were a nonsense, and I am delighted that the legislation will deal with them. Those who operate such clubs do not have staff to pay and they have no overheads or responsibilities. The arrangements made no sense from any point of view.

There are dangers inherent in the order. Like the hon. Member for Kingston upon Hull, North, I have reservations about the sweeping powers that it gives a constable. Under the order, a constable of 18 years of age can, on his own initiative, demand to see not only the structural plans of a club but its membership list and its books. There is something wrong there. That decision should be made at a more senior level—for example, by a superintendent. It is a serious decision which could have great ramifications in terms of the law and would put a tremendous onus on the club. If that decision has to be taken, it should be taken by a senior police officer so that it has the full weight of his seniority behind it. Then it could not be misinterpreted, as might be the case were the decision made by a young police constable.

I also have reservations about the role of district councils in relation to applications and the registering of clubs. We need some clarification on that. What are the checks and balances? Knowing the prejudices that exist in the North of Ireland, can the House imagine the kind of attitudes that might be displayed by, for example, Craigavon council, which has already cost its ratepayers £500,000 by refusing to act fairly towards St. Peter's club in Lurgan? Twice in the courts the council has been found guilty of that; it is a matter of court record. What checks and balances will protect clubs or personal licensees applying for a licence under the order from being subjected to such prejudice? That requires some explanation, because it is potentially a dangerous state of affairs.

I have reservations about the two-year rule as well. In some circumstances it might well prevent a bona fide club from developing its facilities properly. I am thinking especially of golf clubs and sporting clubs whose overheads on equipment are very high. The two-year rule could create problems for them.

I am puzzled, too, by the distinction between a sporting club and a social club. I simply cannot get to grips with it. Paragraph 22(*c*) does not make the distinction and the legislation becomes even more ambiguous when it goes on to define the position of young people. The Minister has clarified it to some extent by saying that young people under the age of 18 could be in the drinking section of the club until 8 o'clock. However, if that young person happens to be playing at Muirfield—and many of those playing at Muirfield this week are under the age of 18—does that mean that he cannot go on to the premises to eat once he has finished his round?

That is the kind of situation that could arise. Football matches in summer may not end until 10 pm. Will some members of the team be able to go into the club for a meal afterwards while others may not? As the Minister knows, golf competitions often do not end until 9 pm or 10 pm. Is it suggested that people under the age of 18 should not take part or that if one of them wins a major trophy he cannot go into the club to receive it? That kind of ambiguity requires clarification.

I repeat that I support the order on the grounds that it sets out to create equality between the public house and the club and it gives the Government power to deal with illegal drinking clubs supporting paramilitary groupings, but I have reservations about the way in which it will be operated. Some Members from the North of Ireland may be surprised to know that I agree with them that there should be a system allowing far more scrutiny and a proposal for change. I suggest that one way for them to achieve that would be to involve themselves in the search for legislative devolution—then we could blame nobody here.

12.26 am

Rev. Ian Paisley (Antrim, North): I should welcome the statement of the hon. Member for Newry and Armagh (Mr. Mallon) if he would join other Members of the House in wanting legislation to be dealt with in this House in the proper manner, but I have heard no protest whatever from him about it. He raises a whole series of matters that he does not like but then says that he intends to vote for the order. The hon. Gentleman's speech conclusively proves

[Rev. Ian Paisley]

what unionists have been saying for years. To hear the Liberals, who are no longer present, one would think that they first carried the banner to have legislation for Northern Ireland done in a proper way, but how many times have unionist Members stood up and insisted that Northern Ireland should be treated like any other part of the United Kingdom?

As the unionist spokesman, I welcomed the hon. Member for Kingston upon Hull, North (Mr. McNamara) to the Opposition Front Bench today. I had to get in before the SDLP, but I am glad that the hon. Member for Newry and Armagh came under conviction outside and returned to apologise. I am glad that we showed him the way, but he well knows——

Mr. Mallon: Will the hon. Gentleman give way?

Rev. Ian Paisley: There is plenty of time. There will be time in this debate for a great reply from the Minister. He will have time to answer the whole debate without having to do any writing. I shall not talk for too long as I want to give him plenty of time.

The hon. Member for Newry and Armagh knows that unionists have stood up not only in this Parliament, but in the last Parliament and in those which preceded it, and argued that this is no way to do legislation. The hon. Gentleman has made our case today in saying that the Minister should clarify so many points. But what use are the Minister's clarifications? They do not alter anything.

Mr. Mallon *rose——*

Rev. Ian Paisley: The hon. Gentleman should possess his soul with patience. He may not know the end of the matter. When he gets his nightcap in a certain place he should go to the Book of Proverbs and begin with chapter 1. He will come to the part about how the stolen fruits are sweet and he will learn about the matter that was in the fertile mind of the hon. Member for Londonderry, East (Mr. Ross). I am sure that that will provide the hon. Member for Newry and Armagh with a most edifying thought on which to sleep and I am sure that he will not have nightmares.

Mr. Mallon: Will the hon. Gentleman give way?

Rev. Ian Paisley: I will give way in a minute or two.

If there was a devolved Government in Northern Ireland and if the majority in that Assembly voted for legislation that the hon. Member for Newry and Armagh did not like he would boycott the Assembly. He would knock at the door of the Government and say, "Please let me in." The hon. Gentleman has advocated the joy of law breaking.

I do not understand how the Minister will police this legislation. He knows perfectly well that he cannot do so. To take the example given by the hon. Member for Newry and Armagh, a boy of 18 may win a trophy, but he will not be allowed inside the door of a club for the presentation. Who will police this legislation? It will not be policed. Everybody knows that this legislation is meaningless in its practicable application.

Mr. Mallon: I am grateful to the hon. Gentleman for giving way at last. I took the opportunity — a fairly unique one — of taking part in the deliberations of a Standing Committee that dealt with a Northern Ireland Bill. It was a valuable experience because it gave an insight into the thinking of people within this House.

I believe that there is something hypocritical about people adopting a quasi-integrationist position and demanding such legislative approach while, at the same time, portraying themselves as devolutionists. They cannot have it both ways. In effect, they are putting a foot in both camps. If they made up their minds about whether they were integrationists or devolutionists, this House might more easily come to a decision about how to deal with legislation for Northern Ireland.

Rev. Ian Paisley: The hon. Gentleman——

Mr. Deputy Speaker (Sir Paul Dean): Order. I would like to hear a little more about the registration of clubs.

Rev. Ian Paisley: The club that the hon. Member for Newry and Armagh would wish to register with is the united Ireland integration club. He does not want the people of the United Kingdom to legislate properly for the whole of the United Kingdom.

At present, there is no devolved government in Northern Ireland. We have the farce of the Intergovernmental Conference, supported by the hon. Member for Newry and Armagh. He makes his representations to Dublin Ministers and Dublin Ministers make representations of his views to the Ministers on the Front Bench. That illustrates what the hon. Gentleman thinks about devolution.

We are totally opposed to any form of devolution that is not based on proper, democratic British principles. The hon. Member for Newry and Armagh was elected to the Assembly in Northern Ireland and then took the deliberate step of becoming a senator in the Irish Republic to get himself out of that Assembly. That is what he thought about legislation for Northern Ireland.

I do not wish to run foul of you, Mr. Deputy Speaker, and I know that you want me to speak to this order. The Minister got away with saying that this order is the second half of the first order and that both halves go together. However, one point has been missed by the House. If we had been given proper legislation, it would have been impossible for the Minister to get this order before the House. With the general election, all that went before it would have fallen and we would be starting again. Ministers love Orders in Council because they can be introduced regardless of general elections. I searched the Order Paper to discover what orders were coming before us, and suddenly the orders that we have discussed this evening seemed to jump from nowhere. It was only a few hours before business questions last Thursday that we were told by the Government Whips, "Perhaps they will be brought before the House next week. That is just a word in your ear."

Perhaps there are good reasons for some "generosity" to be extended to Northern Ireland Members. Perhaps it was generous to alert us in the way that I have described. If that is the Government Whips' generosity, I do not know what their charity would be.

Mr. David Harris (St. Ives): That is how they treat Conservative Back Benchers.

Rev. Ian Paisley: If that is the way that the hon. Gentleman allows himself to be treated, I am prepared to enter into an intergrationist compact with him to fight

such treatment to show that Ulster people will help the English in their battle against the Patronage Secretary, but I do not want to fall out with the right hon. Gentleman.

Many provisions in the measure that is before us are good and I am not condemning it out of hand, but it cannot be policed. I shall be interested to know how the Minister intends to police it and how the police have told him that they can police it. A serious measure is before the House and if it could be implemented it would be helpful, but I do not believe that that is possible. The Minister has told us that he could not provide the necessary policing to keep the pubs closed on Sundays, and it would be far easier to keep the pubs closed than to implement the intricate legislation that is now before us. The hon. Member for Newry and Armagh knows that, and some of his colleagues know it even more that he does.

Many of us are aware of the problems that come from drinking and the Minister must answer our questions fully and take up the issues raised by the hon. Member for Newry and Armagh. The Minister congratulated the hon. Gentleman on his previous speech, so let him provide all the clarification that the hon. Gentleman sought. I shall listen with great interest to what the Minister says.

The Minister knows that he cannot do more than provide the dots and the commas. Even if he makes statements tonight, they will be worthless in a court of law, and the Minister knows it. He is smiling because he has all the winners in his hand. He can laugh at us while the order is accepted by the House.

This legislation will not sleep away the problems. It is extremely difficult for the best ordered drinking club or bar to keep persons under 18 years of age outside the doors. Is the management to ask for birth certificates? How is it to be done? The answer is that it is almost an impossibility to keep young persons under 18 from these premises. We in Northern Ireland will reap what the House decides to do during what could be two one-and-a-half-hour debates. We shall reap the broken homes, the broken hearts, the broken families and the broken lives. The problems are already with us, but they will increase as a result of the decisions of the House.

12.39 am

Mr. Needham: As the hon. Member for Antrim, North (Rev. Ian Paisley) moved down the Bench towards me I wondered, before he resumed his place, how close to me he would finally arrive. I congratulate the hon. Member for Newry and Armagh (Mr. Mallon) on some of his remarks this evening and so I congratulate the hon. Member for Antrim, North on some of his. I agreed with some of the things that the hon. Member for Antrim, North said about the previous measure.

The hon. Members for Kingston upon Hull, North (Mr. McNamara) and for Newry and Armagh (Mr. Mallon) spoke about the two-year difficulty. I have considered the matter long and hard. It will be more difficult for clubs to show that they can survive for two years without the benefits of the profits from drink, but the basis of the legislation is the need to show that a club can exist in good faith for purposes other than the supply of liquor.

It is therefore absolutely right that there should be a gestation period in which clubs can thrive without relying on profits from selling drink to achieve reasonable membership. We make no apology for that. We have taken this course of action because we have problems with clubs and their objectives in Northern Ireland.

The hon. Member for Newry and Armagh asked about the difference between a social and a sporting club and said that he did not see the distinction laid out clearly in the order. He did not see the distinction laid out because it is not there. A club has to show that it exists in good faith for social, sporting or purposes other than for purely the supply of intoxicating liquor. Social intercourse is such a reason.

The hon. Member for Kingston upon Hull, North asked about the breadth of police powers and mentioned his concern about the possibility of a heavy-handed constable. I accept the necessity of the police administering the order properly and sensibly. In England and Wales, rights of entry without a warrant to inspect a club which has applied for registration are similar to those in Northern Ireland. The circumstances in which a constable can enter under the powers of a search warrant are also similar except that, in England and Wales, a constable needs a search warrant to obtain evidence that grounds exist for cancellation of a club's registration. In Northern Ireland, a constable would be able to enter club premises without a warrant in those circumstances. In Scotland, I understand that there is no statutory right given to the police to enter and inspect the premises of a club which is applying for registration, although that can happen in practice.

The hon. Member for Newry and Armagh spoke of the possible age of a constable and his experience. The phrase "a contable" is defined in the Interpretation Act (Northern Ireland) 1954 and means any member of the Royal Ulster Constabulary or reserve constable. A young constable at present has powers to arrest people for far more serious crimes than are likely to arise out of his seeing whether a club is operating illegally. I agree that the order will have to be policed sensibly, and I am sure that the police are aware of that.

The hon. Member for Mid-Ulster (Rev. William McCrea) spoke of the sham way in which the order is proceding through the House. I have already stated the Government's position on that matter. I assure the hon. Gentleman that I take no great pleasure in having to bring forward Orders in Council as a result of the direct rule legislation, which does not allow for proper and full debate of these issues. I would welcome an opportunity to see the hon. Member for Mid-Ulster about that. Since last October, I have asked him to discuss this matter but, for reasons which I fully understand, he has declined my seductive invitation, which does not make amending legislation any easier. The Northern Ireland committee could be set up to discuss these matters, but it has not been operating. All I can say this evening is that I hope that we shall all find the discussions that may be about to take place will prove to be a more satisfactory way of conducting our affairs.

Rev. Ian Paisley: Surely the Minister must admit that it is for this House and the usual channels to take up these points about how we should work for Northern Ireland with the various parties. The Government should be prepared to meet us. We have heard representations from the Liberal party and from the various unionists in this House. Other hon. Members sitting behind the Minister have expressed the same view. Surely the Minister should

[Rev. Ian Paisley]

be interested, not in talks with him, but in talks with the usual channels to find out whether the House wants to proceed in this way.

Mr. Needham: It may well be a matter for the House, and the usual channels will no doubt be fully involved. They always are in such matters. I have replied to several debates on such measures and I concede that there could be better ways to proceed, one of which might be through a devolved Administration in Northern Ireland to tackle these issues, as we said in our manifesto.

The hon. Member for Londonderry, East (Mr. Ross) pointed out that in the 12 minutes available to me in the preceding debate I was unable to answer all the points raised and that no doubt in many months time some joyful letters would arrive in the post which would not be publicised throughout the Province. That is not unique to debates of this sort. He will know as well as I do that in many debates reply speeches must be curtailed for one reason or another and that when it is impossible for Ministers to answer all the points involved, letters are sent. This Order in Council is no different in that respect.

The hon. Gentleman asked who made the legislation unworkable. It became unworkable because the Licensing Act (Northern Ireland) 1971 and the previous order were flawed as public opinion altered and the legislation was not in tune with what the public was prepared to accept. The Registration of Clubs Act (Northern Ireland) 1967 did not have the teeth to control the clubs which is why we have this order.

The hon. Members for Antrim, North and for Newry and Armagh asked about the policing of the order. Once again, in the preparation of the order we asked the police for their advice on what they felt they could enforce. We have stiffened the penalties considerably, so that if clubs do not take account of the rules in the order, they will face stiff penalties. To return to the point of the hon. Member for Newry and Armagh, if a young man wins a prize after 7 pm and goes into a club, providing he goes into a part of the club which does not have a bar he can be presented with the prize. If he goes into a part which has a bar and is presented with the prize, the club is in breach of the criminal law. I do not share the hon. Gentlemans' view that in those circumstances the police will refuse to act. It is a clear breach of the criminal law and police would have to act. We have no evidence to believe that that would not be the case.

Mr. Mallon: The Minister has quite a number of points to deal with. I am sure that he would not want to overlook the point that I raised in relation to the checks and balances concerning the role of district councils. I would not like to think that he would overlook that.

Mr. Needham: I apologise to the hon. Gentleman. The point about district councils is that they have right to object to the registration of a club as laid down in the order. However, the objection must be placed before the court. It is for the court—and in the initial stage of the registration, for the county court—to decide whether the objections have validity on the grounds laid down in the order. I suggest that it is perfectly fair and right to ask district councils their opinion of what is happening in their localities.

Of course the court will determine and it will clearly have the evidence of the club if the club claims that it is being penalised or objected to by a district council purely on the grounds that it comes from the other tradition. In those circumstances, the court will make the determination and the district council has no power other than to put before the court any objection laid down in the order. However, the court must decide. Indeed, one of the reasons for the introduction of the order is to ensure that the county court will make the initial determination.

I hope that I have been able to allay hon. Members' fears. The district council will rightly be involved. Beyond that, it will be for the court to determine.

Mr. Mallon: Surely one of the specified points is that the district council will have a role to play in deciding whether the person who submits the application is a fit person to hold a licence. It is difficult to see how such an objective decision could be made in a district council where there are so many varied interests and attitudes.

Mr. Needham: The hon. Gentleman is wrong. One of the grounds on which a court can determine not to register or renew a club's registration is that it is being run by unfit people. If a district council or a member of the public—and it was argued in the Blackburn report that members of the public did not simply roll off the street to make such objections—put forward a view that someone was unfit to run a club for some reason, or if that objection was made by a member of the police, it is up to the court to determine the matter. The determination will be made by the court, not by the district council.

I hope at this early hour of the morning that I have answered as many questions as possible without needing to have recourse to letter writing. I want to conclude by stating that I believe that the order—and I was glad that the hon. Member for Mid-Ulster at least appeared to agree with the contents of the order—is sensible. It will deal strongly with the small number of disreputable clubs which must be dealt with. The order this evening signals a very bad day for those clubs. I am sure that the people of Ulster have suffered enough from the paramilitaries of one sort or another and the whole House should welcome and support the order.

Question put:—

The House divided: Ayes 134, Noes 8.

Division No. 18] **[12.55**

AYES

Alexander, Richard	Colvin, Michael
Amess, David	Conway, Derek
Arbuthnot, James	Coombs, Simon *(Swindon)*
Arnold, Jacques *(Gravesham)*	Couchman, James
Ashby, David	Dixon, Don
Baker, Nicholas *(Dorset N)*	Dorrell, Stephen
Baldry, Tony	Durant, Tony
Bennett, Nicholas *(Pembroke)*	Evans, David *(Welwyn Hatf'd)*
Bevan, David Gilroy	Flannery, Martin
Boscawen, Hon Robert	Foster, Derek
Boswell, Tim	Garel-Jones, Tristan
Bottomley, Peter	Gorman, Mrs Teresa
Bowis, John	Greenway, John *(Rydale)*
Brazier, Julian	Gregory, Conal
Brown, Michael *(Brigg & Cl't's)*	Griffiths, Peter *(Portsmouth N)*
Brown, Nicholas *(Newcastle E)*	Ground, Patrick
Browne, John *(Winchester)*	Gummer, Rt Hon John Selwyn
Bruce, Ian *(Dorset South)*	Hamilton, Neil *(Tatton)*
Buck, Sir Antony	Hargreaves, A. *(B'ham H'll Gr')*
Burns, Simon	Hargreaves, Ken *(Hyndburn)*
Butler, Chris	Harris, David
Carlisle, John, *(Luton N)*	Hayes, Jerry
Carlisle, Kenneth *(Lincoln)*	Heddle, John
Carrington, Matthew	Hicks, Mrs Maureen *(Wolv' NE)*

Holt, Richard
Hunt, David *(Wirral W)*
Irvine, Michael
Janman, Timothy
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Kirkhope, Timothy
Knapman, Roger
Knowles, Michael
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Loyden, Eddie
Lyell, Sir Nicholas
McGrady, E. K.
Maclean, David
McLoughlin, Patrick
McNamara, Kevin
Malins, Humfrey
Mallon, Seamus
Mans, Keith
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maxwell-Hyslop, Robin
Meale, Alan
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moonie, Dr Lewis
Moss, Malcolm
Needham, Richard
Nellist, Dave
Neubert, Michael
Nicholson, David *(Taunton)*
Nicholson, Miss E. *(Devon W)*
Paice, James
Patnick, Irvine
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Prescott, John
Raffan, Keith
Redwood, John
Rhys Williams, Sir Brandon
Riddick, Graham
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, Ian *(Esher)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Tredinnick, David
Twinn, Dr Ian
Viggers, Peter
Waddington, Rt Hon David
Waller, Gary
Warren, Kenneth
Watts, John
Wheeler, John
Widdecombe, Miss Ann
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Alan Howarth.

NOES

Beggs, Roy
Forsythe, Clifford *(Antrim S)*
Kilfedder, James
Maginnis, Ken
Molyneaux, Rt Hon James
Paisley, Rev Ian
Robinson, Peter *(Belfast E)*
Smyth, Rev Martin *(Belfast S)*

Tellers for the Noes:
Mr. William Ross and
Rev. William McCrea.

Question accordingly agreed to.

Resolved,

That the draft Registration of Clubs (Northern Ireland) Order 1987, which was laid before this House on 2nd July, be approved.

HOUSE OF COMMONS MEMBERS' FUND

Ordered,

That Sir Geoffrey Finsberg, Sir Peter Hordern, Mr. Geraint Howells, Mr. Alfred Morris, Mr. Gordon Oakes and Sir Gerard Vaughan be appointed Managing Trustees of the House of Commons Members' Fund in pursuance of section 2 of the House of Commons Members' Fund Act 1939.—[*Mr. David Hunt.*]

PARLIAMENTARY CONTRIBUTORY PENSION FUND

Ordered,

That Sir Geoffrey Finsberg, Mr. Ted Garrett, Sir Peter Hordern, Mr. Geraint Howells, Mr. Alfred Morris, Mr. Gordon Oakes, Sir John Stradling Thomas and Sir Gerard Vaughan be appointed Managing Trustees of the Parliamentary Contributory Pension Fund in pursuance of section 1 of the Parliamentary and Other Pensions Act 1987. —[*Mr. David Hunt.*]

Urban Renewal (Birmingham)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

1.4 am

Mr. Jeff Rooker (Birmingham, Perry Barr): This Adjournment debate is about the lack of urban renewal in three small parts of the Handsworth ward in my constituency. I congratulate the hon. Member for Broxbourne (Mrs. Roe) on her appointment as Minister. I think that this is her third Adjournment debate in a few short days.

I shall deal first with the easy point—the London housing action area based on part of Aston lane. The area consists of 246 dwellings for which a scheme of enveloping is proposed in respect of only 163 dwellings. The tenure mix, about which the Minister will be interested; is owner-occupation, 52 per cent.; private landlords, 21 per cent.; local authority, 19·4 per cent.; and the housing association, 6·6 per cent.

The London housing action area is one of seven schemes currently submitted by Birmingham city council to the regional office of the Department of the Environment. The Minister will know by now, I think—if she does not, she will soon—that, under the terms of enveloping circular 26/84, the Department of the Environment is given 30 working days to approve such schemes. In reality, only schemes that will be approved are submitted. By yesterday, a decision on the London housing action area was outstanding by 77 working days, having been submitted as far back as 16 March. It was planned that work on that small area would go out to tender on 1 July. I understand that it has now been put off until about October. Notwithstanding the great concern caused to my constituents living in the area, such a delay means that contracts cannot start on time, forcing Birmingham city council to underspend on its housing investment programme, thus creating further cash flow problems. Of course, at the end of the year, the council gets the blame for the delay and the underspend. That is grossly unfair.

As the scheme is an agreed scheme—if it is not, I hope that the Minister says so—my constituents in Aston lane and Railway, London and North roads want to know why there has been a delay in the regional office of the Department of the Environment in deciding whether the enveloping scheme should go ahead. They want to know what is holding up the London housing action area work. So far as they know, there is no technical problem. They are unhappy, annoyed and unsure because of the rumours that are associated with a delay of this kind.

That is the easy point. Unlike the London housing action area, Charles and Turville—both named, as they normally are, after a local road—are proposed housing action areas. They are larger than the London one, the Charles area consisting of 447 dwellings and the Turville area of about 250. They happen to adjoin and together there are about 700 dwellings.

At present, those proposed housing action areas are an island of unhappiness for my constituents in respect of their housing. It is an island of unhappiness in the Handsworth ward in Birmingham. My constituents feel left behind, as they see the effects of all the urban renewal in nearby roads. I shall name just two. People see work done on the other side of Putney road and on the other end of Westminster road. But, by and large, their homes are falling apart. They point out at public meetings that most people who are well housed tend to complain about the renewal parts of their area, such as about getting the grass verges cut, the trees planted and the dog mess cleaned up, but the people of Charles and Turville are mainly concerned about the roofs on their homes. They are concerned about the struggle for the work that is needed to keep the very fabric of their homes in good order—enveloping. At recent meetings, I promised them that, if I was successful in the ballot, I would raise the matter in the House of Commons.

The two housing action areas, as I hope the Minister has discovered, are special cases. I do not say that they are ordinary areas like London. Indeed, they have been treated as special cases by Birmingham city council's urban renewal team—a team of first-rate people that has led the way in urban renewal in this country. Many cities in this country have followed the experiments that have begun in Birmingham. The two areas are special cases basically because of the variation in dwelling size and the special mix of tenures. Indeed, those two reasons have caused 700 dwellings to be left behind for so long in the urban renewal programme. If it were easy to deal with long rows of terraced houses, virtually all the same size, they would have been done a long time ago, as indeed nearby roads have been done. Because of the tenure mix and the size of the dwellings, they have been left and chopped off the end of the programme year after year.

A detailed survey is required before an enveloping scheme can take place. One has been completed for Charles but not for Turville. The Charles area survey was completed in July 1986. The problem relates partly to the tenure mix. In Charles, the tenure mix is: owner-occupation 57 per cent.; private landlords 9·6 per cent.; local authority 4·3 per cent.; and housing associations 38·9 per cent. We are talking about 447 dwellings. Only 27 per cent. are classed as satisfactory. It will not be easy to conduct an enveloping scheme because of the size of the dwellings and their tenure. However, it is the considered professional judgment of the Birmingham housing urban renewal team, which invented enveloping, that enveloping provides the best option. The problem is that the Minister does not like the plan and the reginal office will not approve it. Like all good things that were invented in Birmingham, enveloping has been ruined by Whitehall. It could not resist writing a circular about enveloping. The minute the circular was written, the concept of enveloping was killed stone dead. The same thing happened with half-and-half shared housing ownership.

In the heads of households count in the Charles area, 45 per cent. are unemployed, and 45 per cent. are on supplementary benefit. The majority—68 per cent.—are euphemistically classed as ethnic minorities. Old-age pensioners comprise 18 per cent. of the count.

The neglect that has been caused in the small area of Handsworth by delaying the decision—which amounts to a flat refusal by the Minister—is causing the area to deteriorate fast. The city council housing department cannot now let its own dwellings in the area without great difficulty. Basically, only homeless families will accept dwellings in the area. For one of the major housing associations in the area, the average tenancy turnover is three months. Many large houses in the area are being

converted into flats by housing associations. That got so bad that the city council has put a block on that type of policy. There is now some reconversion to family housing.

There are advantages and disadvantages in such a policy. On the one hand, the housing association brings about renewal and more homes are created — housing associations get the same subsidy for a flat as they do for a house. On the other hand, flats definitely mean a more transient population and can dislodge community spirit. That is not a criticism of housing associations. Indeed, the financial structure is such that that is bound to happen in an area in which there are many large houses and where there is a shortage of local authority capital funds. Because local authorities lack funds, the housing associations move in at their request, and larger houses are ripe for such development. The tragic result is that public investment by housing associations in their refurbishment programmes is wasted if other properties in an area — mainly the owner-occupied sector—are not to be dealt with.

I invite the Minister during the summer recess to visit St. Peter's road, Rodhut road, Crompton road and Churchill road, where she will see almost derelict homes alongside homes that have been refurbished following flat conversion programmes. She will see pepper-potting at its worst. It is crazy and it does not make any economic sense.

For some reason, the regional office of the Department of the Environment disagrees that enveloping is the required option for the area. On the evidence of my experience in the city of Birmingham, I back the view of the professional Birmingham urban renewal staff against the regional office, which seems to be running rather a vendetta against the city of Birmingham.

I corresponded briefly on this issue just prior to the election with the former Minister for Housing. The new Minister will have seen his letter to me of 14 May in which he pointed to the difficulty of too many housing association dwellings. He also said, unfairly in my view, that the blame lay partly with Birmingham city council because it had not sent any housing action area declaration documents to the Department. Of course it had not. As I said about the London situation, the only documents and applications sent in were those for which approval had been organised in negotiations with city council officials and regional civil servants. The system will not work in any other way.

If a housing action area made a submission and it was rejected, it would require to be redefined geographically, and that would put the programme back at least a couple of years. How could a little pocket of 700 dwellings — two housing action areas, an island, as it were, in the middle of Handsworth — be redefined geographically when all the areas around it had been dealt with by way of enveloping schemes? There would be no practical way of redefining it, so that is not an option for the regional office or the city council.

The detailed study of Charles was completed a year ago. My constituents in the Charles and Turville proposed housing action areas have suffered considerably because the area of Handsworth in which they live — the vast majority of them live there from choice; they like living in the inner city, where there is a vibrancy of life that is missing from the outer suburbs — is mixed by size of dwellings and ownership. It is the very tenure mix that Ministers, and I as Labour party spokesman on this subject for some years, have sought to promote. Yet that mix is being held against the sort of enveloping scheme that has been proposed.

Ministers, not Birmingham, wrote the enveloping circular. Department of the Environment officials do not make themselves available at public meetings, both before and after proposals are submitted for urban renewal. That sort of consultation is left to the city council's urban renewal teams. Those teams also take the blame, and in this situation it is unfair that they should bear that blame. That is why I decided to raise this matter on the Adjournment. I want to stop the buck-passing.

I appreciate that a difficulty exists and I do not deny that there is a special case. Certainly we do not want to create another special case, since there is only this island of two small proposed action areas in this part of Handsworth, although others may exist in other parts of Birmingham. I am speaking tonight only for my constituents. Others can speak for the rest of the city, though I appreciate that the Minister must take a more strategic view of the position.

My constituents have every right to feel frustrated, annoyed and angry. They are not receiving full information about who is making the decisions and the basis on which those decisions are made. One of those decisions represents the rejection of the proposed action areas, with Birmingham not yet having been able to submit the relevant documents. If they were submitted, it is known that they would be rejected. For that reason I hope the Minister will answer the questions I have asked tonight.

1.20 am

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): I thank the hon. Member for Birmingham, Perry Barr (Mr. Rooker) for his kind remarks on my appointment. I am grateful to him for this early opportunity to speak on a subject that I know is dear to his heart and one that is right at the top of the Government's agenda—housing in the inner cities.

The hon. Gentleman has rightly drawn the attention of the House to the housing conditions in the Charles, Turville and London areas in the north of Birmingham, and to the strong wishes of the residents in those areas that those conditions should be improved. I shall deal later with these specific areas and explain how improvements to the housing stock may be achieved. I think, however, that that needs to be viewed in the context of the many housing and inner-area initiatives which have been instigated or supported by this Government since 1979. Many of them have benefited inner-city authorities, and Birmingham is no exception.

The hon. Member has, for example, mentioned enveloping and has rightly pointed out the many benefits of that technique. For those hon. Members who may not be completely familiar with the term, enveloping is a technique pioneered in Birmingham that secures the wholesale improvement of the external fabric and frontages of private housing that is old and has fallen into disrepair. Work is carried out by the council, with the consent of the owners and at no cost to them. It involves the replacement or repair or roofs, chinmeys, guttering, windows and doors; and work to external walls and curtilages. Whole terraces or blocks of houses are dealt with at a time. Indeed, during the course of the work, the

[Mrs. Marion Roe]

whole street takes on a quite extraordinary appearance —the houses are shrouded in scaffolding, to emerge a few weeks later in something like pristine condition.

The point that I would make about enveloping is that, whilst Birmingham undoubtedly pioneered the technique, the Government have consistently provided the council with backing and financial resources. In the early days when enveloping was in the experimental stage, Government funding was provided under the urban programme through the Birmingham inner-city partnership. In 1982, when the scheme had been evaluated and had been found to have proved itself, we acted to incorporate enveloping as an important component of mainstream policy for the improvement of private sector housing. As a result, housing authorities throughout the country that wish to adopt enveloping as a means of securing the improvement of private sector stock in housing action areas may do so, and may apply to the Department for Exchequer subsidy to cover 75 per cent. of eligible costs. One hundred and thirteen such schemes have now been approved, 38 of them in Birmingham.

More substantial in cash terms has been the urban programme itself. Birmingham has benefited to the tune of approximately £160 million under the programme since 1979. Handsworth has been a priority from the start and has received urban programme funding in the order of nearly £30 million. Apart from enveloping, Birmingham urban programme has supported many innovative and exciting housing projects and many of these have been directed towards privately owned housing in the inner areas. Recently, for example, the Department has approved a pilot project of security works to houses in the Westminster road area, some of which are in the proposed Turville housing action area; and the Broughton road local labour project in Handsworth has involved the collaboration of Government Departments with the city council and Tarmac in an extraordinary housing improvement scheme designed to provide training and employment, and housing for inner-city residents. The scheme, which involves enveloping and other internal and external improvements, will provide about 100 units of accommodation, and will create 40 local jobs and 24 additional places for local trainees. The overall cost of the scheme is approximately £1·6 million, of which the DOE will fund about £1 million covering house refurbishment costs.

Mr. Rooker: I should make it absolutely clear that Broughton road is not in Handsworth ward and is not in the Perry Barr constituency. It would be quite irrelevant for me to go back to people in Charles and Turville and tell them to look at what is happening in Broughton road in the Ladywood constituency.

Mrs. Roe: I shall come to the points raised by the hon. Gentleman. I said that I would come to them, but it is fair to put into context the Birmingham scene as a whole.

However, there is more to helping inner-city residents with repair and improvement than total resources allocated to housing. In November the Government announced that they would meet half the costs of a new £6 million scheme to help poorer home owners identify and secure repairs and improvements. Fifty new agency service schemes are to be established in partnership with Neighbourhood Revitalisation Services and Care and Repair Ltd. I expect a number of these to be in the inner cities, but this is not an initiative exclusive to them. They will provide a total service, if one is needed, including advice on what work needs to be done, what builder to use, how to finance the work and how to ensure that it is done properly. We believe that this important initiative will not only help to target better the standard local authority grants towards those who need them most, but will also succeed in attracting other sources of finance. We shall be monitoring the initiative closely to assess its success in meeting these objectives.

I shall now return to the particular points raised by the hon. Gentleman in relation to the proposed Charles and Turville housing action areas and the London housing action area in north Birmingham. I will deal with London first. Birmingham declared this a housing action area on 17 November with a view to improving the area through a variety of means in a concerted plan of action over five years. This would include enveloping, internal and environmental improvements, traffic management and clearance of substantial numbers of unfit houses. Although the area contains a high proportion of local authority and housing association dwellings—about 26 per cent. — we decided in the circumstances that the housing action area should be allowed to stand. Birmingham was notified of this and, on 16 March, the council submitted an enveloping scheme for 120 dwellings at a total cost of £906,780, or £7,557 per dwelling. We had been awaiting from Birmingham clarification of the cost of works to the curtilages to some of the houses. That information has just been received, and we shall so be in a position to issue a decision very soon.

Enveloping schemes are only considered within the 30 working days set down in the enveloping circular and when they meet all the criteria. The majority of Birmingham's proposals and the schemes currently with the Department are outside the criteria on a number of counts, and it is considered that in its enveloping applications Birmingham has not fully justified these schemes being approved at the level of subsidy applied for.

The position with Charles and Turville is slightly different in the sense that the city council has not yet declared the areas as housing action areas. Last year Birmingham informally approached the Department with a view to declaring both areas housing action areas in order to carry out enveloping. It was felt that this approach was not really appropriate and that Birmingham should consider an alternative strategy to secure the improvement of these areas. Housing action areas are intended to deal with the improvement of private sector housing and both Charles and Turville contain a high proportion of local authority and housing association property for which there are other more appropriate sources of funding such as, for example, housing association grants. In addition, the dispersed nature of the private sector properties would probably have led to ineffective enveloping proposals. Accordingly, the Department wrote to the city council suggesting that it should rethink its strategy for these areas. We have seen no further proposals from Birmingham to date, but the Department is willing to discuss a range of options with the city council if it so wishes. They might include, for example, the declaration of smaller areas as housing action areas or general improvement areas, individual improvement grants, limited block repair schemes, and the selective employment of agency services to encourage

effective take-up of grant or loan facilities. I must emphasise, however, that the decision whether or not to declare a housing action area, and over what area, is for the city council to take. The Secretary of State does, of course, have the last word on declarations, even if he chooses to exercise his right to intervene very occasionally.

Mr. Rooker *rose*——

Mrs. Roe: I shall be happy to follow up further points in a letter, but I want to conclude my remarks and answer the questions that the hon. Gentleman has asked.

I do not underestimate the difficulties that the council faces or the size of the problems to be tackled. It is worth remembering, however, that enveloping represents a substantial public investment in private housing. Birmingham's schemes approved so far have cost over £50 million at an average cost per dwelling of over £8,000. By any acount that is a substantial commitment of public subsidy to the individual owners. That is why each scheme needs careful scrutiny. The House would not wish it to be otherwise. Schemes must be cost effective and represent good value for money. I make no apology, therefore, for this level of scrutiny, or the care with which we examine the council's future proposals. Although the residents of Charles, Turville and London have made plain their desire to have their houses and areas improved — and I understand and respect those wishes—as taxpayers, like all of us, they would I am sure be equally concerned that the Government should spend public money wisely and carefully.

Earlier, I mentioned some examples of the work that is being undertaken by the Government to improve housing in the inner areas of Birmingham and elsewhere. As to the future, we intend to strengthen local authorities' ability to direct resources at the areas of worst housing need. The Government's Green Paper on home improvement, published in May 1985, proposed that a single form of statutory designated area should replace the present housing action areas and general improvement areas. We intend to legislate, as part of the general reform of the improvement grant system, to give more freedom to local authorities to designate renewal areas. Both renovation and redevelopment will feature, depending upon a full appraisal of the different options available.

We also intend to tackle some of the shortcomings of enveloping. At present, this is carried out in housing action areas only under environmental works powers. We shall build upon the lessons learnt over the past years in using these powers, and introduce new powers of group repair which will enable local authorities everywhere to carry out the renovation of blocks of poor quality housing. Provided that schemes meet certain basic criteria as to stock condition and tenure, authorities will be free to exercise such powers without requiring the specific approval of the Secretary of State. This will greatly strengthen Birmingham's and other local authorities' ability to tackle serious disrepair in the private sector in co-operation with owners, occupiers and financial institutions.

In order to make progress, I suggest that the hon. Gentleman should encourage Birmingham city council to submit to the Department of the Environment regional office fresh proposals on the Charles and Turville areas as soon as possible so that they can be scrutinised without delay.

Mr. Rooker: Is there a minimum size of housing action area? I have seen a housing action area in the north which consisted of only about 15 houses in a terrace. Would that kind of thing be acceptable?

The motion having been made after Ten o'clock on Tuesday evening, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty-six minutes to Two o'clock.

House of Commons

Wednesday 15 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

UNIVERSITY COLLEGE LONDON BILL *[Lords]*

Order for Second Reading read.

To be read a Second time tomorrow.

WESTERN ISLES ISLANDS COUNCIL (VATERSAY CAUSEWAY) ORDER CONFIRMATION BILL

Considered; to be read the Third time.

Oral Answers to Questions

ENVIRONMENT

Water Authorities (Privatisation)

1. **Mr. Caborn** asked the Secretary of State for the Environment what discussions he has had with the European Commission in respect of privatisation of the English and Welsh water authorities.

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): My Department has had discussions and has corresponded with the Commission at different times about water privatisation.

Mr. Caborn: I thank the Minister for that non-reply. Will the Department take notice of counsel's opinion sought by the Commission at the back end of last year on the last privatisation proposal, when great concern was shown about the competent authority that was to be in control? From that, it was clearly shown that the privatisation proposals could well put at risk people in the United Kingdom. It would be very ironic if we were brought before the European Court of Justice — as possibly we might — on this question as well as about our beaches and polluted rivers.

Mr. Moynihan: The new proposals for the National Rivers Authority mean that the NRA will be the competent authority for various EEC directives. That means that the new body will remain a public body. I hope that there will be no further problems such as those experienced last year.

Mr. Key: I congratulate my hon. Friend on his appearance at the Dispatch Box. I remind him that in March 1986 the Department produced a paper on water and sewerage law. Do the Government intend to introduce water abstraction licensing before, during or after privatisation? I should be most grateful if my hon. Friend will let the House know the answer to that at the earliest possible opportunity.

Mr. Moynihan: I think that I shall be able to help my hon. Friend tomorrow. I regret that I am unable to pre-empt the publication of the document, which we hope will be tomorrow. That point will be fully assessed in that document. There will then be time during the summer for full representations to be made and for consultations to take place.

Mr. Win Griffiths: Has the Minister investigated the possibility of legal proceedings being instituted against the privatised water authorities if they fail to comply with EEC directive 76/160 on those beaches which have been designated as such? Is it true that water authorities are already being taken to the European Court of Justice for failing to comply with that directive?

Mr. Moynihan: Discussions sponsored by the Commission produced recommendations for improvements in bathing waters. We have responded to that bathing water directive, and currently some £70 million is being spent each year by the water authorities on improvement programmes.

Mr. Boyes: Does the Minister recall that I wrote on 22 December last year to the then Minister, the hon. Member for Oxford, West and Abingdon (Mr. Patten), about a difference of opinion between Commissioner Stanley Clinton Davis and the Minister about competent authorities? Why have I not had a reply to that letter despite six months of repeated requests and written questions, especially when the Government have spent more than £1·5 million on advisers about water privatisation? Taking that waste of public money into consideration, is it not an outrage that the Minister cannot write a letter back to me?

Mr. Moynihan: The hon. Gentleman will be aware that the Government were unable to reply to his letter while they were considering their position. Now that we have the NRA as the competent authority, I can assure the hon. Gentleman that he will be receiving a reply first thing tomorrow morning.

Rating Reform

2. **Mr. Doran** asked the Secretary of State for the Environment what consideration he has given to the details of the implementation of the proposed community charge in England and Wales.

5. **Mr. Latham** asked the Secretary of State for the Environment whether he will make a statement on the details of the proposed community charge.

The Secretary of State for the Environment (Mr. Nicholas Ridley): Considerable thought has been given to the operation and implementation of the community charge. Following the consultative paper, detailed proposals were placed in the Library on 15 December 1986.

Mr. Doran: The Government recognised during the passage of the Abolition of Domestic Rates etc. (Scotland) Bill that the phasing in of the charge would lead to considerably increased costs. Now that the Minister has announced that he intends to phase in the charge in England, will he advise us what extra assistance he proposes to give to the English and Welsh local authorities?

Mr. Ridley: No decision has been taken on transitional arrangements in England. The position is as stated in the Green Paper. When the Government have come to a conclusion about the details of the transitional arrangements, a statement will be made.

Mr. Latham: As there is no easy or universally popular way of raising billions of pounds for local services, does my right hon. Friend accept that we must at last implement our election promise, grasp the nettle of rates reform and get on with it straight away?

Mr. Ridley: Yes, Sir. I can assure my hon. Friend that a Bill will be brought before the House. If the House would like to sit through August and September, we could probably deal with it then. It might be kinder to bring the Bill back before the House when it returns after the summer recess.

Mr. Simon Hughes: Did not the Cabinet Committee, under the Prime Minister, decide yesterday to change the Government's policy and to phase in the implementation of the poll tax? Is that not a change to the original idea as it was to apply in Scotland, England and Wales? Does it not show that the Government themselves are as divided as their Back Benchers and that it would be better to make a U-turn now and give up the idea of a poll tax?

Mr. Ridley: I admit that I have an advantage over the hon. Gentleman, in that I was at yesterday's meeting and he was not. His problem is not to be solved by reading press reports of the meeting. I advise the hon. Gentleman to read the reports in *The Times* and *The Daily Telegraph*, which he will find are mutually contradictory. Perhaps the best approach is to wait until the Government make an announcement. I repeat that the Government's proposals for England and Wales were set out in the Green Paper that was published about 18 months ago. When the Government have completed their consideration of the detail of the transitional arrangements on the basis of the Green Paper, we shall tell the world.

Mr. Charles Morrison: Now that my right hon. Friend and the Government appear to have decided that the impact of the poll tax will be so serious that its introduction has to be phased, will he give further consideration to the possibility of including within his proposals that account be taken of the ability to pay?

Mr. Ridley: I beg my hon. Friend to await details. The details for Scotland, where there will be a safety net, are well known. We have not yet come to a final decision on the arrangements for England and Wales. They might be different, because arrangements and problems in the three countries are different. I can give my hon. Friend the assurance that we will take account of ability to pay by the system of rebates and the uprating of benefits, with a taper, between 100 and 20 per cent. for those who will be required to pay who are on low incomes.

Mr. Blunkett: Will the Secretary of State say which of the two press reports to which he has referred is correct? Did either of them take into account Cabinet discussion on the amount of money that will have to be found to administer the rating system and the poll tax at the same time, and whether local government will be remunerated in a way that will take account of the chaos that will ensue, especially in the implementation and administration of housing benefits?

Mr. Ridley: I do not think that the hon. Gentleman can hold me responsible for confirming or denying reports in newspapers. I merely point to the contradictory nature of various reports that I saw. I repeat to him that when the Government have come to a conclusion about the transitional arrangements they will make clear what those arrangements are. The point that the hon. Gentleman raised about the cost of administration will arise at that time, not now.

Mr. Robert G. Hughes: When my right hon. Friend considers the details of his proposals, will he also consider the effects on home owners of paying rates based on the capital value of their homes, as proposed by Labour Members during the general election, and how much more that proposal, if implemented, would cost people?

Mr. Ridley: My hon. Friend is absolutely right. A movement to capital values would be extremely damaging for those who are now paying far more than their fair share of the bills for local government. However, he was slightly wrong in one respect. The Labour party fought the district elections on 7 May on a movement to capital values and briefed its candidates that that was party policy, but when we came to the general election, Labour Members changed their minds. The Leader of the Opposition changed the plans on about Wobbly Thursday, when he was obviously the one who was wobbling most.

Dr. Cunningham: Does the right hon. Gentleman recall saying that he wanted to introduce the poll tax in one go? Are not the implications of phasing that, for several years, poll tax and rates will be levied on every household simultaneously, and that each household will thus receive several bills each year? Is it not also the case that the right hon. Gentleman is now proposing a different system for Scotland from that proposed for England and Wales? How can he shrug off the impact of all this bureaucracy on the 7·1 million families receiving housing benefit, and the millions of others receiving other benefits related to housing costs? Finally, how can the Government describe their proposals as simpler, more efficient, fairer and easier to understand than the rates? Is not what the right hon. Gentleman is proposing an absolute bureacratic nightmare?

Mr. Ridley: It is my pleasant duty to congratulate the hon. Gentleman on retaining his seat on the Front Bench, and on dealing with his subject. My team on the Government Front Bench are more than usually delighted that we have him there, because he always asks too many questions, and they are usually pretty silly ones—as on this occasion.

I have never, to my knowledge, said that the community charge will be introduced in one go. Arrangements for local authority financial support in Scotland, Wales and England are very different. I understand that the percentage paid from the Exchequer in England is 46·4, in Scotland 55·5——

Mr. Dewar: It is 56·1 per cent.

Mr. Ridley: I take the hon. Gentleman's correction. It has gone up. It is going up all the time.

In Wales, the figure is over 60 per cent. That shows how different the arrangements are. There is nothing wrong with that. My hon. Friends can demonstrate the way in which their constituents have accepted and understood the

community charge by the votes that they received at the last election. Those people are very much more able to understand it than is the hon. Member for Copeland (Dr. Cunningham), which is why we again welcome him back to his position.

Development Corporations

3. **Mr. Alton** asked the Secretary of State for the Environment what information he has as to the proportion of the employees of contractors working for each of the London Docklands and Merseyside Development Corporations that live *(a)* in the development corporation area, *(b)* in one of the boroughs that partly fall within the development corporation area and *(c)* in the local travel-to-work area.

The Parliamentary Under-Secretary of State for the Environment (Mr. David Trippier): The information is not held in the form requested. However 85 per cent. of the Merseyside Development Corporation's contracts were let to local firms in 1986-87. I think it reasonable to assume that these local firms employ mainly local people.

Mr. Alton: Notwithstanding the unsatisfactory nature of that reply, does the Minister accept that the positive proposals that have been made by his right hon. and learned Friend the Chancellor of the Duchy of Lancaster should not have been thwarted by his Department, that guidelines should be developed to ensure that local labour is used for inner-city regeneration plans, otherwise not only will local democracy be bypassed but local needs and the local communities will be bypassed? Just as the initiatives of his right hon. Friend the Member for Henley (Mr. Heseltine) failed after the riots in 1982, does the Minister not accept that his proposals may seem largely irrelevant and will end up as window dressing?

Mr. Trippier: It is not a question of my right hon. and learned Friend the Chancellor of the Duchy of Lancaster being thwarted by any individual or Government Department. It is simply that the European Community directives make it clear that to ensure equal conditions of competition for public works it is not permitted to introduce contractual processes that promote the employment prospects of the residents of inner cities.

Mr. John Marshall: Does my hon. Friend agree that the London Docklands Development Corporation has been a major success story in revitalising that part of London? Will he remind the House of the number of jobs and homes that have been created there since the LDDC was formed?

Mr. Trippier: My hon. Friend is absolutely right. The LDDC has been a huge success, though much of its work still remains to be done. It will become even more successful. As for employment prospects, to date 10,000 jobs have been created.

Mr. Heffer: Is the hon. Gentleman saying that the Government are prepared to put EEC directives in front of the interests of the people of the inner city of Liverpool and of those who live in other inner-city areas? If the Government are really serious about dealing with the inner cities, they must be concerned about creating employment for the people who live in them, including areas such as Liverpool 8, Liverpool 6 and Liverpool 5, where large numbers of young people who require work are out of work. If the Government are serious about it, why do they not say to the EEC, as the Prime Minister has said to it on other occasions, that our interests are more important than those of the EEC?

Mr. Trippier: There is a dichotomy in the hon. Gentleman's proposal and the stance adopted by the hon. Member for Sheffield, Brightside (Mr. Blunkett) in his substantive supplementary question to No. 1 on the Order Paper. We cannot have it both ways. Both the Department of the Environment and other Government Departments are anxious to encourage the use of local labour, but the hon. Gentleman is aware, more than most, of the difficulties that can be experienced through lack of skill shortages in the construction industry. The hon. Gentleman is an expert in that area. It is as clear to me as it will be to him that it might be extremely difficult to provide the necessary skills within a certain area to match the vacancies to which he refers. That problem can be resolved only through the Manpower Services Commission and the Construction Industry Training Board. Through those two bodies, we are taking steps to put that right.

Mr. John Mark Taylor: Does my hon. Friend agree that it is a sad reflection on modern local government that part of the reason for the success of the London docklands scheme was that it was able to bypass local government?

Mr. Trippier: That is undoubtedly true. If we were to examine carefully what would have happened if the LDDC had not been created for London docklands, we should find that the significant success that was referred to in earlier questions could not have been achieved.

Mr. Fraser: Despite more than £150 million of public money having been spent on London docklands, unemployment there has risen, no ordinary local person is able to afford to buy a house there, no homes are available to rent and the homeless on the edge of docklands are being evicted by the Liberal council in Tower Hamlets. It is no good the Minister blaming Brussels for his failure. The fault lies with the Government, who have confused development opportunities for land with development opportunities for people. It is about time that they had an inner-city development strategy that helped people, not property developers.

Mr. Trippier: The hon. Gentleman knows well that there is an affordable homes policy within the London docklands area which I should have thought he would pursue. I should love to hear him say to the people who are living in those affordable homes what he has just said to us, because I think that his comment was an insult to them. It must also be made clear that the urban development corporation created those affordable homes and that 45 per cent. of all occupiers of new homes on LDDC sites come from the areas to which the hon. Gentleman referred.

Low-cost Rented Housing

4. **Mr. Hunter** asked the Secretary of State for the Environment what measures he proposes to take to increase the availability of specifically low-cost rented housing, public and private.

The Minister for Housing and Planning (Mr. William Waldegrave): We are aiming to increase the overall supply of rented housing, some of which will be available to those

on lower incomes. In addition, we are giving local authorities new powers to grant-aid private rented housing and enabling housing associations to combine public and private finance.

Mr. Hunter: Will my hon. Friend comment on the proposition that in many parts of the country there is a dire social need for more low-cost rented housing and that although the Government's initiative on reactivating the private sector is welcome, unless there is an appreciable Treasury input low-cost rented housing will not become available?

Mr. Waldegrave: One of the most hopeful developments is the application of private money to meet the needs of housing associations. However, I remind my hon. Friend that the other side of supply is getting the houses built. If we oppose the building of all housing in high pressure areas, we may be in some difficulty.

Mr. Rees: Will the Minister talk to his right hon. and learned Friend who is responsible for the inner cities and who, to his credit, visited the centre of Leeds and south Leeds last week? If he does, he will find that the Leeds, South council has done an excellent job over the years. However, the particular problem that we face, and about which I should like to get something done, is that we have had to knock down some flats that were built only 20 years ago. We shall also have to knock down some duo slab and other housing—*[Interruption.]*——

Mr. Speaker: Order.

Mr. Rees: If I had wanted to make a political point I should have said that they were built under Conservative control. It is no good telling us about increasing the amount of low-cost housing, because we need to replace the housing that has been knocked down. Will the Minister do something to help us to do that?

Mr. Waldegrave: Several interesting schemes are coming forward in Leeds at the moment, for example, the Hillcrest scheme. The council is willing to consider bringing in private sector money and is talking to housing associations and so forth. Such schemes are interesting and we shall do our best to carry them forward.

Mr. Heddle: I applaud the manifesto commitment to encourage responsible private sector capital to build new houses for rent, but does my hon. Friend not agree that hundreds of thousands of houses that are in the ownership and management of local authorities are empty at the moment and that they should be brought into beneficial use forthwith?

Mr. Waldegrave: I agree strongly with my hon. Friend. Indeed, that sentiment has been expressed many times by Ministers speaking at the Dispatch Box. I am sure my hon. Friend will agree that it is, and must be, part of that purpose to bring back into use large numbers of empty houses in the private sector. That is the purpose of our proposals for freeing the rented sector.

Mr. Rooker: I should like to agree with the first part of the Minister's first answer, in that the housing that needs to be built for low rent in high-pressure areas must be supported by hon. Members from all parties, which has not been the case in the past.

I should also like to point out to the Minister that we are not really talking about low-cost housing, which results in the exact examples that were given by my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees). By definition, low rent housing implies a subsidy. How much subsidy will be available to provide well-built housing that will last, at rents that people can afford?

Mr. Waldegrave: The hon. Gentleman is right to make the distinction between cost and price. Some of the cheaply built houses of the past—built under both Labour and Conservative Administrations—have been a catastrophic part of our inheritance. I think the hon. Gentleman will agree that it would be a major achievement if we could apply some of the large resources that are available in the City to housing associations for building low-cost housing. I believe that we are not far apart on the importance of that.

Mr. Hill: I agree with my hon. Friend completely about the housing programme, but is he aware that it means much more money will have to be poured into the Housing Corporation, which will assist the housing associations to take over this sector? Will not my hon. Friend eventually have to face the fact that a complete review of the Rent Acts, stretching back to the 1950s, is about due?

Mr. Waldegrave: On the second point, we shall introduce radical proposals on new lets to try to bring back into use existing private housing stock which is empty, and to get new-build private housing for rent. On the first point, my hon. Friend is pessimistic. If we can reorganise the way in which finance for the Housing Corporation is categorised in the national accounts, we will not necessarily have to add to public expenditure, provided that there is real private sector participation.

Lead Plumbing

6. **Mr. Tony Lloyd** asked the Secretary of State for the Environmnt if he will estimate the number of homes in England and Wales with lead plumbing, and the percentage of the total this represents.

Mr. Moynihan: About 9 million properties in England are believed to have lead pipes, and that is about 50 per cent. of the total housing stock. For the figures for Wales, I refer the hon. Gentleman to the reply given to the hon. Member for Caerphilly (Mr. Davies) on 1 July by my hon. Friend the Under-Secretary of State for Wales.

Mr. Lloyd: Does the Minister understand that, even on his figures, in excess of 10 million people are receiving doses of lead seven times as high as the maximum permitted standard under EC regulations? When my hon. Friend the Member for Caerphilly (Mr. Davies) raised this important issue and said that lead was unsafe at every level and was a threat to both mental and physical health, the Minister accused my hon. Friend of scaremongering. Is the Minister going to tell me that I am scaremongering, or will he say instead that the Government at last recognise the real need to fund an adequate replacement programme which will see an end to lead piping throughout England and Wales?

Mr. Moynihan: I do believe that the hon. Gentleman is scaremongering. The Government commitment is that any area where the lead concentrations exceed 100 microgrammes per litre must be tackled. For that reason, one of the most substantial programmes to reduce those

lead levels is in action, with a target date of December 1989 for the completion of the main programme of remedial action at the top of the priority list.

Mr. Tony Banks: Is the Minister aware that my African grey parrot almost died recently from lead poisoning due to the ingestion of lead from the water supply in Newham? Will he tell the House what this programme will comprise? In view of the dangers to people's health from the ingestion of lead through the water supply system, will he make sufficient funds available to the water authorities, particularly to the Thames water authority and the London borough of Newham, so that all lead piping can be stripped from homes that at present get their water through such pipes?

Mr. Moynihan: The hon. Gentleman will know that there are two ways to tackle the problem. First, his parrot will be delighted to know that the water undertakers are at present embarked on a pH adjustment of the water in his area and are dosing it with orthophosphate. Secondly, it is the hon. Gentleman's responsibility to handle the problem of lead pipes in his home. He will undoubtedly be pleased to hear that 25,000 grants have been given under the Housing Acts to assist people to tackle that problem in their properties.

Mr. Andrew Bowden: Is my hon. Friend aware that many of my constituents live in properties with lead pipes, as I do? I welcome his intention to have a programme to deal with this. Will he accept a serious point, which is that the greatest danger is when the water has been in the pipes overnight? Does he agree that it is important to let a lot of water run off first thing in the morning before using water?

Mr. Moynihan: I think that public education programmes of that sort would be extremely useful for my hon. Friend's constituents.

Sporting Events (Drugs)

7. **Mr. Gareth Wardell** asked the Secretary of State for the Environment what resources are to be made available to ensure that adequate drug testing is available at British-hosted sports events.

Mr. Moynihan: The Sports Council, which is responsible for funding the drug-testing regime, has allocated £350,000 in the 1987-88 budget for its doping control programme. In addition, the Sports Council for Northern Ireland has allocated £6,000, the Scottish Sports Council £18,000 and the Sports Council for Wales £39,000.

Mr. Wardell: As sport is seen as an important way of counteracting the use of drugs in our society, and as commercial sponsorship does not seem to be attracted to the funding of this activity, is the Minister absolutely satisfied that sufficient resources are now available for the programme?

Mr. Moynihan: The hon. Gentleman will know that this is a matter of great concern to the Government. That is why, only last week, a two-month review was set up, with Mr. Sebastian Coe assisting. One of the most important matters that will be examined in the review will, of course, be the resources required to implement effective drug control testing throughout the country and throughout sporting activities.

Mr. Harry Greenway: Will my hon. Friend comment on the position of the medical profession in relation to drugs in sport and tell us how he thinks athletes should react to advice from doctors?

Mr. Moynihan: Every governing body should have an appropriate code of conduct and a full set of guidelines and procedures on the drugs which enhance performance in its sport. The medical profession must be fully involved in drawing that up and, indeed, be responsible for the implementation of the policy among competitors.

Mr. Denis Howell: May I welcome the Minister to his new responsibilities and wish him well on behalf of British sport? As the Sports Council has held a two-year inquiry into these matters, and as the Minister has just told the House that that body is to spend £350,000 on drug investigation, why has he found it necessary to announce a new initiative involving himself and Mr. Coe? Does he intend to supplant or to augment the work of the Sports Council, and what will be the relationship between Sir Arthur Gold's Sports Council Committee and his initiative?

Mr. Moynihan: I thank the right hon. Gentleman for his initial comments. The work of the inquiry is to augment the outstanding work undertaken by Sir Arthur Gold and the drug abuse advisory group. However, some important matters that needed to be examined lie outside the remit of the Sports Council — for example, trafficking in anabolic steroids.

Rating Reform

8. **Mr. Ingram** asked the Secretary of State for the Environment what is his estimate of the cost of collection of the proposed poll tax compared with the present cost of collecting rates.

15. **Mr. Redmond** asked the Secretary of State for the Environment what are his estimates of the percentage cost of collecting a poll tax.

The Minister for Local Government (Mr. Michael Howard): Our preliminary estimate is that the cost per person liable of collecting the community charge may be broadly similar to the cost per person liable of collecting domestic rates.

Mr. Ingram: I understood that the Minister had said that it would cost twice as much to collect the community charge as it does to collect rates under the present system, so I am rather surprised at his answer. However, the Minister is the one who is really responsible for his Department and he therefore gave the right answer to the press — even the Labour press — on this occasion. What proportion of the cost of raising the community charge will be attributable to those who are not on the register through evasion or because the register has been incompletely or incorrectly compiled?

Mr. Howard: The answer to the hon. Gentleman's mystification is that almost twice as many people will pay the community charge as now pay domestic rates. I cannot apportion the cost as the hon. Gentleman suggests, because at the moment we have only very preliminary estimates available.

Mr. Redmond: Does the Minister agree that it is silly to talk about the two systems running side by side, given that

his right hon. Friend the Secretary of State has estimated that the community charge will cost twice as much to administer? What would be percentage increase in costs if the two systems were to be run side by side?

Mr. Howard: That, too, is a question that cannot possibly be answered at this stage. As my right hon. Friend has said, no final decision has yet been made on that.

Mr. Raison: Does my hon. and learned Friend accept that it would be perfectly possible for the Government to go ahead with their proposals regarding a unified business rate and rate support grant, while at the same time looking for an alternative way of raising the balance of local government spending that is more equitable and more cost-effective than the present proposals?

Mr. Howard: No such alternative has yet been advanced.

Mr. Squire: Has my hon. and learned Friend yet had the opportunity to discuss with local councils the Government estimates for collection costs? If so, what was their response?

Mr. Howard: We are engaged in a series of consultations with local councils about the details of enforcing and administering the community charge. Those consultations will continue.

Mr. Cyril Smith: Would it not be cheaper to collect the tax if it was collected from fewer people? Has the Minister seen *The Daily Telegraph* of today, which says that it will cost the Church of England £4 million if the tax is imposed upon vicarages, and so on? Does the Minister agree that if the Government were to waive the charges on those religious establishments and did not tax prayer and care it would mean that the tax would be cheaper to collect?

Mr. Howard: The hon. Gentleman leaves aside the fact that one of the principal objectives of the community charge is to restore accountability to local government. The more people who pay the community charge, the more accountable local government will be. I hope that the hon. Gentleman is not suggesting that we should, above all, go for the cheapest system. If that is the case, I look forward to the hon. Gentleman advancing the charms of the window tax.

Mr. Bill Walker: Does my hon. and learned Friend agree that whatever the charge and whatever the implications, one of the principal advantages of the community charge over any other form of local taxation, bearing in mind the cost of the community charge, is that in future more people will pay? Consequently, more people will be interested in what happens in local government, and consequently more people will eventually vote, and that must be good for democracy.

Mr. Howard: My hon. Friend is absolutely right. What we are doing is to restore the link between those who use local services, those who pay for local services and those who vote for those who provide local services. That link has been sadly and deeply eroded by what has happened in local government in the past few years.

Mr. Home Robertson: As the Government have acknowledged that they failed to register on the electoral roll 5 per cent. of the people who should be eligible to vote, would the Minister care to speculate on how much it would cost to compile a full register for poll tax purposes? Indeed, is there any prospect of compiling such a register?

Mr. Howard: The hon. Gentleman leaves out of account the fact that the two registers will be compiled on a different basis, having different objectives in view. Therefore, any comparison of the kind that the hon. Gentleman seeks to make is totally misconceived.

Mr. Brandon-Bravo: Does my hon. and learned Friend not agree that a cheap system, if it is unfair, is an unacceptable system, and that the prime consideration must be fairness and accountability?

Mr. Howard: My hon. Fried is absolutely right. It is those two objectives that the community charge will indeed provide.

Dr. Cunningham: What has changed since the Minister of State's predecessor, the right hon. Member for Brent, North (Sir R. Boyson), who is now on the Back Benches, told the House that the Government estimated that it would cost at least twice as much to collect the community charge as to collect rates? What has changed since then?

Mr. Howard: As I made clear earlier, nothing has changed. The fact that twice as many people will pay the community charge as presently pay domestic rates means that the cost per person liable is roughly the same under each system.

Mr. Cormack: Can my hon. and learned Friend tell us how many local authorities have expressed support for the proposed changes?

Mr. Howard: I do not think that I am in a position to —*[Interruption.]*—tell my hon. Friend either how many local authorities support the proposal or how many local authorities oppose it. *[Interruption.]*

An Hon. Member: Name one.

Mr. Speaker: Order.

Mr. Howard: The fact of the matter is that the purpose of this reform is to benefit the people whom local authorities serve. It is their interests that we shall be serving by putting these proposals on the statute book.

9. **Dr. Moonie** asked the Secretary of State for the Environment what consideration he has given to the enforcement of individual liability for payment of the community charge.

Mr. Howard: The enforcement procedures for the community charge were described in some detail in the document on the operation of the charge, which was placed in the Library on 15 December 1986. Since then further consideration has been given to enforcement procedures, both within Government and in consultation with local authority offices and representatives of the local authority associations.

Dr. Moonie: Can the Minister guarantee that the head of the household will not be liable for the registration of other individuals therein?

Mr. Howard: The head of the household will be liable severally and jointly for his spouse or the person with whom he lives, but not for his adult children.

Mr. McLoughlin: Does my hon. and learned Friend agree that what has changed since his previous incumbent was in office is that there has been a general election, which the Conservatives fought on changing the rating system,

and that we received an overwhelming mandate to change the present ridiculous rating system? Will he assure us that that will be done regardless of the Opposition?

Mr. Howard: My hon. Friend is correct. The present system is deeply unpopular, deeply unfair and deeply unacceptable. It must be rare for a proposal for reform to have been explained in such detail to the electorate as the proposal that we shall put the before the House within the next few months.

Mr. Allan Roberts: If the head of the household is not responsible for including on the poll form the people in the house other than the spouse, will more than one form be delivered to each household in case the householder fills it in and does not include everybody else? If the spouse leaves because of a marital dispute and is not there when the form is filled in, but later returns, as sometimes happens, even in Bootle, how long will the head of household have to put the matter right before he is prosecuted?

Mr. Howard: So far as the form is concerned and I may have misunderstood the supplementary question that was asked earlier—the duty will be to enter the names of all adults who are resident in the house. When it comes to liability for payment, the head of the household will not be liable for the payment of the community charge by adult children in the house.

Dr. Hampson: Is my hon. and learned Friend aware that on the Government's own exemplifications of the community charge there will be deep concern in many northern inner-city areas with high-spending Labour councils over the proposed level of community charge that people will face? Will it not be the case that there will be less attempt at avoidance if the size of the tax is reduced? Therefore, will he reconsider the proposal of Sir Keith Joseph to have a 75 per cent. direct education grant, as that is primarily a national and not a local service?

Mr. Howard: No. I do not think that that would really deal with the problem, which my hon. Friend has rightly identified, posed by high-spending local councils in the north. That problem can be dealt with by voting those councils out of office. The community charge, by restoring accountability to local government, will encourage that process.

Mr. Rooker: Will the Minister explain how the enforcement will work on heads of households in some of our inner cities where the head of the household, because of his religion and cultural upbringing, would not under any circumstances seek a place in a local authority old persons' home for his parents or grandparents but would have them, as his extended family, living with him? How will members of the Asian community, who are saving taxpayers' money, be treated in those circumstances?

Mr. Howard: The position is quite clear. The charge should be paid by as many adults as possible. Exemptions should be limited, and those in the position to which the hon. Gentleman referred will be liable to the charge in the same way as every other adult.

Local Government Finance

10. **Mr. Hayes** asked the Secretary of State for the Environment if he will issue advice to local authorities who entered into deferred purchase agreements with merchant banks to delay prescribed expenditure before 22 July 1986; and if he will make a statement.

Mr. Chope: Advice to local authorities on scoring prescribed expenditure under deferred purchase deals entered into before 23 July 1986 was given in my Department's Circular 5/87.

Mr. Hayes: I thank my hon. Friend for his depressing reply. It shows that Hard-Left Harlow council is yet-again surpassing itself in fleecing ratepayers. Not only is its grant-related expenditure 162 per cent. above the norm, but it is spending above the norm. It is the highest rating district *[Interruption.]*

Mr. Speaker: Order. Ask a question, please.

Mr. Hayes: I put it to my hon. Friend

Mr. Speaker: Order. Please do not do that. Ask a question.

Mr. Hayes: The question that I put to my hon. Friend is that, now that the council is embarking on an illegal and shady deal with foreign banks *[Interruption.]*

Mr. Speaker: Order. That is an abuse.

Mr. Hayes: It was a question, Mr. Speaker.

Mr. Chope: In answering my hon. Friend's question, there is good news for him in the answer that I gave to the substantive question. Harlow's £50 million deferred purchase deal is caught by the Local Government Act 1987, I think rather to the surprise of that council.

Mr. Skinner: Why do the Government have two sets of standards for different institutions that engage in rescheduling debts? For instance, why should local authorities—mainly Labour authorities be hammered into the ground by the Government for entering into arrangements to provide services, while the four top merchant banks have recently been engaged with the Inland Revenue, with the connivance of the Chancellor of the Exchequer, to offset debt payments of, in the case of Midland bank, about £1 billion? It means that, at the end of the day, the taxpayer will have to find £875 million to bail out Lloyds, Midland, National Westminster, and Barclays banks. Why do the Government have double standards?

Mr. Chope: The hon. Gentleman's question would probably be much better directed to the hon. Member for Blackburn (Mr. Straw), who told the House on the Third Reading of the Local Government Bill that clause 1, the deferred purchase measure, should be on the statute book. The official policy of the Labour party then was in favour of outlawing deferred purchase.

Inner Cities (Investment)

11. **Mr. Adley** asked the Secretary of State for the Environment what legislation he proposes to direct investment into the inner cities; and if he will make a statement.

Mr. Trippier: I have no plans for legislation to direct investment into inner cities. The creation of urban development corporations, together with urban development grant, urban regeneration grant, derelict land grant, and other grant systems provide effective incentives.

Mr. Adley: I welcome my hon. Friend's measures as far as they go. Does he agree that there is an alignment of ambition and policy simultaneously to generate further private sector investment in inner cities and detract from the attraction of putting private sector investment in areas of over-development, such as in my constituency? Will he have discussions with his colleagues in the Treasury to see whether national taxation policies can be amended to generate further incentives to developers to go into inner cities, and, at the same time, to discourage them from investing in areas of over-development?

Mr. Trippier: The point that my hon. Friend made in the earlier part of his question is fact and not hypothesis. The tax measure that he proposes would be considered by my colleagues in the Treasury. It is important to stress that we share the same objectives—to increase the leverage of public to private sector investment in the inner cities. We start from a very strong position at the moment, because for every pound of taxpayers' money that is invested in the inner cities through our programmes we are attracting four times that figure from the private sector. We must do all that we can to improve that ratio.

Mr. O'Brien: In view of the Minister's reply to the question, will he reconsider the distribution of urban aid to the smaller towns in west Yorkshire, where there is no urban provision whatsoever but where there is a need to arrest the dereliction that is occurring in those small urban areas? Will the Minister review his programme with a view to considering the smaller towns in west Yorkshire?

Mr. Trippier: I am always anxious to review the 57 programme authorities that we have currently identified as being of the highest possible priority. In deciding what areas should be assisted we must look at a synthetic index, which would cover not only such matters as levels of unemployment, dereliction, over-dependence on traditional industries and so on, but many other matters. If the hon. Gentleman wants me to look at a proposal or visit his area, I shall be delighted to respond positively if I can.

Sir George Young: Does my hon. Friend agree that investment in the inner cities would be greatly assisted if high-spending local authorities were rate-capped? Will he confirm that a statement will be made next week on the subject, and is he aware of the mounting anticipation in the London borough of Ealing that it will be included?

Mr. Trippier: I understand that we hope to make such an announcement.

Consett (Development Corporation)

12. **Ms. Armstrong** asked the Secretary of State for the Environment if he has any plans to set up an urban development corporation for Consett; and if he will make a statement.

Mr. Ridley: I have no such plans.

Ms. Armstrong: I am sure that the Secretary of State will be aware of the progress that has been made in towns such as Consett due to the dedicated commitment of local authorities to do what they can by working with private industry to rebuild opportunities. The right hon. Gentleman is undermining the local authorities and excluding towns such as Consett from any additional aid. The opportunity for such towns to overcome the appalling social consequences of the large-scale unemployment that has been brought about by the Government's industrial policy is limited. What will he do for such towns that will not come within his inner city policy?

Mr. Ridley: When I visited Derwentside last Friday I was told by business men that the hon. Lady's constituency was extremely grateful for the £10 million that has been spent by the Government on derelict land grant and the £12·5 million worth of factory building by the English Industrial Estates Corporation. As a result, although 3,500 jobs were unfortunately lost when the steelworks closed, 3,300 of those jobs have been replaced since 1980. That is a fantastic performance and it is time that the hon. Lady stopped trying to talk the north down and proclaimed the achievements of the Government.

Water Authorities (Privatisation)

13. **Mr. Martlew** asked the Secretary of State for the Environment when he last met the chairmen of the English water authorities to discuss water privatisation.

Mr. Ridley: On 25 June this year.

Mr. Martlew: Will the Secretary of State accept that his proposals to create a National Rivers Authority, and his arguments so to do, have been completely destroyed by the statement of the chairman of the Thames water authority and the independent report of the economics department of Leicester university? Therefore, will he abandon these ridiculous proposals which are based only on greed and dogma and scrap this privatisation?

Mr. Ridley: No, Sir. The meeting that I had with the water authorities chairmen, to which I referred, was described as friendly and useful. We have now entered into discussions to get the detail right. I believe that all the interests that are concerned with water will welcome the setting up of a National Rivers Authority. If one chairman is out-voted by the other nine, I think that we have endorsement from the water industry that we are on the right lines and that we are finding the right solution.

Mr. Colvin: Is my right hon. Friend aware that there is growing concern about the pollution of our rivers by fish farmers, for whom generous grants may soon be available from the EEC? Before proceeding with the privatisation of the water authorities, will he bear in mind that something ought to be done to regulate fish farming?

Mr. Ridley: It would be a responsibility of the new National Rivers Authority to ensure that the rivers were free from pollution, from whatever source. I have not heard of proposals for regulating fish farmers. We should concentrate on measures to ensure that pollution does not enter our rivers and keep regulation to the minimum.

London (Housing)

14. **Mr. Cohen** asked the Secretary of State for the Environment what measures he proposes to take to relieve homelessness, long housing waiting lists and disrepair in London.

Mr. Waldegrave: The measures that we set out in our manifesto will help London's housing by reviving the independent rented sector, involving a wider variety of landlords in the provision of housing for rent, and concentrating resources where they are most needed.

Mr. Cohen: The Minister's gabbled reply will be deeply disappointing to the many thousands of Londoners living in inadequate accommodation. When will the Government take effective steps to tackle the rising homelessness in the capital? It is rising by about 20 per cent. per annum. When will the Government curtail the degrading bed and breakfast system and provide a chance for those people on growing waiting lists who are desperate for a flat? When will the Government provide money to help improve the estates that are being run down? Are not the Government's housing policies the problem in London, not the solution?

Mr. Waldegrave: The hon. Gentleman prepared his speech before he listened to my answer. If he reads my answer, which he may not have been able to hear, he will find that there are practical proposals in the pipeline.

Military Exercises (Radioactive Contamination)

3.31 pm

Mr. James Wallace (Orkney and Shetland) *(by private notice)* asked the Secretary of State for Defence if he will make a statement about armed forces exercises involving radioactive contamination.

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): The Ministry of Defence takes a responsible attitude towards all aspects of safety, including nuclear safety. The safety and health of the public and Ministry of Defence employees is of paramount concern.

The risks of a nuclear accident are extremely remote. In the 30 years during which nuclear weapons have been deployed in this country, we have never had an accident resulting in the release of radioactive material. Nonetheless, we take the prudent precaution of maintaining a highly effective organisation, known as the Nuclear Accident Response Organisation. We maintain detailed contingency plans against any nuclear emergency; and we undertake a series of exercises to ensure that our response forces are trained for the tasks they would have to carry out.

To be effective, training of the military and civilian staff involved has to be as realistic as possible. On occasion, therefore, but only when there is a clear and compelling training advantage to be gained, we do use live contaminant of very low levels of radioactivity.

Such activities take place only on Ministry of Defence property; are subject to stringent safety requirements; and present no hazard to the response forces involved or to the general public. Furthermore, the material's short half-life means that any residual contamination has decayed to negligible levels within three months.

The precautions regarding the health and safety of the personnel involved are equally stringent. Access to the contaminated area is strictly controlled. Individuals are required to wear protective clothing and are rigorously checked when leaving and entering the area. If there is the slightest indication of contamination, full decontamination procedures are undertaken.

In summary, although we believe the probability of an accident involving the release of radioactivity to the environment is extremely remote, it is clearly prudent that we should maintain an organisation to respond to such an emergency, and that the personnel involved should be properly trained. Where there is a clear training advantage, we do use very low-level radioactive material, but only under stringent safety procedures.

Mr. Wallace: I thank the Minister for his answer. I am sure that many people will accept that, as long as we have nuclear weapons, it is important that there are contingency arrangements in the event of an accident. Nevertheless, I am sure that the press reports this morning must have given rise to widespread fear and concern regarding what would appear to be the somewhat casual attitude that has been adopted in the past.

Will the Minister give some assurances with regard to the sites that have been used, particularly the one referred to in Staffordshire? Although the releases have been on Ministry of Defence land, the Minister, as well as everyone else, knows that radioactivity cannot readily be contained and does not necessarily recognise the boundaries of Ministry of Defence land. What further monitoring has taken place in that area and the surrounding areas?

With regard to the personnel who were involved not only in that incident but who, it would appear, have repeatedly had to go into a hangar at RAF St. Athan, over a number of years, what degree of radioactivity have they been exposed to? It would appear that the medical checks on them have been cursory. What continuing checks are being done? With regard to the future, can the Minister give us an assurance that, as has been said by one of his —*[Interruption.]*

Mr. Speaker: Order. *[Interruption.]* I do not need any help.

Mr. Wallace: Will the Minister give us an assurance that in future the type of casual approach that has been —*[Interruption.]*

Mr. Speaker: Order. It is quite unseemly for senior Members below the Gangway on both sides to shout at each other.

Mr. Wallace: Can the Minister give us an assurance that the casual approach reported this morning to both areas and personnel will not continue?

Mr. Freeman: I entirely reject the suggestion that the Ministry of Defence has taken a casual attitude. The hon. Gentleman has the matter out of context. The damaging effect of the ingestion of radioactive material by the Service men or civilians involved who were not wearing protective clothing would be broadly equivalent to smoking one cigarette.

Sir Antony Buck (Colchester, North): Is my hon. Friend aware that responsible Members—I suspect in all parts of the House—welcome what he has had to say? It is appropriate that there should be training of this type and that there should be true professionalism in our armed forces to enable them to deal with any contingency in the event of the most improbable or unlikely accident that could just happen. *[Interruption.]*

Mr. Speaker: Order. Before the Minister answers, may I say to hon. Members below the Gangway that if they have any disagreements they should take them outside?

Sir Antony Buck: I say again that what my hon. Friend has said will be welcomed by all responsible Members. The Minister's answer shows that we are maintaining our forces in a state of true professionalism in all types of military activity so that they can be an effective shield that will prevent the holocaust against which they are training from ever happening.

Mr. Freeman: I entirely agree with my hon. and learned Friend. The general public would expect the Ministry of Defence to organise training exercises such as this involving the use of very low-level radioactive material.

Mr. Robert Parry (Liverpool, Riverside): Will the Minister agree that there should be a full debate before the summer recess on this very worrying situation? Will he tell us whether there have been any recent nuclear waste issues in a defence context? Can he tell the House whether this is part of NATO exercises and whether any of the Warsaw pact countries are involved in similar exercises?

Mr. Freeman: Many of the issues raised by the hon. Gentleman, including the matter of a debate and what the

Warsaw pact forces do or do not do, are not matters for me. These are not NATO exercises or part of NATO training. They are routine but relatively infrequent exercises involving uniformed and civilian staffs of the MOD and the response organisations in the civilian community. They are doing a necessary job in preparing for the unlikely event of a nuclear accident.

Mr. William Cash (Stafford): Will my hon. Friend accept that we in the constituency of Stafford welcome his statement? We are glad to hear that, irrespective of where this incident may have occurred, rigorous controls are exercised over the way in which these matters arise. Does he also accept that serious concerns which arise are noted by people in my constituency but that they do not arise in this case?

Mr. Freeman: I can give my hon. Friend the assurance that his constituents and the constituents of every hon. Member can sleep safely in their beds. There is no harmful effect from the use on exercises of this low-level radioactive material either to uniformed or civilian staff on MOD property or to his constituents.

Mrs. Ann Clwyd (Cynon Valley): As usual, the Minister has given us the bland and complacent answers that we have come to expect from Ministry of Defence spokesmen. Can he answer the following questions? When such exercises take place, which authorities are informed, at what stage and at what level are they kept in touch? What radioactive materials are used in such exercises and at what rate does their radioactivity decrease? What happens to the contaminated land after the exercises have taken place, and at what stage are the public allowed access to that land? What procedures do the Government have for monitoring the long-term health of the personnel involved? Is it not the case that——

Hon. Members: Reading.

Mr. Speaker: Order. Briefly, please.

Mrs. Clwyd: Is it not the case that British emergency services are not permitted access to United States nuclear weapon storage silos? Is not—*[Interruption.]*

Mr. Speaker: Order. The hon. Lady is not a new Member. She should not be reading questions, and she should be brief.

Mrs. Clwyd: Thank you, Mr. Speaker. I would be much quicker if the barracking from the Conservative Benches were less. Is not the appalling——

Hon. Members: Reading.

Mr. Speaker: Order. Please do not read notes.

Mrs. Clwyd: Is not the appalling implication that United States troops can prevent our emergency services from becoming involved in the event of a nuclear accident of this kind?

Mr. Freeman: There were many separate questions there. If the hon. Lady would care to table them all, I will answer them. I shall answer briefly two of the key questions. We are entirely satisfied with the liaison and co-operation between the British armed forces and the United States armed forces in dealing with a nuclear emergency or nuclear accident in the United Kingdom. The hon. Lady asked about our procedure for informing local authorities. We are satisfied with the liaison we have with local authorities and the emergency services in dealing with such incidents.

Sir Raymond Gower (Vale of Glamorgan): In so far as there has been a change in the medical safeguards for personnel, can my hon. Friend give an assurance that this constitutes an improvement on the medical arrangements of some years ago? Can he also assure us that there is no danger to people living in the environment of an airport such as St. Athan in my constituency?

Mr. Freeman: As I have already said, I can assure my hon. Friend that there will be no danger to his constituents living close to any military establishment where these exercises may or may not take place. As regards medical procedures, we have adopted the same procedures, which are very thorough. They are governed by regulations laid down both by the Department of the Environment and the Ministry of Defence. I can assure my hon. Friend that our Service men and civilians are properly looked after.

Mr. Eddie McGrady (South Down): Would the Minister show the same concern for civilian populations, particularly that in South Down which has for the past three years suffered from radioactive discharges into the sea from Sellafield, an establishment for which the Minister has part responsibility, and from Drigg radioactive material site nearby, which is causing daily pollution?

Mr. Speaker: Order. That is wide of the private notice question.

Mr. Tony Baldry (Banbury): Does my hon. Friend agree that, while the Warsaw pact countries continue to build up nuclear, chemical and biological warfare potential, inevitably if British troops are to be properly protected, it will be necessary for them from time to time to carry out responsible training in these weapons? Can my hon. Friend assure the Opposition that British forces are more responsible in the way in which they carry out this training than the Opposition would seem to give them credit for?

Mr. Freeman: I thank my hon. Friend for his comments. Yes, the general public and the House woud expect our armed forces to carry out the necessary training to deal with the unlikely and remote prospect of a nuclear accident.

Mr. Mark Fisher (Stoke-on-Trent, Central): Will the Minister accept that many members of the public are deeply concerned about the public health implications of these reports? Will he address himself to three brief questions? First

Hon. Members: One.

Mr. Speaker: Order. The hon. Gentleman has a constituency interest in this matter, but he should be brief.

Mr. Fisher: One. Staffordshire county council says that at no point was it informed by the Minister's Department about these tests. Secondly, will the Minister confirm that these tests have taken place only in Staffordshire, or are they taking place in other locations? Thirdly, what is the situation as regards raising livestock on this land? We have seen from the Chernobyl disaster that the trace elements of radioactivity in meat are serious and long-lasting.

Mr. Freeman: As far as Staffordshire county council is concerned, all those that needed to be informed about the

[Mr. Freeman]

exercise were informed, and all those that entered the area of low-level radioactivity wore protective clothing. As regards where such exercises are taking place, I cannot help the hon. Gentleman, for reasons that he well knows. Not only this Government but all previous Governments have not commented on the location of exercises of this nature. Finally, as regards grazing livestock, I have already said that the maximum damage to his health that might occur to an individual who was accidentally exposed without protective clothes to the radioactivity levels involved in this exercise, and who ingested such levels, is broadly equivalent to smoking one cigarette.

Sir Peter Emery (Honiton): May I ask my hon. Friend one question? In the past, many hon. Members have directed only one question to Ministers and that allows many more hon. Members to speak. Does my hon. Friend realise that the vast majority of people in the country would think it quite wrong if the Ministry of Defence did not take these steps to ensure the proper protection of the forces and the public?

Mr. Freeman: I am grateful to my hon. Friend. That is precisely the point.

Mr. Jack Ashley (Stoke-on-Trent, South): Can the Minister confirm that none of this information would have been disclosed in the House of Commons without the report in *The Independent*? Secondly, can he give me a guarantee that all radioactive dust in Staffordshire has been cleared up and that there is absolutely no danger to the people involved? Thirdly, does he recall that the same assurances on safety that he has just given to the House were given to the atomic test veterans in the Pacific tests about total safety, yet they were damaged by those tests? As the Ministry of Defence has evaded the payment of compensation in that case, what rights will people have to compensation if they are damaged by contamination now?

Mr. Freeman: I reject entirely the suggestion that I am trying to evade answering hon. Members' questions. I have been as frank as necessary as required by the House.

With regard to the specific questions raised by the right hon. Member for Stoke-on-Trent, South (Mr. Ashley), I can state that the material used is of very low-level radioactivity. It is a liquid that is sprayed on the ground surrounding the simulated accident involving perhaps an aircraft or vehicle. It is promptly cleared up after the exercise is over. It has a half-life such that after three or four months no trace of radioactivity is left. The exercises were safe when they were carried out and the area is certainly safe after three months.

Mr. Sydney Chapman (Chipping Barnet): Will my hon. Friend sympathetically consider that he could probably allay public concern entirely if he could give definite comparisons of the low level of the radioactivity that has been caused? For example, can he say that the level in the training tests is far less than the level from a television set or from double glazing or far less than the natural radioactive level in the environment? If he could give such comparisons, I am sure that he would allay all fears on both sides of the House.

Mr. Freeman: I thank my hon. Friend. That is a very helpful suggestion. If he can take the trouble to table a question, I will answer it promptly.

Mr. Tam Dalyell (Linlithgow): If the Minister is so confident, could we have the chemical formula of the live contaminant to which he referred?

Mr. Freeman: If the hon. Gentleman would care to table a question, I will see whether I can answer it.

Mr. Dalyell *rose*—

Mr. Patrick Cormack (Staffordshire, South): Is my hon. Friend aware that the people of Staffordshire showed on 11 June which party they wanted to have in charge of the defence of this country? However, as there are certain legitimate concerns, will he write a detailed letter to all the Staffordshire Members precisely explaining the position?

Mr. Freeman: Yes, Mr. Speaker, I will.

Several Hon. Members *rose*—

Mr. Speaker: Order. I shall call two more hon. Members from each side of the House. Then we must move on, as this is an extension of Question Time.

Mr. Frank Cook (Stockton, North): The Minister has given us two clear statements today — that the exercises took place on MOD land and that the contaminant had a half-life approaching three to four months. The Minister will already know that there are vast tracts of MOD land in this country on which people can walk and where animals can graze. Will he undertake to place in the Library details of the specific locations where this type of exercise has taken place? Further to the question from my hon. Friend the Member for Linlithgow (Mr. Dalyell), will the Minister specify the type of contaminant element and the level of radiation that it was emitting at the time of the exercise? If he were to place details in the Library, I am sure that that would go some way to enable independent experts to allay the fears of the community, if the Minister is right.

Mr. Freeman: First, may I correct the hon. Gentleman? I did not say that the half-life was three to four months. I said that the half-life of the radioactive material was such that after three to four months there was no trace of radioactivity to be found. The hon. Gentleman asked where these exercises take place. I am not able to answer that question in the light of the wise convention followed by this Government and previous Governments. I do not carry the relevant chemical formula in my head, but I have given the hon. Gentleman an undertaking that I shall respond to that question.

Mr. Gerald Howarth (Cannock and Burntwood): Is my hon. Friend aware that my constituents in Staffordshire will welcome the reassurance that he has been able to give and the fact that Her Majesty's Government are undertaking these exercises and that the country will be better for them? The suggestion appeared in a national newspaper this morning that the material used to contaminate was spread over a half-mile radius. In answer to an earlier question my hon. Friend said that the material was confined to MOD property. Will he confirm that that would be the position even within a half-mile radius?

Mr. Freeman: First, I can confirm that the exercises take place on MOD property. The liquid is used only within a short radius of the vehicles or aircraft and within an area that is wholly within MOD property. The question of the hon. Member for Stockton, North (Mr. Cook) has prodded my memory and I can tell the House that the

contaminant used is, typically, radium 223 sulphate that is heavily diluted with barium sulphate and aluminium oxide. It is always of very low radioactivity.

Mr. D. N. Campbell-Savours (Workington): Is the Minister aware that for those of us who have always supported nuclear power these nuclear war games are most embarrassing, even if there is no health risk? Will he confirm that materials other than those radioactive could have been used during the course of these exercises?

Mr. Freeman: No, Sir. I dealt with the material that is used in responding to the question of my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth). The hon. Member for Workington (Mr. Campbell Savours) knows that these are not nuclear war games. These are serious exercises that take place under strict regulations. They occur infrequently and are designed to improve the sophisticated techniques of the Ministry of Defence to deal with nuclear accidents.

Mr. Tony Marlow (Northampton, North): Is this not possibly the case of some disaffected ex-Service man spreading his bile through the national media? Would it not be more positive if the media had a more responsible view and that these issues were checked out—the scale of these issues—with the authorities concerned with national defence and security so that there should be no alarm raised where there is no alarm to be raised, as my hon. Friend has so capably demonstrated?

Mr. Freeman: I agree with my hon. Friend. I think that the moral is not to believe everything that we read in the newspapers, including *The Independent*.

Mr. Martin O'Neill (Clackmannan): Is the Minister aware that the failure of his officials to make disclosures to the chief executive of Staffordshire county council does not allay the anxieties of individuals that authorities are not being consulted? Secondly, will the Minister give an assurance that the land that is being used—I am led to believe that this land can be anywhere in the country—does not afford access to the general public? I shall not put words in the Minister's mouth about Salisbury plain, for example, which is an example of land that is shared by the military and the public. Can the Minister give an assurance that excercises of this nature will not expose members of the public who are not in the armed forces to any danger? At present the hon. Gentleman has convinced neither the public not the military that they are safe from these exercises.

Mr. Freeman: I can give the assurance that the hon. Gentleman seeks. There is no danger, there has never been any danger and there will be no danger to members of the general public, members of the armed forces or civilians in the Ministry of Defence, as a result of these exercises.

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Speaker.

Mr. Speaker: No, I shall take the applications under Standing Order No. 20 first.

British Rail (Redundancies)

3.54 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the announcement today of 9,000 white-collar redundancies by British Rail."

This is a matter of extreme urgency because British Rail has made it clear that of the 22,000 jobs in the administration division, 9,000 are to go in the next three years. Of those, 2,000 are to be lost in 12 months' time. Although it has been suggested that there are to be no forced redundancies, it is absolutely impossible to believe that it will be possible to reach those targets without compulsion. It is clear that British Rail is following the guidelines laid down by the Minister of State, Department of Transport, who, when he came to my constituency during the general election, said:

"We have given instructions to British Rail and the result now is to be a 9,000 job loss in the white collar jobs."

It is totally unacceptable that that should happen without the House of Commons having the right to debate a matter of such extreme urgency at this time.

Mr. Speaker: The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) asks leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that she thinks should have urgent consideration, namely;

"the announcement by British Rail of 9,000 redundancies".

I have listened with great care and concern to what the hon. Lady has said, and I hope that she will find other ways of bringing the matter to the attention of the House. However, I have to rule that it is not appropriate for discussion under Standing Order No. 20, and I therefore cannot submit her application to the House.

Military Exercises (Radioactive Contamination)

3.56 pm

Mrs. Ann Clwyd (Cynon Valley): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the report of the armed forces scattering radioactive material in exercises dealing with nuclear accidents".

Mr. Speaker: Order. I hope that the hon. Lady will produce a new factor.

Mrs. Clwyd: Yes, Mr. Speaker, there is a new factor. There is now a contradiction. If the 1981 Senator exercise, which was discussed a few moments ago, was a simulation of a road accident involving the transport of nuclear weapons, the need for such an exercise was apparently contradicted in a Written Answer from the Minister for Traffic and Roads, the hon. Member for Eltham (Mr. Bottomley), which stated that radioactive materials being transported

"could not present a significant danger".—[*Official Report*, 10 February 1986; Vol. 91, c. *314*.]

Since that complacent answer, there has been a road accident — involving a nuclear weapons convoy in Wiltshire last January.

The secrecy surrounding such exercises is unnecessary and damaging when it acts as a cover for inadequate procedures, unjustified risks and carelessness with people's lives. We need answers to these questions and remedies for these problems, and we need them now.

Mr. Speaker: May I have the hon. Lady's application, please?

The hon. Member for Cynon Valley (Mrs. Clwyd) asks leave to move the Adjournment of the House under Standing Order Number 20, for the purpose of discussing a specific and important matter that she thinks should have urgent consideration, namely,

"the report of the armed forces scattering radioactive material in exercises dealing with nuclear accidents".

Again, I have listened with great care to what the hon. Lady has said, and, indeed, to what was said in the exchanges on the private notice question. However, I regret that I do not consider the matter that she has raised appropriate for discussion under Standing Order No. 20.

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Speaker.

Mr. Speaker: Order. It is not appropriate for discussion under Standing Order No. 20.

Points of Order

3.58 pm

Mr. Keith Raffan (Delyn): On a point of order, Mr. Speaker. I seek your guidance in a most serious matter. At the opening of this morning's proceedings in the Welsh Grand Committee, the Chairman, the hon. Member for Neath (Mr. Coleman), formally announced that during this Parliament he would call hon. Members to speak in proportion to party strengths on the Committee. That appears to be in contravention of "Erskine May", which states in respect of the Chamber that you, Mr. Speaker, will generally call Back-Bench Members alternately from either side of the House. The statement by the hon. Member for Neath clearly has the most serious constitutional implications for the House and, indeed, for the country as a whole. I would be grateful, Mr. Speaker, if you could give a ruling, as the Welsh Grand Committee will sit again in a minute's time.

Mr. Allan Rogers (Rhondda): Further to that point of order, Mr. Speaker. I am not sure whether the hon. Member for Delyn (Mr. Raffan) is intentionally misleading the House. I was present this morning in the Welsh Grand Committee when the Chairman said that he would bear in mind the fact that there were very few Welsh Conservative Members of Parliament, that there are even fewer Scottish Conservative Members of Parliament and that the Labour side of the Welsh Grand Committee is heavily stocked. The Chairman certainly did not say that he would act in accordance with the direct proportion of Members of Parliament; he said that he would bear in mind the wishes of the people of Wales.

Several Hon. Members *rose*——

Mr. Speaker: This is a matter I can deal with now. Now that I have heard the point of order put from both sides, I can say to both hon. Members and to other hon. Members who may wish to speak on this that it is not a matter for me. I have no jurisdication over the Chairmen of Standing Committees. A number of Chairmen of Standing Committee are in the Chamber this afternoon, and they know that they are responsible in Standing Committee for their actions. There is no appeal to me.

Mr. Rogers: Further to that point of order, Mr. Speaker.

Mr. Speaker: It cannot be further to that point of order, because there is no appeal to me.

Mr. Michael Fallon (Darlington): Further to that point of order, Mr. Speaker. Because of the ruling that has been reported to us, are there not implications for the line that you will take in this Chamber? Had this ruling been followed in the last Parliament, when there were 200 Opposition Members and 400 Conservative Members, is it not a fact that at least half the Opposition speeches need not have been made?

Mr. Speaker: I do not know what was said in the Welsh Grand Committee. On both sides, or at least on one side of the House, there seems to be a misunderstanding whether it was a definite statement. However, in this Chamber, I intend to carry on with the selection of speakers as I have in the past. Hon. Members know that at Question Time I have to bear in mind the weight of Members on either side of the House, as well as minority interests and many other considerations.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Further to that point of order, Mr. Speaker. I seek your guidance about common courtesy. Did the hon. Member for Delyn (Mr. Raffan), who raised this matter in the first place, have the courtesy to inform the Chairman of the Welsh Grand Committee that he intended to raise the matter on the Floor of the House?

Mr. Raffan: I did.

Mr. Rowlands: When?

Mr. Raffan: I informed him at lunchtime.

Mr. Speaker: Order. This matter must not be discussed across the Floor of the House.

I cannot take points of order on what happened in a Standing Committee. I can take points of order only on issues that arise in this Chamber.

Mr. Tony Marlow (Northampton, North): Further to that point of order, Mr. Speaker. It has to do with this Chamber. I speak as somebody who is desperately concerned about United Kingdom interests. I have a Welsh wife and a son who is in a Scottish regiment. The Library has kindly provided me with information in which both you and the House will be very interested: that in England there are 358 Conservative Members of Parliament, only 155 Labour Members of Parliament and a mere seven Liberal Members of Parliament. For every three English Labour Members there are seven English Conservative Members. It will be interesting to watch what happens in Committee. If there were to be changes in Committee in terms of party weight, this Chamber would be very interested, because it might have some lessons to learn. I should not like there to be a move in that direction, for the reasons that I have already given.

Mr. Bob Cryer (Bradford, South): On a separate point of order, Mr. Speaker. At one time, it was the custom for the Speaker to call on private notice questions and statements every hon. Member who happened to be standing. I understand your dilemma. However, you will recall that during the private notice question about the scattering of radioactive waste a number of Conservative Members were shouting down Opposition Members. It would be outrageous if——

Mr. Speaker: Order. I was watching as well as listening. I do not think that the hon. Member can allege that the shouting came from only one side.

Mr. Cryer: But it was mainly from the Conservative side. My point is that, in order to achieve the balance that we seek to maintain, it would be quite wrong if a handful of Conservatives asked a few pat questions of a Minister and then sat down, leaving perhaps half a dozen or a dozen Opposition Members without a chance to speak on a matter that we consider to be of paramount importance, even though sycophantic Conservative Members who wish to suck up to the Minister seek to diminish its importance. The essence of democracy is accountability and the essence of the Opposition's task is to ensure that the Government are accountable. In seeking to ensure that accountability, it is important that searching Opposition questions should be allowed to the full, rather than that they should be determined by a group of bootboys and sycophants.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall take one point of order at a time. The hon. Gentleman has only recently returned to this House. To my knowledge it has never been the practice of the Chair to hear every hon. Member who wishes to speak on a private notice question. That would leave us with hardly any time for the rest of the day's business. Today I gave rather longer than I normally give for private notice questions, which are an extension of Question Time. Normally I allow not more than 15 minutes. Today, however, because of the interest in this matter, I allowed supplementary questions to continue for over 20 minutes.

Before we proceed with the points of order, I should point out that there is important business ahead of us and that the House is likely to sit late into the night. If there are any genuine points of order that relate to matters that have taken place in this Chamber, I shall deal with them. I call next a member of the Chairmen's Panel.

Mr. Nicholas Winterton (Macclesfield): May I ask you, Mr. Speaker, to consider what has been said in the Chamber this afternoon. I accept your ruling that you can be concerned only with what has occurred in this Chamber, but what occurs in the House as a whole clearly reflects also on this House, and you hold a very important position in the House. Would you be prepared to consider what has been said in a Committee of this House and to come back to this place on a future day to advise the House about what you believe has occurred and whether it is right?

If what has been said by my hon. Friend the Member for Delyn (Mr. Raffan) actually occurred today in the Welsh Grand Committee, it must reflect on the procedures and the practice of this House. As I am a member of the Chairmen's Panel, which is a privileged position, I feel that it is important that you should give your ruling—I am sure that the country as a whole would value it—on this issue.

Mr. Speaker: I am pleased to give it. If the hon. Member will look at page 672 of "Erskine May" he will see that it says:

> "No appeal can be made to the Speaker regarding the decisions or rulings of the chairman of a Standing Committee."

Mr. Tony Favell (Stockport): Further to that point of order, Mr. Speaker. Many hon. Members thought that the last Parliament was exceptional, in that there were twice as many English Conservative Members of Parliament as there were English Labour Members of Parliament. It is all very well to refer to party political interests, but what about constituency interests? Has it occurred to you that a constituency has twice as much of a chance to be represented if it has a Labour Member of Parliament as if it has a Conservative Member of Parliament? Is that fair? Should we not be considering constituency interests rather than party political interests, since the electorate has already given its decision as to how it wants to be represented in this House?

Mr. Speaker: That might be an argument for what is alleged to have happened in the Welsh Grand Committee. These are very difficult matters for both the Speaker and the Chairman of every Committee. I have already said that I have no jurisdiction over what happens in Committee, but in this Chamber I shall bear those points carefully in mind.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: With permission, I shall put together the four motions on Statutory Instruments.

Ordered,

That the draft Welfare of Battery Hens Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the Fish Farming (Financial Assistance) Scheme 1987 (S.I., 1987, No. 1134) be referred to a Standing Committee on Statutory Instruments, &c.

That the Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1987 (S.I., 1987, No. 1135) be referred to a Standing Committee on Statutory Instruments, &c.

That the Fishing Vessels (Financial Assistance) Scheme 1987 (S.I., 1987, No. 1136) be referred to a Standing Committee on Statutory Instruments, &c. *[Mr. Lennox-Boyd.]*

Orders of the Day

Finance Bill

Further considered in Committee.

[SIR PAUL DEAN *in the Chair.*]

Clause 58 ordered to stand part of the Bill.

Schedule 3

OCCUPATIONAL PENSION SCHEMES

4.9 pm

Sir Brandon Rhys Williams (Kensington): I beg to move amendment No. 77, in page 75, line 32, leave out paragraphs 1 and 2.

The First Deputy Chairman of Ways and Means (Sir Paul Dean): With this, it will be convenient to take the following amendments: No. 69, in page 75, leave out lines 37 to 42 and insert—

'(2B) In subsection (2A) above "the permitted maximum" means, unless Parliament otherwise determines, the aggregate of £100,000 and the sum produced by multiplying £100,000 by a figure expressed as a decimal and determined by the formula (RD-RI) – RI where –

RD is the retail prices index for the month in which the employee retires; and

RI is the retail prices index for March 1987

and, if the result is not a multiple of £1,000, rounding it up to the nearest amount which is such a multiple.'.

No. 78, in page 75, line 38, leave out '£100,000' and insert '£104,000'.

Sir Brandon Rhys Williams: We discussed this point in some detail yesterday and I should like to spare the committee the necessity of considering it again. Therefore, I seek only to move amendment No. 77 formally because it is possible that other hon. Members may wish to contribute on this subject again today in the slightly different context of schedule 3. I have said all that I wish on the point and as I know that the Chair does not wish us to cover ground unnecessarily, I shall now resume my place. If another hon. Member has a contribution to make on either of the amendments that are grouped with this amendment, I shall naturally make room for them to do so because I have nothing further to add.

Sir William Clark (Croydon, South): Will my right hon. Friend the Financial Secretary to the Treasury reconfirm that if the Treasury alters the occupational pensions limit of £100,000, it will not be altered downwards but only upwards?

Mr. Tony Blair (Sedgefield): I wish to raise only one point. We have already been through the question whether the lump sum is correct in principle. As the House knows, my hon. Friends and I are basically sympathetic to the idea of a lump sum.

I should like to put two points to the Minister. First, I presume that the two paragraphs refer to all occupational pension schemes and that they cover all such potential occupational pension schemes or at least those that people join after 17 March or schemes that come into being after 17 March. My second point arises from that. Since the new lump sum provisions apply to schemes that come into being after 17 March or that people join after 17 March,

I presume that the entitlement of those people who are already in schemes that were in being before 17 March if those people were in the schemes before 17 March will be unaffected. I should be grateful if the Financial Secretary would confirm that.

Mr. Robert McCrindle (Brentwood and Ongar): I shall not detain the Committee for long but there is an interesting principle in amendment No. 69, which was tabled by my hon. Friend the Member for Slough (Mr. Watts). I make this minute contribution to see whether the Financial Secretary will establish the Government's approach to the index-linking of lump sums. I cannot recall having seen on record any reason why there should be any opposition to any such index-linking. Surely the alternative will be the necessity to return to this House in successive Finance Bills – even when inflation is as low as it has been during the past few years.

I wonder whether my right hon. Friend will be prepared to inform the House of the Government's view of the whole business of index-linking in relation to lump sums. I for one do not look forward to having to return perhaps every five years to update the figures that are embodied in a particular Finance Bill relating to a particular year.

Mr. John Watts (Slough): I tabled amendment No. 69 precisely to make the point that my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) has just made. I note that the proposed new subsection (2)*(b)* contains the power to raise the limit. It would seem more sensible and for the greater convenience of the House if that were done automatically through a formula such as the one that I propose, except in those years when the Government bring forward a proposal, which is agreed by the House, that indexation should not apply in that year. Like my hon. Friend, I should be interested to hear my right hon. Friend's reasons for resisting – if he chooses to do so – the principle of indexation of lump sums.

The Financial Secretary to the Treasury (Mr. Norman Lamont): First, in reply to the hon. Member for Sedgefield (Mr. Blair), yes, the clause covers all occupational pension schemes, although not statutory schemes, which have their own legislation and which may need to be amended. On existing members and the lump sum rules – not the accrual rules – the lump sum rules will not affect existing members at 17 March 1987, but would affect someone who became a member after that date.

Mr. Blair: I am grateful to the Financial Secretary for giving way. I want to sort out this matter now because some people are troubled by whether those who have been in schemes before 17 March will still be able to take the benefit of the lump sum provisions without any cap being put on them. I suppose such people would have an incentive not to move after 17 March into schemes in which such a cap will be placed on them. Has any consideration been given to that and to the effect that it might have on job mobility?

Mr. Lamont: Obviously that factor has been taken into account in some of the points that have been made on the various provisions. The mobility of labour argument has especially been used. After 17 March the lump sum cap applies. We made that decision taking all the arguments into account.

On the indexation of the lump sum limit, we debated that matter yesterday. However, I am happy to repeat, for the third time, that we do not intend that the limit should be eroded. We shall review and adjust it from time to time. I was asked the specific question whether we intend that it should be adjusted downwards. I made it clear that we did not intend that it should be eroded. Yesterday, my hon. Friend the Member for Croydon, South (Sir W. Clarke) seemed well satisfied with that reply. Therefore, I hope that other hon. Members who have posed that question for the third time in Committee will be satisfied also.

Sir Brandon Rhys Williams: I should like the Minister to clarify one point. I hope that in making that assurance to my hon. Friend the Member for Croydon South, (Sir W. Clarke) the Financial Secretary is not excluding further consideration of the recommendation that I have made on a number of occasions, that future accruals of lump sums, whether of £150,000, or more or less, should be liable to tax at the statutory rate. I put that forward as an extremely serious recommendation that I believe solves many of the problems that face the Inland Revenue at this time. I should not want my right hon. Friend to find himself caught by a remark that might be misinterpreted, so that he will be held not to be able to consider that recommendation any further. I trust that he will assure the house of that and of what he meant by the assurance that he gave to my hon. Friend.

Mr. Lamont: I do not wish to create a lot of uncertainty in the pensions world. My hon. Friend the Member for Kensington (Sir B. Rhys Williams) is dangling all sorts of words in front of me that he would like me to use. Of course, I always take my hon. Friend's comments seriously and it was in that sense that I said that I would consider the various points that he raised yesterday. However, he knows that at present we have no intention of introducing specific arrangements for what he has now suggested. If I were to respond otherwise, that would create considerable uncertainty in the pensions world. However, in response to what my two hon. Friends have said about the lump sum limit, I emphasise that we are not intending to erode that. I hope that that assurance will reassure them.

Mr. McCrindle: With great respect to my right hon. Friend, and with apologies for not having heard him on the first and second occasions when he made that point, he did not reassure me in quite the way that I had hoped, for the simple reason that if it is impossible to increase that figure to take account of the change in the retail price index for five years, during years one to four – on the assumption that inflation has not been nil – I remind my right hon. Friend that effectively there is an erosion. Is that not an argument in favour of linking into some index so that the lump sum never falls behind, and so that it cannot fall behind?

Mr. Lamont: I am sorry that I was rather brief, but we went into this yesterday, when I made it clear that notwithstanding the arrangements that we had made, for example, for personal allowances, it is the Government's general view that we do not wish to build into fiscal legislation automatic escalators or index provisions. Although I recognise what my hon. Friend is saying, £100,000 and £150,000 are substantial lump sums. We intend to review the matter and to deal with the matter as I said. We do not think that it would be right to have a year-by-year automatic escalator, as my hon. Friend suggests, for reasons that I well understand.

Sir Brandon Rhys Williams: Since my right hon. Friend has given me an assurance on my proposal – I am sure that the Committee understands precisely what he said on that point, namely that he is not in the least committed in favour of what I am advocating – and since we have had a useful short debate, particularly following on what was said yesterday, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Sir Brandon Rhys Williams: I beg to move amendment No. 79, in schedule 3, page 76, line 21, leave out 'the benefits provided by the scheme'.

The First Deputy Chairman: With this it will be convenient to take amendment No. 80, in Schedule 3, page 76, line 23, leave out 'whatever' and insert 'which may be drawn to the notice of the Board by the Occupational Pensions Board.'

Sir Brandon Rhys Williams: This, once again, has a close relationship with the remarks that I made yesterday and I shall speak briefly.

I have made the point that it is wrong that the DHSS should seek to regulate schemes by the size of the contributions which are made at the start and that the Inland Revenue should seek to regulate schemes by the size of the benefits that are received at the end. This dual system of control is extremely confusing and hampering for pension schemes and people who contemplate making new arrangements for their retirement and it should be ended. If there must be a choice we should accentuate the positive and encourage people to make contributions rather than to discourage them in relation to the benefits that they receive.

As I have put my point again, I do not think that I need to labour it. It is germaine to this part of schedule 3 and I trust that my right hon. Friend can find a moment to give the House his further thoughts on dual control and the reform of the Inland Revenue.

The second point, which arises from amendment No. 80, is simply to draw attention to the enormous latitude conferred on the Inland Revenue by the use of the word "whatever" in line 23 of page 76 which seems so broad that the House should stumble on it. I think that it would be better if such an expression were not offered to the House because it is too broad. In order to improve this I am making the same suggestion that I made yesterday which is that consultation with the OPB would be the appropriate course. I hope that that will commend itself to the House. I do not think that I need to dilate further on these points and I should be glad if my right hon. Friend could let us have his observations.

Mr. Blair: We are grateful to the hon. Member for Kensington (Sir B. Rhys Williams) for raising these matters and I simply wish to make two short points arising from these amendments.

There has been some anxiety about the change in the system of discretionary approval and it is right that we ask the Financial Secretary to explain the Government's thinking on it. The National Association of Pension Funds is particularly worried that it will in some way result in a wide range of new restrictions on the types of occupational pension schemes that will be approved. I would be grateful if the Financial Secretary will confirm that the purpose of paragraph 3 of schedule 3 is to replace the practice notes which the Inland Revenue uses with a set of regulations.

If there are to be changes in substance, perhaps he could tell us what they are to be. But as I understand it the purpose is simply to swap the present system of discretionary approval by means of practice notes with a more formal structure in the form of regulations. If the Minister can assure us that that is the case, that will lay some fears to rest about the new paragraph 3.

My second point arises directly from the amendment. I have some sympathy with the hon. Member for Kensington about the inclusion of the word "whatever" in paragraph 3(5) because that seems to be extremely broad. The only difficulty with his amendment is that it does not simply mean that the OPB should be consulted; it confers some special statutory status on the board as opposed to any other body and that may be a little difficult to achieve. But his basic point is clear and deserves an answer from the Minister.

It would help enormously if the Minister could give us a clear answer on those points because they have caused enormous anxiety outside the House. If we can lay those fears to rest during the debate, it will have been well worth having.

Mr. McCrindle: I am somewhat fearful that this matter may also have been raised when I was absent yesterday, so I shall intervene even more briefly than before to dissent from my hon. Friend the Member for Kensington (Sir B. Rhys Williams).

I can see what my hon. Friend is trying to do and I would be prepared to leave out the word "whatever", but I am not sure that his replacement words would be of any major service to the advancement of occupational pensions. If my right hon. Friend the Financial Secretary is disinclined to accept the amendment, perhaps he would accept the point that to encourage the OPB to be able to take a rather broader view of a scheme, including the benefits, may not necessarily be bad, as my hon. Friend implied, and that possibly a middle course between the proposed deletion and the proposed new words may be considered before further legislation on occupational pensions is introduced.

Mr. Norman Lamont: Amendment No. 79 returns to a subject which we have debated on several occasions, the controls on benefits. My hon. Friend the Member for Kensington (Sir B. Rhys Williams) believes that the world would be a much better place if provision for retirement were essentially based on money purchase schemes rather than on final salary schemes. His amendment seeks to sweep away the present tax approval rules for occupational pensions which operate by references to the maximum benefits which the schemes can provide and he suggests a rule that the aggregate contributions to the occupational pension scheme, that is the amounts paid by the employer and employee combined, may not exceed 20 per cent. of the individual's salary. As I have already said to my hon. Friend, that would be a far-reaching change and would take us into Green Paper territory.

The issue has been aired considerably. My hon. Friend has discussed it with me and the Minister for Social Security and the Disabled. I am well aware that my hon. Friend is postulating a vastly different world and a different set of arrangements for pensions. I see that the hon. Member for Sedgefield (Mr. Blair) is looking worried about my reference to 20 per cent. I anticipated that we would take the next group of amendments with these

amendments and I do not wish to be out of order, but there is a certain connection between the two. I was being extremely careful, if not a little vague, in my choice of words because I did not wish to stray out of order. The two groups are inextricably linked and it is difficult to discuss the first without the second and the 20 per cent. figure.

My hon. Friend seeks to sweep away the controls on benefits and instead place controls entirely on contributions. The hon. Member for Sedgefield and his colleagues may have reservations about that and certainly it would be a far-reaching change. I have discussed this matter with my hon. Friend on many occasions and I can assure him that it will continue to be aired and that we shall continue to listen to him. However, during the proceedings on the Finance Bill, I cannot suddenly introduce such a far-reaching change. I hope that my hon. Friend will not think me wholly unreasonable in resisting his revolution. He has deployed the argument on many occasions and I think that he has a lot of logic on his side. However, I do not wish to create havoc and uncertainty in the pensions world. My hon. Friend has been fighting this war for a long time and he very much wants to win it. He will have to fight for a little longer but he has advanced somewhat in his battle and has perhaps made some converts.

4.30 pm

On amendment No. 80, I was asked about the inclusion of the word "whatever". I emphasise that the intention is to preserve the maximum flexibility and, in answer to the hon. Member for Sedgefield that no substantial change is intended. Clearly it is not the intention to direct schemes to invest in a particular way. The purpose is to make it clear that controlling director schemes cannot invest in for example, holiday homes or yachts for use by directors. The provision makes no substantive change in present practice; it merely strengthens anti-abuse practice. In his wording my hon. Friend was perhaps reverting to one of the themes that we covered quite thoroughly yesterday – the liaison between the Inland Revenue and the Department of Health and Social Security and the Occupational Pensions Board. I made it clear to my hon. Friend that on many of these matters it would be absolutely natural for us to consult the occupational pensions board, and we shall do so.

My hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) suggested that we should think about giving the Occupational Pensions Board a somewhat wider remit, and I listened to his point. Yesterday, I defined narrowly and precisely the matters for which the Occupational Pensions Board was responsible and I shall draw my hon. Friend's remarks to the attention of my right hon. Friend the Secretary of State for Social Services.

Sir Brandon Rhys Williams: It has been useful for the Committee to go over the ground once again, because we have been going slightly further than we did yesterday. What my right hon. Friend has said has been constructive within the limits of the difficulty in which he obviously finds himself; in the Committee stage of the Finance Bill he is being dragged into very philosophical issues on the whole question of provision for retirement. Final salary schemes are based on the idea of collective funding. Money purchase schemes are based on the idea of an individual entitlement which can be put together in a fund with other individual entitlements; they are an aggregation of individual entitlements. In final salary schemes, it is difficult to determine who owns what. That cloudy and rather Socialistic approach to retirement pensions is wrong and is rather out of character with Conservative thinking.

I would not like it to be thought that I was totally opposed to final salary schemes and wished them to be destroyed. What is in line with the general tenor of the Government's thinking and what is absolutely right is that we should build up, even within a final salary fund, a core of personal identifiable individual entitlement which can be taken as a transfer value if the beneficiary decides to leave the scheme as an early leaver. It would be an identifiable amount and could be calculated actuarially. That is very important. I would not disagree that, if a final salary scheme, having covered what may be thought to be a suitable minimum personal entitlement for all the members of the scheme, then has sufficient funds to do more, it might be at the discretion of the trustees or the sponsoring employer to put those funds into additional benefits for members of the scheme and their dependants. I would not wish to destroy final salary schemes but I want to ensure that everybody knows where he stands rather than being in a scheme where he is not able to identify his rights. That is why I keep drawing attention to the constributions rather than the entitlements in legislation governing the schemes.

I note what my right hon. Friend had to say about the Occupational Pensions Board and the Inland Revenue. I floated the idea of removing "whatever" because I did not think that it should go through without comment. After this short debate I think that we have exhausted the subject.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Sir Brandon Rhys Williams: I beg to move amendment No. 81, in page 76, line 34, leave out from 'exceed' to 'of' in line 36 and insert

'a figure which, when taken together with the contributions paid by his employer, is equal to 20 per cent. or such higher percentage as may, in a particular case, be prescribed by the Occupational Pensions Board.'.

The First Deputy Chairman: With this it will be convenient to take amendment No. 82, in page 77, line 8, leave out from 'exceed' to 'of' in line 9 and insert

'a figure which, taken together with the contributions paid by his employer, is equal to 20 per cent. or such higher percentage as may in a particular case be prescribed by the occupational pensions board.'.

Sir Brandon Rhys Williams: Here we have a reference to a point that I made, or sought to make, on Second Reading, and I have revived the figure of 20 per cent. partly because it corresponds to what I said on Second Reading. I mentioned that when I touched on the subject during the Committee stage of the Finance Bill in 1970. I brought up the concept that what one puts aside for one's retirement benefit might be related to the concept of 10 minutes in the hour, which, of course gives a figure of 20 per cent. That figure is not just a round figure which it is convenient to use for the sake of argument; it is approximately the figure that I think needs to be put aside for retirement so that the average person receives a pension which is approximately two thirds of his final salary when he comes to leave full-time work. It could be regarded as a target. I would not necessarily wish it to be regarded as a maximum, which is why I have said that in particular cases the Occupational Pensions Board might

[Sir Brandon Rhys Williams]

be willing to consider a higher figure. On other occasions, I have recommended a figure of 25 per cent. I am happy to see large sums flowing into pension schemes because that is for the good of the economy as well as for the good of the members.

The amendment would have the effect of putting contributory and non-contributory schemes on the same footing. When I was working in personnel management we took it for granted that there was not such a thing as a non-contributory pension scheme. In a particular employment it might well be expected that employees might put 5 per cent. into the occupational pension fund but if they were not called upon to do so by their employer we assumed that that would be taken into account in the general remuneration package and that the salary, on current account would tend to be adjusted in relation to the market for the particular type of employment because there was no requirement to contribute to a pension scheme in certain cases.

By putting the employer and employee contributions together, I am also making a recommendation that produces big administrative simplification when members belong to several different schemes. In some of those schemes the employer will make contributions jointly with employees, and in others the employee will possibly make voluntary pension contributions on his own. If we are to have a regulation whereby the maximum permitted access to the tax haven-type of pension provision is controlled with regard to contributions it might be reasonable to put employers' and employees' contributions together in a single lump.

I think that I am right in saying that the taxpayer has to pay 20 per cent. on top of current remuneration of employees in the public sector to provide the pension benefits required under the public sector unfunded schemes and yet we have much smaller contributions than that in the vast majority of private sector schemes.

I have looked at the minimum contributions required for employers and employees jointly in contracted-out schemes. That contribution is so small that it does not bear any relation to the figure of 20 per cent. Therefore, we could say that the private sector schemes are likely, on average, to be about half as good as what we think appropriate for the public sector. As the Committee is dealing with pension matters in such detail in the Finance Bill debate today I do not believe that we should pass by without comment upon the fact that, in the private sector we seem, at the present time, to be content with a very much lower standard of provision than we think is appropriate in the public sector. That is an observation that arises from the fact that I have put a figure of 20 per cent. in this amendment. I am not seeking to force this amendment on my right hon. Friend, but I believe that it would be valuable for the Committee to have his observations on it.

Mr. Blair: I congratulate the hon. Member for Kensington (Sir B. Rhys Williams) on raising an amendment that has a logical symmetry to it.

I have attempted to come to grips with the pension legislation and I believe that one of the curiosities of that legislation is that the limit on contributions refers simply to employees although the actual benefits that arise out of a scheme are the product of the contributions of employers and employees. There is a limitation on those benefits. As I understand it, the main thrust of the argument put forward by the hon. Member for Kensington is that the contributions of the employer should be lumped together with the contributions of the employee. The hon. Gentleman has chosen a figure of 20 per cent. as opposed to the limit of 15 per cent. to be placed on the employee. I suppose that, in some cases, that could mean a reduced amount of contribution since the employers' contributions are not, as I understand it, subject to any limitation. It is correct to ask why we treat the contributions in this way since both the contributions are going into a scheme and at the end of the day a limit will be placed on the benefits of that scheme.

I would be grateful if the Financial Secretary could explain the Government's thinking. In particular, I hope that the right hon. Gentleman can say whether he believes the hon. Member for Kensington is right in saying that if the amendment was accepted and the percentage was set by the Occupational Pensions Board or whoever and thus the contribution was set, that could give a more accurate reflection on the rules concerning the limitation of benefits when schemes finally come to fruition.

Mr. McCrindle: I support the amendment tabled by my hon. Friend the Member for Kensington (Sir B. Rhys Williams). I believe that to move in the direction of raising the limits is a perfectly good idea. Although I would be a little surprised if my right hon. Friend were prepared to accept the amendment in the specific form in which, inevitably, it has been tabled, I wonder whether he will take the opportunity to comment on why we still believe, in 1987, that it is desirable to have a percentage restriction.

I would like to put into a scheme a particularly large percentage of my earnings to achieve a particularly comfortable retirement pension. I believe that the Government should tell us why such a percentage should be restricted. Of course, I know all the historic reasons for that restriction, but I do not believe that there is any disadvantage in taking the opportunity of these Finance Bill debates to update our thinking and remind ourselves why we believe a percentage restriction should be placed on such schemes.

As I understand it we are talking about a 15 per cent. limitation in relation to additional voluntary contribution schemes. I believe that 17·5 per cent. is the limitation on personal pensions. Perhaps my right hon. Friend will take this opportunity, to remind us why, in an area in which, in all conscience, there is sufficient complication, we should eschew the possibility of uniformity. We seem to be approaching two different types of pensions with different percentage limitations.

Mr. Norman Lamont: I believe that my hon. Friend the Member for Kensington (Sir B. Rhys Williams) is putting forward the second part of his platform for the complete reform of pensions. The new controls that he wants to see on contributions are a substitute for the removal of the benefit controls that he wants to sweep away.

My hon. Friend the Member for Kensington explained in an earlier intervention that he believed that it would be much more in accordance with Conservative philosophy if we had a series of pensions where each person had his own accrued personal rights. That relates to his strong views on transferability. My hon. Friend has a specific

amendment that incorporates that principle. We shall debate that amendment as it sums up in figures exactly what he has put down in this amendment.

4.45 pm

I am afraid that my reply to my hon. Friend is similar to the reply I gave to his last amendment. Amendment No. 81 encroaches on the territory of the Green Paper. If I were to accept the amendment it would go against the assurances that have been repeatedly given by my right hon. Friend the Secretary of State for Social Services and my right hon. Friend the Chancellor.

A number of my hon. Friends have queried various aspects of the limits on contribution. My hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) asked about the 15 per cent. limit for AVCs and the 17·5 per cent. limit for personal pensions. There is a lower limit for the AVCs because of the benefit of employer contributions. I believe that there is an amendment about this and we shall be able to discuss the matter further. However, the employer's contribution is the reason why there is a difference between the personal pensions and the AVCs.

The hon. Member for Sedgefield (Mr. Blair) asked why there was no limit on employer contributions. He said that, in certain circumstances where there is a 20 per cent. limitation, that might result in a lower employer contribution because, presently, there is a limit on employees' contributions. There is a limit on benefit, but no limit on the employer's contribution. It is the employer's contribution that has been abused in certain instances. We discussed that abuse yesterday when we spoke about maximum accrual rates over a short period that resulted in large sums of money sometimes exceeding the payment of salary. Such employers' contributions have been channelled in a way to generate large sums in a relatively short period.

Benefits are based on final salaries. Employers' contributions follow the advice of the scheme actuary as to what is needed to keep that scheme solvent. I am afraid that I cannot give any explanation other than that to the hon. Member for Sedgefield.

My hon. Friend the Member for Brentwood and Ongar said that many of these limitations had grown up like Topsy and were rooted in history. My hon. Friend for Kensington is certainly trying to impose greater coherence on pension schemes.

Personal pensions, AVCs and occupational pensions serve slightly different purposes. The one thing they have in common is that they provide pensions, but they are subject to different circumstances. I do not believe that one could have the same controls on the benefits and contributions of personal pensions, largely for the self-employed, as on occupational pension schemes. However, as these new instruments develop, I have no doubt that the opportunity will arise when we can consider more possibilities for harmonising the arrangements and the framework within which the different schemes operate.

The campaign of my hon. Friend the member for Kensington continues. He wants to move to this money purchase scheme rather than a largely final salary scheme —or, as he made clear, if we have final salary schemes, he wants them to be much more on a basis similar to the personal pensions but within company pension schemes. I understand entirely what he is campaigning for. We will certainly continue to listen to him. My right hon. Friends intend to have discussions with him about this. I hope that he will understand that his radical sweeping reforms cannot simply be introduced through this one little clause in the Finance Bill.

Sir Brandon Rhys Williams: Once again, this has been a helpful short debate. I hope that our debates will be studied by people in the pensions movement because my right hon. Friend the Financial Secretary to the Treasury is making some very constructive suggestions that show that he has fully grasped the points that I am making. I know that we will be extremely grateful to him for that and I hope that we can carry him further along those roads in the future.

Employers who read the debate might take fright at the sight of a 20 per cent. contribution and think that that is now hanging over them. It would not be inappropriate that employers' contributions should be a minimum of 10 per cent. and that a further 10 per cent. should be at the option of the employee in the average scheme. However, even 10 per cent. is a lot for some employers on top of what they may be funding for other employee benefits.

I offer my right hon. Friend a self-denying ordinance —that the Treasury might possibly renounce its claim to employers' contributions to national insurance, which is already in excess of 10 per cent., and put that all into pension provisions. Before long, the Government would have much smaller bills for assistance to people in retirement with supplementary benefit. However, that takes us somewhat wide of the clause. Having had this useful debate, I beg to seek leave of the House to withdraw my amendment.

Amendment, by leave, withdrawn.

The First Deputy Chairman: We come now to amendment No. 51, with which we are to discuss No. 52.

Sir Brandon Rhys Williams: As I have given an undertaking to try to help the Chair to reduce the length of our debates, I recommend that with amendments Nos. 51 and 52 we take Nos. 53 and 56, which have a similar objective. If that is agreeable to the Chair, I think that will assist the Committee and help to shorten our debate.

The First Deputy Chairman: Does the Committee agree to that? So be it.

Sir Brandon Rhys Williams: I beg to move amendment No. 51, in schedule 3, page 70, line 4, at end insert

'15A. In paragraph 10 of that Schedule for the words "The Board" there shall be substituted the words "Subject to paragraph 11 below, the Board".'

The First Deputy Chairman: As the Committee has agreed, we will also discuss the following amendments: No. 52, in schedule 3, page 79, line 4, at end insert

'15B. After paragraph 10 of that Schedule, there shall be inserted

"11(1) This paragraph applies where an employee who is a member of the scheme ('the main scheme') is also a member of an approved scheme ('the voluntary scheme') which provides additional benefits to supplement those provided by the main scheme and to which no contributions are made by any employer of his.

(2) The Board shall not have power under paragraph 10 to make any regulations imposing any limits on the amount of a benefit provided for the employee

(a) under the main scheme to the extent that it requires account to be taken of the amount of benefit under the voluntary scheme.

[The First Deputy Chairman]

"(b) under the voluntary scheme to the extent that it requires account to be taken of the amount of a benefit under the main scheme".

No. 53, in schedule 3, page 82, line 24, leave out paragraph 25.

No. 56, in schedule 3, page 82, line 32, at end insert

"(3) Sub-paragraph (2) above shall not operate so as to reduce the benefit provided for the employee by an approved scheme to the equivalent of a pension of less than one-sixtieth of his final annual remuneration for each year of service or such fraction if a lower fraction as is provided for in the rules of the scheme.".

Sir Brandon Rhys Williams: Amendment No. 51 is introductory and simply paves the way for amendment No. 52, which is the central recommendation that I propose.

We come here to one of the aspects of the Budget that I think was regarded as a controversial feature when it was first announced by my right hon. Friend the Chancellor in March. It immediately caused consternation in the pensions movement. When it reappeared in the summer Finance Bill, the proposal that I am attacking at this point was regarded with widespread dismay. I am sure that I am not the only member of the Committee who has had earnest representations that the Government's proposals should be amended.

When I was discussing another issue yesterday I took the opportunity to read the observations of the Occupational Pensions Board in connection with the association that is intended at the moment of the AVCs with occupational pension schemes. The difficulty is that, in practice, the proposals that the Government are making in the schedule will prove unworkable because no one can tell employees precisely what maximum contribution they may pay to a free-standing AVC because it is impossible to know whether the aggregate benefits from the AVC and their occupational scheme will, on retirement, exceed the limits imposed by Inland Revenue.

If the aggregate benefits on retirement exceed the revenue limits, the Inland Revenue will expect them to be reduced. This would be unacceptable because, if an occupational scheme reduced its benefits, it would be profiting from the success of the employees' own investments. On the other hand, an AVC provider could not reasonably deny the employee the product of his investment. It would fall back on the trustees of the occupational pension scheme to break the rules of their scheme and to dishonour their trust to accommodate the fact that the thrifty employee had done a sensible thing and chosen a good AVC.

The employee would rule himself out of an entitlement that he would otherwise have enjoyed under his firm's occupational scheme. That must be wrong. It constitutes retrospective legislation, because it means that, where the AVC has proved to be a fruitful form of retirement provision, no benefits can accrue to the member because retrospectively what he might have hoped to get from his occupational pension scheme, is cut. I suppose that somebody else will get the money, in that either the employee will then get the benefit because he does not have to put such a large topping-up contribution into the scheme, or there is more money for the trustees for other purposes.

As the Committee has agreed to take amendment No. 56 together with this group, I would like to point out a side effect that is also important for it to bear in mind. If the occupational pension trust is frustrated from giving an annuity immediately because of the Inland Revenue limit that would apply according to the proposals that the Government are making across both schemes, it might decide that it will take that money away from the beneficiary and use it for something else or hold it back for a subsequent purpose. The implication is that one cannot finance future increases to protect the pension from inflation.

That is wrong. If there is more money than can be used to provide an annuity, sometimes the trustees of an occupational pension scheme can use it as time goes on to provide greater increases to a member's pension than it otherwise would have done. Rightly or wrongly, this is an area that is still open to the discretion of the trustees.

Under the new legislation there is a requirement on the trustees to reduce the benefits provided by the scheme so that maximum benefits are not exceeded. This seems to be a change in attitude. It is now implied that there is no residual amount that is in some sense the property of the member. Part of his voluntary contributions must be used to reduce the liabilities of the scheme. It seems most undesirable that this reduction should have no limit. A member could pay AVCs in good faith and, because of exceptional investment success or lack of proper advice, he could find that his money was entirely wasted. For that reason, the amendment attempts to provide that the pension paid by the scheme cannot be reduced below the basic entitlement provided for in the scheme's pensions formula. That is the very least that is fair.

I hope that the Government will extricate themselves from the dilemma by listening to what professional people and the pensions movement are pressing on them, which is that they should regard the AVC as a totally separate and free-standing undertaking for pension provision and that there should be no liability on the occupational scheme to adjust its benefits to correspond to the success or failure of the AVC. This is a matter where the Committee is seriously engaged and we look forward to what my right hon. Friend has to say.

Mr. Tony Blair: This amendment was urged on me by several outside bodies. In the end, I did not put my name to it because I was not sure exactly where the balance of the argument came down, but it raises some points to which the Financial Secretary should respond.

I understand that there is a limit on the contributions, which are aggregated for both the additional voluntary contributions and the occupational pension scheme. In other words, the 15 per cent. limit applies to the total amount paid either in the occupational pension scheme or in additional voluntary contributions. If, under the occupational pension scheme, an employee is contributing 4 per cent. of relevant earnings, with an additional voluntary contribution he can top that up another 11 per cent., which gives an aggregate of 15 per cent. The regulations will also provide limits on the benefits that can be paid out under the schemes on the basis of aggregation. The limit on benefits will be two thirds of final salary, or whatever.

The National Association of Pension Funds Ltd. and other bodies say that if there is a limit on contributions to the scheme, one will not need to aggregate the benefits.

that simply depends on how well the additional voluntary contribution scheme or the occupational pension scheme have gone. They say that, if benefits are limited on an aggregated basis, one will presumably not enjoy the proper fruits of one's investment. They also say that if one invests a certain amount of money well, the returns will be more than the limit on benefits that the regulations impose, that such money will be lost, and that, because of the limits, one will not be entitled to the fruit of one's investment.

5 pm

There is also the worry that it will be extremely difficult to see how to limit the benefits paid for what the additional voluntary contributions buy. Limits will occur in the occupational pension scheme. Some pension funds worry that it will mean that occupational pension schemes will become less attractive to people because they will have a limit on the fruits of their investment.

I saw another difficulty in the legislation. Perhaps there is an answer to it, in which case I shall be happy to support the hon. Gentleman's amendment. I assume that, when an employee purchases additional voluntary contributions, the body through which he purchases his investment will judge what the likely benefits will be. It will not be an entirely random event. Some attempt will be made by an employee, when he engages in additional voluntary contributions, to work out exactly what the likely benefit will be at the end of the scheme. It is not as though an employee will go into it with his eyes completely closed.

The main difficulty—this is why I said that there was a symmetry in the hon. Gentleman's earlier amendments—is that there is no limit on employers' contributions. I suppose that it will be possible to obtain two thirds of a salary—the maximum benefit—under the occupational pension scheme and then have additional voluntary contributions making a further top-up. The hon. Gentleman may say that there is nothing wrong with that. The hon. Member for Brentwood and Ongar (Mr. McCrindle) asked why there should by any limit on the amount of contributions.

We are talking about tax relief. Therefore, we must balance the interests of the Exchequer, acting on behalf of the whole body of taxpayers, against the interests of any type of investment, such as pensions, that we want to encourage. I should be unhappy if there were to be a widespread opportunity for higher earners to make additional voluntary contributions, if such benefits are not aggregated with the benefits under the occupational pensions scheme and, therefore, purchase for themselves a much greater pension than will be available to others. If that were to be the case, it would involve a change in the balance between the interests of the Exchequer and individual taxpayers. We must think carefully about that matter. I should be grateful if the Financial Secretary will respond to the points that I have made. They are worth raising.

Mr. McCrindle: I agree with the remarks of the hon. Member for Sedgefield (Mr. Blair) about why there should be limitations on contributions. He will understand that, for the purpose of the debate that I was trying to generate, it would not have been appropriate if I had conceded the point then, but I readily concede it now. It will be recalled that, during my contribution to the earlier debate, I raised the contrasting treatment of tax relief on contributions between AVCs and personal pensions. I received an explanation from my right hon. Friend of why it should be 15 per cent. on one and 17.5 per cent. on the other. To some exent we may return to the matter another day.

I accept the Financial Secretary's explanation of why such differences should apply.

The amendments to which we now turn our attention are aimed at bringing equivalence. So far as I can read them, they are designed to ensure that AVCs are, in effect, as freestanding as personal pensions already are under the legislation that has been introduced. Therefore, it seems to follow, as the amendment implies, that benefits should not be aggregated with those of the occupational pensions scheme. When, in retirement, total benefits exceed Inland Revenue limits, the benefits will not need to be reduced if the amendments are passed.

I now raise the central point to which I draw my right hon. Friend's attention and to which it would be helpful if I could have a response. If we now agree, as we did during earlier debates on other amendments, that for the reasons that we conceded, there must be a limit on contributions, why must we have, in effect, a limitation on contributions and a limitation on benefits? One of the ways in which we could most effectively move forward would be to accept that if there must be one, it does not necessarily follow that there must be another. To that extent, I commend the amendments that were moved by my hon. Friend the Member for Kensington (Sir B. Rhys Williams). I look forward to hearing what my hon. Friend the Financial Secretary to the Treasury has to say.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I echo some of the arguments and worries that have been expressed. I, too, have received representations from the National Association of Pension Funds Ltd. and similar organisations. There is a good deal of consternation, even at this stage. I am aware that we are running short of time within which the Government are seeking to introduce new, important and generally helpful innovations. It is almost a revolution in the provision of pensions in this country. I support the Government's main thrust, but I have two worries about voluntary contributions as presently proposed. First, the scheme as presently proposed by the Government is unmarketable for the reasons that have been stated by the——

Mr. Norman Lamont *indicated dissent*——

Mr. Kirkwood: The Financial Secretary shakes his head. It is difficult to see how AVCs can be sold in the context in which the Government propose them. I wait to hear what he says, and so will the industry. I cannot see how a salesman, an insurance company, or whoever will purvey the schemes, can put together a prospectus that will convince me that a scheme is sensible, if it were appropriate to my personal circumstances to adopt a scheme.

Secondly, I agree with what was said earlier. The scheme is unmanageable. I do not see how the people who are responsible for AVCs—presumably they will be trustees—can possibly work out exactly what will happen at the end of the day and prevent the possibility of benefits exceeding the limits that have been set down. I am worried about what happens to the benefits. Will they fall into the hands of trustees or employers? I am not entirely sure. I am certain that the trustees of any such scheme, when they try to determine what future benefits will be, may run foul of the Securities and Investments Board plc in terms of the monitoring of the scheme.

[Mr. Kirkwood]

Trustees may say to prospective purchasers, "We think that the projection will be this, that and the other." Of course, we have had debates in the House on other legislation about the need to counsel caution in respect of projections and scheme sales. If the trustees of the new AVCs adopt such an approach, as they should, and they find that they have been over-cautious and that the benefits will exceed the limits, what will happen to the money that accrues from investment? There are difficulties and, although I am not an expert, I can foresee problems on the horizon for trustees in the monitoring of the scheme.

I understand that the Government are issuing consultative documents to trustees to try to meet that point. The proper and obvious way of solving the matter, as has been suggested, is to ensure that free standing AVCs are as free standing as personal pensions so that their benefits are not aggregated with those of an occupational scheme. How much would that cost the Government? What difference would it make? Would it disrupt some of the schemes, benefits, guidelines or the rules and regulations that abound in this sector? If so, I should be pleased to hear about them. With the information that is presently available to me I do not think that it will cost a lot or be difficult to administer. It would enable the scheme to progress in the way that industry was expecting, which would be to the benefit of all concerned.

Mr. Norman Lamont: We shall study carefully all the points that have been made, but I should like to distinguish sharply between personal pensions and AVCs. AVCs are not personal pensions, which was the main reason for their introduction. I shall rest my case on the strong distinction between them.

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) seeks to disapply the benefit limits for members of schemes who are paying free standing AVCs. If the benefit limits did not apply it would be possible for someone in a non-contributory occupational scheme to invest up to 15 per cent. of salary in a free standing AVC scheme and increase his total pension benefits way beyond the two-thirds final salary maximum that applies under the existing rules.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) asked about costs. I cannot possibly answer that, but I can envisage circumstances in which the cost could be substantial. I understand why the industry should want this change. I was shaking my head because it is not surprising that the industry wants it. It says that free standing AVCs should be like personal pensions, but we have introduced personal pensions for that purpose. If people want personal pensions they can take them out. We have introduced AVCs to help people who wish to make up part of their occupational pension scheme; we already have in-house AVCs. We are introducing free standing AVCs to give people choice in investment management. Given that we have these rules for free standing AVCs —they are part of occuptional pension schemes— it is logical that they should be constrained in the same way as occuptional pension schemes.

I understand that my hon. Friend the Member for Kensington wants nothing to do with limits on occupational pension schemes. In this instance we are not having a wide ranging debate, we are on a narrower point as to whether AVCs should be constrained on benefits. In my view they should be because they are part of occuptional pension schemes. They are not personal pension schemes under another name; if they were we would have introduced one new instrument and not two. they are for different purposes.

A number of hon. Members, particularly the hon. Member for Roxburgh and Berwickshire, have suggested that the benefits may be impossible to police. We shall consider that point and review it in the future, but I do not think that the problems with which one is faced will be inherently different from those of in-house AVCs.

Members of occupational schemes have a right, under social security legislation, to know the value of their pension rights, and therefore what the scope is within the overall benefit limits to pay AVCs. That is a calculation which AVC managers should carry out under present rules on in-house AVCs to guard against excessive contributions. For free standing AVCs they will have to make a calculation and that information will be conveyed by the scheme member to the AVC provider. I do not think that that will be inherently impossible. I do not wish to minimise the point, but I am not surprised that the industry wanted a different regime.

5.15 pm

We must pay attention, as the hon. Member for Roxburgh and Berwickshire reminded me, to any practical problems. I am not convinced by what has been said thus far about possible problems, but we shall keep the practical aspect of the matter under review and we shall do what we can to make it workable if there are genuine difficulties. On the point of principle with benefits, there is a strong case for a limitation on benefits.

Sir Brandon Rhys Williams: I should like to raise the point that was made by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) as to the cost of allowing a bigger flow of savings into AVC pension schemes by removing the restriction that is intended by the Government's provisions. The result, insofar as the AVC results in the payment of a higher annuity, would be that the taxpayer loses nothing because the principle is, as I have often said in slogan form, "save now, pay tax later." The taxpayer recovers much more money because if it is put into a fund to fructify, which is then able to grow and is well invested, when it emerges as an annuity more tax is paid than if tax were deducted and the money went straight out in the pay packet in the first instance and was not saved. The taxpayer must gain if an annuity is ultimately larger; the economy gains, because by encouraging thrift and savings instincts and by getting money put into these schemes, which then go out into investment — we hope into productive manufacturing industry or worthwhile projects — the economy is healthier and there is a better yield to the taxpayer.

In insisting that the provisions must stand as they are my right hon. Friend is not only creating almost impossible dilemmas for administrators he is also doing something which is not in the public interests or in the interests of the economy. Therefore, before we close on this point, will he say whether he is prepared to consider further suggestions which we might be able to work out between now and Report, which I think will be next week? I should like to feel that we had not left this point, if I withdraw my amendment, because there is much concern about the administrative difficulties, quite apart from the

wider implications, and the Government would be wrong to steamroller the House into accepting the provisions. I therefore hope that my right hon. Friend will be prepared to say to the Committee that this is a matter which he thinks appropriate to come back to on report.

Mr. Norman Lamont: I have tried to respond to the points that my hon. Friend the Member for Kensington (Sir Brandon Rhys Williams) has made during this lengthy consideration of the pension provisions. I have tried to respond as constructively as I can. I hope that my hon. Friend will agree, despite the radical proposals that he has put forward, that I have responded in a positive manner.

As to the principle of the benefits on AVCs, I cannot give an undertaking to come back on report because I feel that the principle is correct. I listened carefully to what my hon. Friend the Member for Kensington said about administration and the practicality of it. I have noted what was said and I shall seriously consider that point. However, I do not think that I can come back on report with a new way of looking at the administration of it.

I cannot agree with my hon. Friend on the central point about benefit limits. I listened to my hon. Friend. He says that there may be no cost because the benefits are subsequently taxed. That is in the long run. The immediate cost will be substantially higher. The benefits may not be paid for up to 40 years. Of course, I have no idea what the cost of having no benefit limits would be. However, it would simply allow free standing AVCs to be used as a tax shelter for investment generally.

Sir Brandon Rhys Williams: Why not?

Mr. Lamont: I do not think that my hon. Friend has carried all Members of the Committee with him in that comment. I am afraid, he has certainly failed to persuade me that in the present regime, with the limits on benefits in occupational pension schemes, AVCs, which are not personal pensions, ought to be subject to a regime that is analogous to that of personal pensions schemes rather than that of occupational pensions.

Sir Brandon Rhys Williams: On the matter of recommendations to allow large contributions to tax haven schemes, I am not trying to suggest that outrageous proposals should be permitted that have no real relationship to orthodox provision for retirement but are simply an exploitation of the tax haven element. I do not want to be associated with the idea that there should be no upper limit whatever on contributions. However, I think that contributions should be encouraged to rise from what they are now. It is a pity to talk about limitation to the extent that we do. I think that contributions of 20 per cent. or 30 per cent. of current remuneration would be perfectly appropriate and that higher figures, in many cases, might even be appropriate.

On this question, I have been reflecting lately on what I might like my friends to write on my tombstone after my death. I think that I would like them to write, "God knows I tried." I hope that anyone who reads the debate in the pension movement will see that I have tried to persuade the Government on this point. If I have not succeeded on this occasion, no doubt the House will have need to come back to it at another time. My right hon. Friend the Financial Secretary has been so clear. The House is grateful to him for the extremely appreciative way in which he is approaching the debates. I have no criticism of him whatever. I think that he happens to be mistaken on this particular point, but a man who never made a mistake, never made anything. However, having made those observations I beg to ask the leave of the Committee to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. Watts: I beg to move amendment No. 71, in page 80, leave out lines 7 to 50.

The First Deputy Chairman: With this it will be convenient to consider the following amendments: No. 8, in page 80, line 8, leave out paragraph 19.

No. 55, in page 80, line 9, at end insert

'(1A) In this paragraph, and in paragraphs 20 and 21 of this Schedule, the words "each year of service" wherever they occur shall have effect so as to include those years of service in a previous employment to which any transfer value accepted by the scheme relates.'.

No. 36, in page 80, line 13, after 'service', insert

', including any previous periods of service as a member of any other retirement benefits scheme of the same or any other employer and any other periods of service which the Board may prescribe by regulations under paragraph 18(2) above.'.

No. 54, in page 80, line 13, after 'service', insert

', including any previous periods of service as a member of any other approved retirement benefits scheme of the same or any other employer.'.

No. 75, in page 81, leave out lines 1 to 26.

Mr. Watts: The effect of amendments Nos. 71 and 75 is to delete paragraphs 19, 20 and 21 of schedule 3 which introduce a new and much less favourable regime for accelerated accrual of pension rights. At present, late entrants to an occupational pension scheme can accrue maximum benefits over a period of 10 years. The new regime proposed in the Bill extends that period to 20 years. It seems inevitable that that change will discourage labour mobility, particularly among older employees. No one over the age of 45 will be able to change jobs and still accrue a maximum pension.

The change seems to run counter to some of the legislation we enacted in the previous Parliament to improve the position of early leavers in respect of their pension rights. For example an early leaver at the age of 50, who is entitled to transferable benefits guaranteed by the Social Security Act 1985 may find that he is not able to realise the benefits of those transferred funds on retirement because of the changes now before us.

I have struggled in vain to identify any rationale or logic in the proposals contained in the paragraphs. In my view, they are ill-thought-out and should be taken away by my right hon. Friend the Financial Secretary for further consideration. All they show me is the rather deplorable Inland Revenue Prejudice that pension provisions, and much else that people do, are solely means of tax avoidance and little else. I am sorry to see so much of that prejudice reflected in the drafting of legislation. Of course, I hope that I am wrong and that my right hon. Friend may be able to lead me down the road to Damascus and to greater enlightenment. However, I doubt whether that will be the case.

Mr. Blair: The amendments of the hon. Member for Slough (Mr. Watts) take a fairly drastic blue pencil to much of page 80 of the schedule. My amendment, which is included in this group, is more modest but I hope that it has a constructive effect. I simply want to probe the Government's intentions in relation to the new rules. The present rules allow the accrual of the maximum pension

[Mr. Blair]

over a minimum period of 10 years. The new rules will substitute 20 years. The effect of amendment No. 36—there are others that have a similar effect—is that if the employee leaves one firm and joins another and both firms have occupational pension schemes, one simply aggregates the service. In other words, there must be at least 20 years' service to obtain the maximum benefit but that service can be with different employers.

As I understand it, the Government wanted to change the rules from 10 years to 20 years because they thought that the 10-year rule was allowing some over-hasty accrual of the maximum pension and that, therefore, the provision was being used for tax avoidance.

I confess, that at first I found it difficult to see how there could be avoidance on that basis unless the particular employee was joining a scheme and had no previous pension. In that way an employee, over the 10-year period was effectively allowing a huge and rapid accrual of benefit. I may have got that entirely wrong. As I understand it, the Government want to change the rules because they thought that 10 years was too short a time to accrue the maximum benefit and that the system was open to avoidance if the employer started to make large contributions to the scheme.

If the new rule of 20 years is permitted and the earlier service is included, which is the effect of the amendment we have tabled, the long period of 20 years would still have to be taken into account but it simply would not have to be with the same employer. My concern about the Government's requirement is that it places an obstacle in the way of job mobility. People would have to remain with the same employer in order to obtain the rapid accrual of benefits. I cannot see any reason why they should not move from one occupational pension scheme to another and simply take the benfit of their service with them. Indeed, I would have thought that that would fit in neatly with the Government's scheme of pension provision.

There is the further point that the personal pension scheme has no such restriction in the sense that it is simply taken with the employee wherever he goes. Therefore, the personal pension scheme will have an advantage over occupational pension schemes and will put them at a disadvantage.

If the test of the Government's provision is that it should prevent avoidance and they think that 10 years is too short a time to prevent that avoidance, they have to justify not so much the 20 years but why the 20 years has to be with the same employer. If we were able to have those provisions with different employers, it would meet the Government's objective in relation to avoidance and it would allow full flexibility of pensions.

5.30 pm

Mr. Kirkwood: On balance I am in favour of the approach adopted by the hon. Member for Sedgefield (Mr. Blair) as opposed to the rather sledgehammer approach adopted by the hon. Member for Slough (Mr. Watts), although I entirely agree with everything that he said and support the way in which he introduced the amendment. Like the hon. Member for Sedgefield, I should like to probe the Government about the thinking behind this scheme. Like the hon. Gentleman I cannot see easy ways of adopting avoidance tactics against the background of the maximum-period rules that formerly applied.

This is a substantial change and as the hon. Member for Slough said, it will have the effect of decreasing potential job mobility and portability of pensions. Some serious consequences could accrue from this change. The solution to the problem as we see it, and as the amendments see it, is simply to aggregate the service in the way that the hon. Member for Sedgefield suggested. What would that cost? I know that such questions are difficult to answer, but is there any way of knowing the effect of adopting the approach suggested by the hon. Member for Sedgefield of aggregating years of service? That seems to be an effective compromise that would give a balance against potential avoidance and avoid some of the worst effects that the hon. Member for Slough mentioned. To make the argument all-party, I certainly subscribe to the arguments advanced by the hon. Members for Slough and for Sedgefield.

Sir Brandon Rhys Williams: The hon. Member for Sedgefield (Mr. Blair) admirably moved amendment No. 36 standing in his name. I should like to draw to the attention of the Committee the fact that my amendment No. 54 is in identical terms but does not go quite as far as his. However, it seeks to make the same point. It worries me very much that transferability would be restricted by what the Government propose here. Obviously, the whole object of securing a transfer by an early leaver when he leaves one firm and enters another—if it is a final salary scheme that he joins—is to achieve the negotiation of added years. It appears to me, although I may be wrong, that what the Bill is proposing will make it more difficult if not impossible to secure added years in the second employer's scheme.

It has been strongly urged on me that in personnel management, particularly when negotiations about movements of very senior people are concerned, this provision that the Government intend is likely to be extremely damaging. I find that very disheartening not only because it is bad for the workings of the economy but because it is hard on individuals if they are impeded from making the best of their opportunities at the peak of their career by pension scheme provisions which may have a very substantial value by the time a man is in his late forties or fifties.

It is disheartening when I and other hon. Members who have worked for so long to try to improve the conditions for the early leaver find that the Inland Revenue is moving in precisely the opposite direction by introducing rules that will actually make it harder for the early leaver to get a fair deal. This is an indication of the fact that the Inland Revenue has lost sight of the public interest and is simply concerned to find ways of stopping the exploitation of the tax haven provisions that are allowed in retirement benefit schemes.

I am afraid that once again we are detecting at the back of the Revenue's thinking its terror that someone will exploit the tax-free lump sum opportunity. What it is doing here is once again aimed at blotting out exaggerated tax-free lump sum arrangements, but once again in the wrong way. I do not need to emphasise to my right hon. Friend what I think would be a better arrangement, that future accruals of lump sum entitlement, should be taxed at the standard rate. That would not be a retrospective action. It would be 40 years before it fully took effect, but where the stopping of eccentric or unacceptable plans for exploitation of lump sums is concerned it would have an

immediate effect. That is the right way and what the Government are doing is the wrong way. I trust that the Committee is about to hear from my right hon. Friend that the Government have thought again about these proposals.

Sir William Clark: I support the amendment tabled by my hon. Friend the Member for Slough (Mr. Watts). My amendment No. 8 is precisely the same as his, except that he cut two lines and removed the title. Presumably, that is why my hon. Friend's amendment was taken first. Perhaps I was upstaged. I do not want to reiterate the arguments that my hon. Friends have advanced. In many cases high flyers or middle management in the private sector have to move from one employer to another. That does not apply to civil servants. I shall not go into indexation of Civil Service pensions, but if a civil servant moves from one Department to another, whether from the Department of Transport to the Treasury or to the Home Office or elsewhere, he has the same employer and, consequantly, his pension is not affected. However, pensions in the private sector are affected by job movement.

Let us look at the employee who does not want to move and is made redundant. Is he to be penalised? I agree with my hon. Friend the Member for Kensington (Sir B. Rhys Williams) who said that on many occasions the Inland Revenue gives the impression that it is absolutely scared stiff that one person may find a loophole in some piece of legislation. Consequently, the Inland Revenue wants the legislation complicated and it is hedged around with so many restrictions and regulations that the ordinary man in the street and, indeed, the informed man in the street, can seldom make head or tail of it. It is time that we stopped this sort of restrictive practice. We ought to propagate Conservative philosophy by encouraging more and more people into private pension schemes.

Without amendment, this clause will have an inhibiting effect upon such movement into private schemes. I urge my right hon. Friend to have another look at this. We should stop this nonsense of trying to block loopholes that probably do not exist. The only effect is upon the employee, and I reiterate that it will invariably affect only the private sector employee.

Mr. Norman Lamont: We have had two different cases deployed. My hon. Friend the Member for Slough (Mr. Watts) backed by my hon. Friend the Member for Croydon, South (Sir W. Clark) simply wants us to drop the restriction on accelerated accrual. My hon. Friend the Member for Sedgefield — sorry, not my hon. Friend although he has been most helpful in the course of this debate. The hon. Member for Sedgefield (Mr. Blair) had an ally in my hon. Friend the Member for Kensington (Sir B. Rhys Williams) in suggesting that accrual should be based on service with previous employers. Although I understand the logic and the reason behind the suggestion by the hon. Gentleman and my hon. Friend, I shall spell out in some detail why that would not be the way to go.

First, I shall address my hon. Friend the Member for Slough and tell him and the Committee why we felt it necessary to make this change. I emphasise that, of course, job mobility, and especially job mobility for senior executives, is extremely important. Pension expectation is one factor, but only one among others that influence the decision. Even with pensions, many of the things that we have done are precisely designed to encourage mobility. I recognise that we have not got, under the present regime, a complete answer or transferability, nor everything that we need on mobility. Costs and other factors restrict mobility, and that is why we have been introducing schemes such as personal pensions and why there has been the revaluation of deferred pension benefits under the social security legislation. That is extremely important. It does not go as far as my hon. Friend the Member for Kensington wants, but it is a step forward and has made it easier, in certain circumstances, for people to move around.

We have attempted to tackle that problem through these various routes. None the less, although we recognise the importance of not placing obstacles in the way of people moving around, we have felt that there was a case for acting against the accelerated accrual. The maximum rate of accrual for occupational pensions under a final salary scheme is normally one sixtieth of final salary for each year of service up to 40 — hence the "two-thirds final salary" rule, although many schemes offer less generous pensions, which accrue at one eightieth or even one hundredth final salary for each year of service. For a variety of reasons, most employees will not serve 40 years in one scheme to retirement. Consequently very few — perhaps only 10 per cent. of all occupational scheme members — will qualify for anything approaching a pension of two thirds final salary on the normal basis.

In recognition of this, it has always been possible under the present tax rules for schemes to provide benefits based on the accelerated accrual, which has enabled maximum benefits to be obtained after as little as 10 years' service to retirement. The maximum rate of accrual for lump sums is normally three eightieths of final salary for each year of service up to 40—hence the "one and a half times final salary" rule. In the past it has been possible to take the maximum lump sum after 20 years' service—even where the total benefit was based on normal rates of accrual. In this way, people could maximise their tax-free lump sum at the expense of their taxable pension.

These are particularly generous concessions. It is very costly for employers to fund pensions on this basis, sometimes requiring annual contributions in excess of 150 per cent. of the individual's salary. As such contributions attract tax relief, this concession is also very costly for the Exchequer — particularly at the sort of salary levels which some employees currently enjoy.

5.45 pm

On Second Reading, I said that we have had interaction between the accelerated accrual and the lump sum, which has led to some large tax-free sums being handed out to people. I know that my hon. Friend the Member for Kensington feels that we should tackle the lump sum anomaly in an entirely different way, but we have not gone along that road. We believe, as the hon. Member for Sedgefield said, that there have been situations in which large contributions, through the employer — the employee contribution is limited — have been paid in, such as 150 per cent. of the salary per annum, to arrive at a two thirds salary.

For that reason, we propose a cut in these concessions, with effect from 17 March, when my right hon. Friend the Chancellor first announced these proposals. The maximum pension benefits will be possible only after 20 years' service to retirement — the same period that has

[Mr. Norman Lamont]

always applied under the present regime for the lump sum. The lump sum can be boosted above the normal rate of accrual only if, and to the extent that, total benefits are boosted. This latter measure is a relaxation, in response to representations made after the original Budget day proposals. I stress that we have made changes under the social security legislation on the revaluation of deferred pension benefits and transfer values. All these things are designed to ease this problem, but through the employer's contribution some large sums have been paid in, sums that we regarded as difficult to justify.

The hon. Member for Sedgefield has tabled amendment No. 36 to which I shall address my remarks. My hon. Friend the Member for Kensington has tabled a similar amendment. Amendment No. 36 would mean that one employer would be providing an employee with a pension partly in respect of service with another, completely different, employer. This would entail substantial cross-subsidisation, particularly where schemes did not offer similar benefits.

It is not clear that employers could obtain tax deduction, under general tax principles, for their higher contributions, although I do not want to make much of that point. Only a handful of privileged employees would benefit from this amendment—the same handful who, under the old rules, could obtain maximum benefits after as little as 10 years.

Mr. Blair: With respect, that surely cannot be right. The purpose of our amendment is to keep the 20-year change but simply allow service with other employers to be counted. That cannot mean that the same people who benefit from the 10 years will now benefit from the 20 years.

Mr. Lamont: It does. The hon. Gentleman is missing a point of which my hon. Friend the Member for Kensington is aware, and of which he is prepared to pay the cost. What is being proposed would be a significant initial cost to industry, because when an employee moves from firm A to firm B what he takes with him is merely the pension that he has earned so far. That sum of money does not make up the difference between the two pensions and what he would have earned if he had stayed with one employer throughout his whole period. That is a substantial cost to add to British industry.

The hon. Member for Sedgefield has asked how much the proposal would cost. I am not sure what the cost to the Exchequer would be, but that is not the point. The point is that it would cost British industry if one said that in the funding of occupational pension schemes one should take account in the accrual of the years that would have been spent with other employers as well. This subject has been reviewed before. It was reviewed by the Occupational Pensions Board, which made recommendations on transfer values, and measures were included in the social security legislation. That also took account of the views of employers about the cost that would be imposed on them if they were always having to add back full liability for previous years with previous employers. I can give the hon. Gentleman a detailed arithmetical example if he thinks that that would be helpful.

I am in no doubt that this is a serious matter for industry. I know that my hon. Friend the Member for Kensington recognises this although he strongly believes that this is a price that should be paid, and that this is part of the price that we have to pay to move to a world of properly funded schemes more equivalent to money purchase ones.

Mr. Quentin Davies (Stamford and Spalding): Does my right hon. Friend concede that at this moment, when many companies have found that they have overfunded their pension liabilities and are therefore writing back sums to profit, it is the right time to look positively at reforms which would be desirable on general grounds and which would involve an additional cost to industry to which my right hon. Friend the Minister referred?

Mr. Lamont: That may be so. We have debated surpluses and the proper way in which to use them. We have debated that in Committee and certainly the Committee would find that such a proposal would be strongly resisted by industry in general.

Sir Brandon Rhys Williams *indicated dissent.*

Mr. Lamont: My hon. Friend is shaking his head. I shall be interested to hear what he has to say. However, the matter has been discussed with industry and I understand that industry has made it clear that this is not a cost that it would easily assume. I am speaking of matters that are largely the concern of the DHSS and we must take the views of industry into account. We would be imposing substantial costs on industry.

Mr. Blair: I want to ask for information. The Minister is being extremely lucid in his explanation. However, surely the question of the costs to industry is a matter that industry would have to agree in the terms of the pension scheme. There is no obligation on industry to contribute any particular amount or to hasten the process of accrual.

Mr. Lamont: That is absolutely right. Occupational pension schemes are voluntary arrangements. We want companies to develop occupational pension schemes. If we impose requirements on them that are too onerous, the development of occupational pension schemes will be hampered. The hon. Member for Sedgefield is quite right. Those matters are part of the remuneration package in the long run. We want to develop occupational pension schemes and I am informed that the proposal put forward by the hon. Member for Sedgefield which is supported by my hon. Friend the Member for Kensington has been fiercely resisted by industry. However, I shall listen to my hon. Friend the Member for Kensington.

Sir Brandon Rhys Williams: My right hon. Friend is misinformed about this. Of course there is a cost to the employer who is seeking to attract the services of a top person in the last and possibly the most productive years of that person's life. I do not think that that cost is one which the Inland Revenue ought to step in to prevent employers from incurring if employers know their own business and who they need to run that business in their last years.

The biggest cost to industry is the lack of mobility of top people, imposed by the Inland Revenue rules which restrict transferability. Transferability, particularly at the top end of the management scale, is being restricted by the Treasury in the name of saving industry from itself and saving employers from incurring too much expense in the way of "golden hellos". If industry needs a particular man, it should not be inhibited from negotiating the change of job of that person. I really think that my right hon. Friend

the Minister must look at this again. I am quite certain that he will receive the very strongest representations from personnel directors and managing directors of large firms who need mobility of labour to carry forward their plans.

My right hon. Friend has drawn attention, as he did on Second Reading, to the fact that there are really outrageous schemes being contemplated which are intended to exploit the tax-free lump sum option. There are other ways besides what the Inland Revenue proposes to the Committee today to tackle these extreme and outrageous exploitations of schemes. There could be an upper limit on contributions insofar as they qualify for lump sums which would restrict plainly outrageous and unacceptable projects without doing the damage which will be done if the Government are not prepared to accept an amendment on the lines of the amendment tabled by the hon. Member for Sedgefield (Mr. Blair) or myself.

I trust that my right hon. Friend will be willing to listen to this point. Certainly I, and I am sure that other hon. Members, have had the very strongest representations. Industry does not wish to be saved from itself in the negotiation of final salaries and conditions for top people. Employers know what they are doing when they are trying to get first-class people to help them in their work and the movement of people between jobs ought not deliberately to be impeded by the Inland Revenue.

Mr. Norman Lamont: My hon. Friend has made his case strongly, as he always does. However, he knows very well that requiring schemes to provide transfer values on this improved basis would impose substantial cost on industry. My hon. Friend has said that I should not save employers from themselves as employers do not want that. I assure him that substantial costs would be imposed on industry.

I am sure that my hon. Friend the Member for Kensington is aware that the report from the Occupational Pensions Board in 1981 made limited recommendations, about which I know that my hon. Friend is extremely critical. Even those limited recommendations caused some worry to the industry and to the OPB. The board was concerned about what it was adding in terms of additional costs to industry.

I should make it clear that this whole area is primarily a matter for the DHSS, not the Revenue. My hon. Friend the Member for Kensington wishes to use tax approval and the tax rules in a rather different way from the way they are used at the moment. I am not in any way criticising that. However, he expects me to reply in a rather different way on a subject that is a matter for the DHSS. I shall certainly talk to my right hon. Friend the Secretary of State for Social Services about this. However, I do not want to mislead my hon. Friend the member for Kensington or the Committee in any way. I will not come back on Report with an amendment accepting this.

I have a lot of sympathy with the amendments tabled by my hon. Friend the Member for Kensington. I have total sympathy with what my hon. Friend is trying to achieve. I know that I have to say that on many occasions in respect of the amendments tabled by my hon. Friend the Member for Kensington, but I mean that genuinely and sincerely. However, he is trying to reform the whole pensions world, which has had many upheavals in recent years. Indeed, it has a lot to digest as a result of the Budget. My hon. Friend is trying to totally reform and bring to a culmination his long-standing campaign and I cannot at this stage in the Finance Bill reform the whole pensions world immediately as he would wish.

My hon. Friend the Member for Kensington knows that I and my right hon. Friend the Secretary of State for Social Services have willingly offered to go into these matters with him. We want to see improvements. My hon. Friend is right. We have not solved or dealt with the problem of transferability. Although preserved benefit changes, transfer values and other things introduced in the Budget have improved the situation, it is not right yet. My hon. Friend the Member for Kensington is 100 per cent. right. We need further improvements in that area.

The amendment tabled by my hon. Friend the Member for Kensington is the same as that tabled by the hon. Member for Sedgefield. I cannot accept that for the reasons that I have given. With respect to the first set of amendments, although I know that this will disappoint my hon. Friends, I think that through the mechanism of the employers' contributions and the inter-action with the lump sum there have been some very large contributions made. The revised accrual rates when combined with some of the other things that we have done to encourage mobility will not noticeably worsen the position. However, we are very concerned about the mobility problem as is my hon. Friend the Member for Kensington.

Sir Brandon Rhys Williams: As usual, my right hon. Friend the Minister has been speaking in a very accommodating and perceptive way. I think that I have made some progress in opening up this subject together with other hon. Members who have spoken on both sides of the House.

If there is a defect in the drafting of my proposal which has made it obligatory on the receiving employer to take on board an overwhelming obligation which perhaps would not be covered by the amount of the transfer fund that the employee was able to bring with him, that is a fault of mine. I hope that my right hon. Friend would be willing to consider on Report an amendment which did not carry this obligatory character which he seems to read into what I have proposed.

I should like to see something which is at any rate permissive so that the possibility of negotiated transfers at the top level in industry is not damaged by the Inland Revenue's provisions. With that thought, I do not wish to press the matter further. I leave it to those who have proposed other related amendments to decide whether they wish to take the matter further.

6 pm

Mr. Watts: Having listened to my right hon. Friend the Financial Secretary, I am even more convinced now that the approach that has been adopted is misconceived. My hon. Friend the Member for Kensington (Sir B. Rhys Williams) has dealt with the misconception that there will be an imposition of costs on industry. I cannot see that the existing regime, or the modified proposals advanced by the hon. Member for Sedgefield (Mr. Blair) and supported by my hon. Friend, impose a cost on industry. That is because there is discretion. The changes that my right hon. Friend proposes will deny companies the opportunity of having a scheme that allows for a faster accrual than 20 years and will not allow account to be taken of service with any other employer.

I accept that there may be a problem with excessive contributions by employers—my right hon. Friend cited

[Mr. Watts]

contribution rates of up to 150 per cent. of salary, which must be an abuse — but it seems that my right hon. Friend has chosen to tackle the problem in an inappropriate way. As my hon. Friend the Member for Kensington has said, the way to tackle excessive levels of contribution is to have some control over employers' contributions into schemes. I am still convinced that the Government's approach will prove to be a major disincentive to labour mobility, and I consider it to be entirely misconceived.

I might be more willing to be persuaded by the arguments advanced by my right hon. Friend if I believed that an Inland Revenue official who moved to another Government Department at the age of 45 or 50 would face the prospect of not being able to accrue a maximum pension over the remaining 10 or 15 years of service. However, we know that that is not the position. We are discussing rules that have been drafted by those who will not be subject to them, and rules that will operate to the disadvantage of the majority of those working in the private sector.

I recognise that my right hon. Friend is not prepared to concede now or on Report, but I shall not seek to press my amendment to a Division because I do not think that that would be a constructive course. I am convinced that we shall have to return to this matter when we discuss a future Finance Bill. The regime which the provisions before us will introduce will be so chaotic and disruptive to the interests of industry that that will be necessary.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Watts: I beg to move amendment No. 72, in page 82, line 15, leave out paragraph 24 and insert—

'24.—(1) This paragraph applies where—

(a) an employee who is a member of a retirement benefits scheme approved by the Board before 17th March 1987 retires on or after that date, and

(b) the rules of the scheme make provision for the payment by employees of voluntary contributions.

(2) Any rules of the scheme imposing a limit on the amount of a benefit provided for the employee shall have effect without regard to the amount of any additional benefits provided for the employee by any such voluntary contributions.'.

The First Deputy Chairman: With this it will be convenient to discuss the following amendments: No. 9, in page 82, line 15, leave out paragraph 24.

No. 73, in page 82, line 30, leave out from ' effect' to third 'the' in line 31 and insert 'without regard to'.

Mr. Watts: The effect of amendments Nos. 72 and 73 is to delete paragraph 24, which prevents additional voluntary contributions from being commuted. As we have an overall limitation on the amount of lump sums, it seems unnecessary to prevent part of the benefits that accrue from an AVC scheme from being commuted, provided that the lump sum comes within the overall limitation to which we have already addressed ourselves.

Secondly, the amendment ensures that members of existing schemes who retire on or after 17 March 1987 will not be subject to any limitations on the benefits which they derive from their voluntary contributions. My right hon. Friend will be aware from correspondence that has passed between us of a problem faced by a major company in my constituency that has arisen because its AVC scheme has performed too well. It is accumulating surpluses that cannot be paid out to the pensioners who made contributions initially because of the two thirds limitation on total benefit that can be withdrawn. There is no way in which the contributions can be refunded. It seems almost morally wrong that, having paid contributions over many years, members of an AVC scheme should not be allowed to draw part of the benefits to which they have contributed.

As my right hon. Friend said during an earlier debate, there must be some calculation of the likely benefits from the main scheme and the extent to which there is scope for them to be topped up by additional voluntary contributions, but those calculations can never be precise when one is looking forward 10, 15, 20 or 30 years to retirement. We already have a formidable array of controls that restrict the level of contributions into schemes — I understand that my right hon. Friend is not prepared to accept during our consideration of the Bill that that should be the only restriction on pension schemes in general — and it seems that it would be a modest step to accept that no such limitation should apply to AVC schemes, so the benefits that derive from contributions go to those who made the contributions when they become pensioners.

As my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) has said, such limitations cannot apply to money purchase schemes because of their different nature. It seems unfortunate that there should be discrimination and that we can have funds locked into a scheme that cannot be used for the benefit of anyone.

Sir William Clark (Croydon, South): I support the argument of my hon. Friend the Member for Slough (Mr. Watts). I tabled an amendment similar to that which he has moved.

We all welcome the fact that an employee who is a member of an occupational pension scheme can top up his pension with additional voluntary contributions, and I cannot see why AVCs should not be included in computations. I shall be interested to hear what my right hon. Friend the Minister has to say about that. There should not be two or three different types of pensioner.

The restriction that we are discussing applies to AVCs but not to occupational pension schemes or public sector schemes. If it is the Government's policy to increase the number of private pension schemes and to encourage their growth — that is a policy with which I go along — one way of pursuing it is through AVC schemes.

Mr. Archie Kirkwood (Roxburgh and Berwickshire): I support the argument that has been advanced by the hon. Member for Slough (Mr. Watts). The principle behind it is well worth supporting. I await with interest the Minister's justification for resisting the amendment, if that it be. Is there any way in which the Government can quantify the consequences of accepting the amendment? I think that its acceptance would lead to a considerable enhancement of the value of additional voluntary contributions. I can see no reason of principle for resisting the amendment. As I have said, the effect of the amendment would be to enhance the potential of AVC schemes in future. I add my voice to this cross-party appeal.

Mr. Norman Lamont: My hon. Friends the Members for Kensington (Sir B. Rhys Williams) and for Slough (Mr. Watts) have advocated both that the benefit limits

should not apply on the free-standing AVCs as regards members of occupational pension schemes. Earlier, when my hon. Friends the Member for Kensington and for Brentwood and Ongar (Mr. McCrindle) spoke, I made the distinction between personal pensions and AVCs. I do not think that I need repeat all that again. The Committee has heard my views and has at least understood them, even if they were not entirely welcomed.

The purpose of AVCs is to increase pension provision, and that is why we have brought about the free-standing AVC. In fact, that is the purpose of both in-scheme and free-standing AVCs. The schemes attract very generous tax relief, and we feel that their purpose should be to make up for deficiencies, perhaps the sort of problems that we discussed in relation to the amendment tabled by my hon. Friend the Member for Kensington. We do not consider it right that the additional voluntary contribution, with its generous tax reliefs, should be used simply for the lump-sum benefit.

This is essentially the same argument that we had before. I detect that many of my hon. Friends are very attached to the notion of the lump sum; we view it with some reservation. As we have said, we intend no changes, but when we introduced the concept of the free-standing AVC and the additional tax reliefs, we did not consider that that should be commuted to a lump sum. That was the simple reason for the restriction.

Having made the change on the free-standing AVC, we felt that it was logical to make the same change in respect of the in-scheme AVC, if the free-standing AVC was to be marketed and if people were to use the choice of investment managers outside. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) said earlier that he did not think anyone would take up the free-standing AVCs, and we thought that it was extremely important that they should be established on the same basis.

Mr. Watts: I understand my right hon. Friend's desire to achieve parity of treatment between free-standing and in-company AVC schemes, but, in doing so, he creates another disparity. Let us consider two different company schemes. In one the employee is able to contribute 10 per cent. to his pension, and to commute part of the pension into a lump sum. Another employee with a less good company scheme in which he makes a payment of 5 or 6 per cent. might want to achieve parity with his neighbour by paying 4 per cent. into an AVC scheme, but he will be able to commute only from a much worse pension provision. In trying to create parity in one area, my right hon. Friend seems to be creating an injustice in another.

My right hon. Friend would be wrong to think that I have any particular attachment to lump sums. I have long recognised that they are the probably biggest anomaly left in pension provisions in that they have tax relief when money is contributed to the scheme, but no tax is paid when money comes out. I should understand if the suggestion by my hon. Friend the Member for Kensington —that lump sums should be subject to tax or abolished —were taken up. But, if they are to exist, I can see no logical reason for imposing a restriction on AVC schemes that does not apply to other schemes.

Mr. Lamont: We have enlarged pensions provision and have allowed a new instrument to come into being. We think that that ought to be for the purpose of providing pensions, not cash-free lump sums. If any hon. Member is implying that there will be a tremendous restriction on the lump sum benefit which, of course, has been at the centre of considerable controversy in regard to pensions

my hon. Friend has, in a sense, answered that. The person with an AVC and membership of an occupational pension scheme will be able to take more of his pension out of the AVC, and commute more of the pension into the lump sum within the occupational pension scheme. I do not think that that will have a disastrous effect on the lump sum availability. We simply did not consider it right to allow money to be commuted into the lump sum which is taken out tax free.

6.15 pm

I stress the tax deduction into the fund and the tax-free status when the benefit is paid out. That is a generous concession. We see the free-standing AVC as designed primarily to remedy the deficiency of people's earnings in retirement. The purpose is to provide pensions, not to be yet another addition to the lump sum provision. That is the rationale behind the measure.

I take my hon. Friend's point that I may have created a level playing field here and a bump elsewhere, but I think I have explained our decision adequately.

Mr. Watts: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Sir William Clark: I beg to move amendment No 10, in page 82, line 39, at end add—

'(3) An employee shall be treated for the purposes of this part of this Schedule above as a member of the scheme therein referred to before 17th March 1987 if—

(a) he was before that date a member of a scheme approved by the Inland Revenue;

(b) the company which employed him, or the group of companies of which his employing company was a member, was acquired by another company which operates a scheme approved by the Inland Revenue; and

(c) as a consequence of that acquisition the employee's membership of the scheme referred to in *(a)* above was terminated and he became, after 16th March 1987, a member of the scheme referred to in *(b)*.'.

I do not think that I need detain the Committee for long, as this is merely a probing amendment. I hope that my right hon. Friend will tell me that I am wrong, but, as I read the schedule, it does not allow the employee to preserve his pre-1987 rights. I should like an assurance that, in the event of a takeover, when the pension arrangements may change, the employee will retain his pre-1987 rights.

Mr. Norman Lamont: I entirely sympathise with what my hon. Friend has said, and I am happy to assure him that his amendment is unnecessary. I can spell it out for him if he likes. I fully accept that it would be unfair to regard people joining a pension scheme on or after 17 March as new members for the purpose of the legislation, which is what is bothering my hon. Friend. The amendment deals with one such circumstance, in which the pension scheme is reconstructed following a takeover or merger. Of course, there are many other circumstances which the amendment does not cover for example, when an employee moves from one scheme to another, perhaps on promotion, or to a scheme established by another employer in the same group.

There has been concern over these issues, and the Inland Revenue has published a draft memorandum that

[Mr. Norman Lamont]

set out the proposed transitional arrangements in some detail. The document was warmly welcomed by the pensions industry, and has now been revised in the light of comments that have been received. Copies have been placed in the Library. In due course, these transitional provisions will be contained in regulations made by virtue of paragraph 18(2) of this schedule. I am advised that my hon. Friend's amendment is unnecessary and that its effect would be narrower than the regulations that we intend to make. Therefore, I hope that my hon. Friend will feel able to withdraw his amendment.

Sir William Clark: After such a categoric assurance that my amendment is unnecessary and that its purpose is already provided for in the Bill and in the regulations, I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Question proposed, That this schedule be the Third Schedule to the Bill.

Sir Brandon Rhys Williams (Kensington): I am concerned about the fact that paragraph 22 of this schedule appears to have a retrospective character. That point has not yet been raised. The Inland Revenue is seeking to take powers over a scheme with different rules and to use those powers in such a way that the expectations of a member of the scheme who is nearing retirement will prove to have been ill founded because of the proposed change in the law. I do not know to what extent that is significant, but we should never contemplate retrospective legislation without very careful consideration and examination if the result would be that individuals would suffer unexpectedly. That appears to be a blot on the schedule.

My right hon. Friend has done his best to persuade the Committee that it is in the general interest that the Bill should contain this schedule, but in my view it contains undesirable provisions and the Committee ought not to allow it to remain part of the Bill.

Mr. Norman Lamont: On the point made by my hon. Friend the Member for Kensington (Sir B. Rhys Williams) about retrospection, new members of occupational schemes will be subject to the new rules for final remuneration, but existing contractual arrangements are not affected. The proposed changes are intended to curb misuse of the present definition of "final remuneration" by high earners in order to inflate artificially the pensions figure — in particular, the tax free lump sum. In paragraph 4 there are special transitional provisions for non-controlling directors with salaries over £100,000 who retire between now and 6 April 1991. Changes in final remuneration apply only to relatively high earners. The vast majority of pension scheme members who have no opportunity to use the scheme will not be affected.

I shall look at my hon. Friend's point and see whether there is anything that I should add to it on Report. I think that my hon. Friend's concern is misplaced, but if it is not, I shall so report to the House.

As for my hon. Friend's other points on schedule 3, I cannot add to the many debates that we have held on the subject. My hon. Friend has a very clear view of what he wants for pensioners.

Sir Brandon Rhys Williams: As the Member of Parliament for Kensington, part of my work in the House is to speak for the relatively high earners in my constituency. My right hon. Friend points out that paragraph 22 is aimed at the relatively high earners, so I have done my best to speak for those of my constituents who are relatively high earners. There are also very low earners and people in Kensington who have no income and when it is appropriate to do so I speak for them, too.

I am reassured by my right hon. Friend's undertaking to consider whether the paragraph has a retrospective effect. If it does, I rely on him to make the necessary changes. He has confirmed once again that what we are hunting is the tax free lump sum. There is no need again to go over my remedy for that. I am reassured about the possible significance of paragraph 22, but I am still unhappy about the schedule's major provisions. I hope that the Committee feels that it would be better if the schedule were omitted.

Schedule 3 agreed to.

Clause 59 ordered to stand part of the Bill.

Clause 60

Payments of Interest etc. Between Related Companies

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I am wondering whether I have correctly understood the effect of Clause 60. I understand that it is an anti-avoidance provision. It relates to companies that are in a group—normally banks. An avoidance scheme would allow the tax liability of the group to be deferred for a year. Will the Minister confirm that the purpose of the clause is to close that loophole?

The Paymaster General (Mr. Peter Brooke): I confirm that the purpose of Clause 60 is anti-avoidance and that it is intended to secure the objective that the hon. Gentleman has mentioned.

Question put and agreed to.

Clause 60 ordered to stand part of the Bill.

Clause 61 ordered to stand part of the Bill.

Clause 62

United Kingdom Members of Partnerships Controlled Abroad

Mr. Blair: I beg to move amendment No. 66, in page 32, line 1, leave out sub-section (2) and add —

'This section has effect with respect to years of assessment beginning on or after 6th April 1987'.

Clause 62 has fairly limited application and may seem to be a little esoteric, but it contains an important principle that the Committee ought to examine. I should be obliged if the Minister would confirm that clause 62 arises out of a court decision by the Commissioners of Inland Revenue against Padmore. It concerned a double taxation agreement between the United Kingdom and Jersey. It was held that, contrary to what had been supposed, the United Kingdom resident partner of a Jersey resident partnership was exempt from United Kingdom tax under the double taxation treaties. That was not supposed to be the effect of the legislation. Therefore, clause 62 is before us and reverses the decision in Padmore. It ensures that the United Kingdom resident partner of a Jersey resident partnership is no longer exempt.

We agreed that that loophole should be closed. However, the issue of principle to which clause 62 gives rise is that of retrospective legislation. Before clause 62 is passed, it is important that we should have firm assurances from the Minister and the Treasury about it.

Parliament should oppose retrospective legislation, for a number of reasons. The principal democratic reason is that people are perfectly entitled to do whatever the law permits them to do and that it is wrong afterwards to make it unlawful. The effect of the Padmore case was not intended by the Inland Revenue and the legislature. If people are able to do something that the Government do not wish them to do, it is their democratic right to go to law to have their rights properly assessed. If the courts find in their favour, as a matter of principle it is wrong that they should be deprived of the benefit of that decision. To introduce legislation to tighten up the future position is understandable, but it would not be understandable if the effect of a court decision were rendered nugatory. But that is what is happening.

It is important to consider the relationship between Parliament and the courts. Of course, Parliament is supreme and can do whatever it wishes, but the basic principle upon which people operate in our society is that they are entitled to take legislation at its face value, as determined by a court, for the time being. This clause would mean that those who have been doing that which they are perfectly entitled to do, as a court has found, will now have illegality visited upon them as a result of retrospective legislation.

6.30 pm

Mr. Tim Smith (Beaconsfield): I have been following the hon. Gentleman's argument closely. I think that he said a moment ago that clause 62 would render nugatory the decision of that court case. However, is it not true, when considering subsection (2), that that decision would stand so far as any particular taxpayer was concerned, and that in effect there would be two classes of taxpayer — those whose cases have been determined and those whose cases were outstanding, where an appeal was pending? There would also be those who might otherwise have been able to take advantage of the change. Is not that unfair?

Mr. Blair: The hon. Gentleman's point is absolutely correct. When I said that the effect of the decision would be rendered nugatory, I should have said more precisely that that would be the effect as it applied to anyone other than the litigants. The curiosity about clause 62 is that subsection (2) appears to leave out of the retrospection those people who are engaged in litigation, but includes everybody else. That is a most peculiar provision to enact. As the hon. Gentleman pointed out, it would mean two different classes of people, those who happen to have been before the court to argue their cases, and those who have not.

It would require something persuasive from the Financial Secretary to convince my hon. Friends and me to pass legislation that seems shot through with anomalies and offends a basic principle of our constitution.

Mr. Norman Lamont: The hon. Member for Sedgefield (Mr. Blair) is absolutely right to identify this as an important clause that we should consider. I assure the Committee that, even if no other hon. Member had risen on this point, I should have got to my feet to make the meaning of the clause absolutely plain to the Committee because it has caused me considerable concern and we have not come to the decision that we have without much careful consideration.

As the hon. Member for Sedgefield said, the purpose of clause 62 is to restore the general understanding of the law to what it was before a decision of the High Court last December in a case involving foreign partnerships. That case was Padmore v. the Commissioners of the Inland Revenue. Briefly, the facts of that case are that the High Court ruled that a United Kingdom resident partner in a foreign partnership was not liable to United Kingdom taxation on his share of the profits of the partnership because of the interaction of the Jersey double taxation agreement with United Kingdom domestic law. However, similar decisions might well have been made in the case of several of our double taxation agreements.

I have said that the purpose of the clause is to restore the general understanding of the law. One crucial point, which the hon. Member for Sedgefield made fairly and rightly, is that what the Inland Revenue understands to be the law is not necessarily what is widely accepted to be the law. Obviously, that consideration has weighed in my mind. I am aware that some people questioned the general understanding of the law before that case. However, I believe that the phrase that I have used is, none the less, a fair statement of the position. Butterworth, for example, described it as the widely accepted view, and the journal *Taxation* described the decision as surprising.

The Revenue tells me that few taxpayers claimed exemption before that court decision. It is estimated that more than 15,000 foreign partners could have claimed exemption, whereas to the best of the Revenue's knowledge, only three partnerships have done so. I stress that the double taxation agreement has been in existence since 1952. Therefore, during that period a large number of an admittedly restricted class of person — partners in foreign partnerships — have accepted the position and paid tax accordingly.

The Government have come to the conclusion that the law should be restored to what it was accepted to be before the High Court decision. As the professional press has pointed out, leaving the clause unamended would lead to loopholes that would be much exploited. However, I appreciate that that is not the Committee's main concern.

I appreciate also how sensitive a matter retrospection is. I assure the Committee that we did not propose lightly retrospection in this instance. We touched on this matter in the debates on last year's Finance Bill. The type of retrospection on which the House has normally looked with disfavour is where the law is changed retrospectively so that people find themselves faced with unexpected and unprovided for tax liabilities for past years. In this instance, retrospection is somewhat different.

As the law now stands, after the High Court decision, a partner in a foreign partnership who has paid tax on the partnership profits in the normal way could obtain an entirely unexpected benefit in the form of recovery of tax for the previous six years. Thereafter, the purpose of retrospection in this clause is to prevent taxpayers from obtaining such a windfall tax advantage. It is not to inflict an unexpected tax charge on the unwary. I am sure that the House will want to think about the distinction that I have drawn between the different types of retrospection.

I have absolutely no wish to misrepresent the hon. Member for Sedgefield. However, last year in the debate

[Mr. Norman Lamont]

on section 49 of the Finance Bill he drew that very distinction when he referred to the possibility of companies being able to take advantage retrospectively of the decision in the case of Collard *v.* Mining Industrial Holdings Ltd. as unsatisfactory. As I had just appeared as Financial Secretary, I can recall that the hon. Gentleman drew that distinction. It caused me a little difficulty at the time.

However, in proposing retrospective action in this case, the Government felt that with £100 million at stake over the six-year period during which claims could have been made we must therefore look to the interests of the general body of taxpayers on whom this expenditure would fall, rather than to a special class of taxpayers, to most of whom this tax refund would come as a complete surprise.

The Government are not suggesting that this should be a precedent for all time, but it seemed right in this case. Indeed, I should point out that there are such precedents. In 1971, the Government introduced legislation to claw back tax relief following an increase in family allowances. That happened after a court decision exactly the same circumstance as here. In 1976, there was a provision involving the effect of advance corporation tax on preference dividends. In both cases—the purpose of the legislation was to reverse the consequences of a High Court decision and in both cases, that took the form of deeming the change in the law always to have had effect for the reasons that I have given.

The Government are proposing, not to overturn the decision of the High Court in the case of the particular taxpayer involved, but to protect the taxpayer involved from the legislation. If the case goes to a higher court, the proposed legislation would enable the case to be decided there on the basis of the law as it was before the legislation. That is why the legislation is framed as it is. Our altering the law will not affect the outcome of the case and the case will still be determined by the courts.

Mr. Blair: I want to make sure that I have understood that. I find subsection (2) a little difficult to understand. Once the clause is passed into law I cannot see how the appellate court can find in favour of the taxpayer unless that taxpayer is put in a unique category and is uniquely entitled to this unexpected tax relief.

Mr. Lamont: I assure the hon. Gentleman that the legislation has been drafted precisely as I have described so that it will still be possible for the court to decide on the basis of the law as it was before this legislation. Perhaps if I can pinpoint the precise words for the hon. Gentleman later, I shall do so.

My hon. Friend the Member for Beaconsfield (Mr. Smith) said that we were making two classes of taxpayer and that the law was being applied differentially. That has been our choice. We do not wish to deprive the individual taxpayer who has taken this matter to the courts of the benefit of going to the courts. He has challenged the view. We believe that it is widely accepted that this is a technical deficiency in the law which will give an uncovenanted benefit at considerable cost to the public purse to a category of people who were not expecting it. We think it would be wrong to deprive the person who has taken the matter to the court of the consequences of the court's decision if he is successful. I cannot deny that that throws up the dilemma that my hon. Friend has described, but we decided that that was the price to pay for accommodating the taxpayer involved.

The legislation is retrospective, and no one likes retrospective legislation. I have tried to explain why the position has arisen, how it has arisen in other circumstances previously and how we must balance several sets of factors in this case. We believe that it is right that £100 million of tax should not be repaid to a small number of taxpayers to whom the court decision would have come as a surprise. In this case we feel we must consult the interests of the general body of taxpayers who would otherwise have to foot the bill for such a windfall.

This is in no sense a precedent for introducing in future legislation which is usually thought of as retrospective legislation, that is legislation involving people suddenly facing unexpected tax demands for past years. This legislation falls firmly in that category. In general the United Kingdom tax system seeks to tax all income arising in the United Kingdom, no matter to whom it belongs, and all income arising outside the United Kingdom belonging to persons resident in the United Kingdom. It follows that someone resident in the United Kingdom is normally taxable on all his income, no matter where it arises—that is, he will be taxable on his worldwide income. There is no good reason why a United Kingdom resident who is a member of a Jersey partnership or an overseas partnership should enjoy some special advantage over his fellow United Kingdom taxpayers by being excluded from the general scope of United Kingdom taxation.

Mr. Tim Smith: My right hon. Friend may well be right about the substance of the clause, but the question of retrospection is exercising the Committee.

I understand the distinction that my right hon. Friend sought to make. I have various diktats on retrospection and they were designed for the artificial tax avoidance schemes that were common in the mid and late 1970s. It was always said that some warning must be given to taxpayers and that the earliest date at which legislation could be retrospective was the date of announcement of a change in the law by the Inland Revenue or the Government.

6.45 pm

In 1958 Mr. Heathcoat-Amory, the then Chancellor of the Exchequer, said:

"In my opinion, one essential pre-requisite, if retrospective legislation is to be used, is that those concerned should have every reason to be aware of the taxation consequencues of their specific actions and, therefore, have a chance of avoiding it if they wish."—[*Official Report*, 18 June 1958; Vol. 589, c. 1132.]

My right hon. Friend said that previously there was no doubt about the law. The Inland Revenue press release published on 17 March refers to the

"general understanding of the law"

and implies that there was not any uncertainty. But there must have been sufficient uncertainty for a taxpayer to challenge it and to think that there was a reasonable chance of persuading the commissioners that he had a case. There must have been that amount of uncertainty. Therefore, there was a degree of uncertainty, although the Revenue's description of the previous law was that there was a general understanding about it.

A constituent of mine, Mr. I. D. Barnett, who, I am sure, has no personal axe to grind, wrote to me in a personal capacity, although I know he is a tax advisor to

one of our major industrial companies. This whole question turns on whether there was a general understanding of the law. My constituent writes that the statement in the press release

"is a considerable overstatement, to put it at best. It may have been the Revenue's understanding but it was not so generally accepted. We know this because much tax advice was given on the basis that was later established by the case itself to be correct: but there were other cases besides Padmore which had been left pending its outcome. Even if the Revenue were correct, would it justify making the proposed change? It would not, in my view."

Clearly, my constituent is not in any doubt about the matter.

My right hon. Friend the Financial Secretary quoted from a couple of learned journals on the subject. I do not know the answer to this question or the extent to which there was a general understanding of the law. My constituent tells me that it was not merely being challenged by Mr. Padmore, but by other taxpayers who were perhaps awaiting the outcome of the Padmore case. Therefore, we are in real difficulty here.

Perhaps it would be wrong to ask my right hon. Friend how much tax is at stake. It may be a substantial sum and perhaps we should know how much it is. An important principle is at stake and it is important that we understand what we will do if we agree to the clause.

Mr. Blair: First, I congratulate the Financial Secretary's researcher who dug out my speech last year when I was justifying an opposite proposition. That only shows that one should not serve on too many Finance Bills.

I understand the right hon. Gentleman's point. To summarise it, no principle is immutable. That should appeal to politicians. If large sums are at stake — the Financial Secretary gave the figure of £100 million — we may look more favourably on retrospection than we would otherwise. I have some sympathy with that. But I need to be persuaded on some points. I must be sure that I understood the Financial Secretary correctly when he said that potentially 15,000 people could claim this exemption. In other words, if this legislation was not retrospective, there would be a potential of 15,000 foreign partners who could claim the exemption backdated to 1952. That would obviously be very serious. The Minister said that only three people had attempted to claim the exemption. That does not seem to correspond with the information of the hon. Member for Beaconsfield (Mr. Smith), although if it is so it strengthens his hand.

There are still two difficulties outstanding. First, it is not at all clear to me that this was a universal understanding of the law. In a sense, that was shown by the fact that the case was taken to the court. Secondly, I am still troubled by the meaning of subsection (2) and I am not at all sure that it will have the effect that the Minister intends it to have. Presumably, he wishes to leave Mr. Padmore as the unique beneficiary of the tax exemption and so that he will claim exemptions where others cannot. I find that method of proceeding a little difficult to understand. Presumably, once this case got off the ground there were people hanging fire and waiting to see what happened. What will be the test? Do those people have to have initiated proceedings or consulted lawyers? Are not all the others to be rewarded in a similar way?

I am not sure that subsection (2) simply restricts the benefits of this tax exemption to Mr. Padmore. It says:

"Nothing in subsection (1) above affects . . .

a) the determination of any Commissioners or the judgment of any court made . . . or

b) the law to be applied in proceedings on appeal to the Court of Appeal."

Without greater definition that leaves things in a complex mess. The decisions of the High Court are precedents and when appeal proceedings are taken and the appeal court gives its rulings, those are precedents too. They are not decisions that affect individual cases alone. The Minister should ask his advisers again whether subsection (2) would limit the decision to Mr. Padmore. It would be strange if the clause left one taxpayer in a unique position. I do not know whether that has ever been done before or whether a taxpayer, through foresight, courage or luck has taken the Revenue to court and won, thus being left as the sole beneficiary of the loophole that he has discovered. If that has not happened, I am unhappy about the provision. The Minister should look at it again.

I have put the point about the principle of retrospection and I shall be obliged if the Minister will deal with it. If he is sufficiently persuasive, I am prepared to revert to my position of last year, but with regard to subsection (2), it seems that there are serious problems which have not been given the fullest consideration.

Mr. John Townend (Bridlington): I appreciate the Government's predicament. There are two questions of principle here. The first is retrospection, and I think that most people with Conservative principles abhor retrospective legislation. The other important point of principle was raised by my hon. Friend the Member for Beaconsfield (Mr. Smith) and by the hon. Member for Sedgefield (Mr. Blair). It is that taxpayers expect equality before the law. It has been suggested that we are to have two classes of taxpayer — Mr. Padmore and the rest — although from my reading of the clause its effects will be rather wider. However, this provision constitutes an important breach of a principle which is also breached in a later clause. Is this the first occasion on which the principle that all taxpayers have equal rights before the law has been breached, or are there precedents? Like my hon. Friend and the hon. Member for Sedgefield I am unhappy about this, although I can well appreciate why the Government do not want 15,000 people to be able to claim all the tax that they have paid over a period of six years. Most of us agree that it is not right that people who are not resident in this country should not contribute to it in the form of taxes. While I appreciate the Government's problem, important issues of principle are involved, which have not been satisfactorily answered.

Mr. Michael Grylls (Surrey, North-West): The Government should think more deeply about this. In essence, the Revenue is adopting the new tactic of saying, "Heads we win in the courts and tails you lose in the Finance Bill" in order to enforce its private and unpublicised view of the law. That is like moving the goal posts when the ball has been kicked through them and the referee has signalled a goal, and we should not be doing that sort of thing. It seems to go against the generally understood view of fair taxation, and against constitutional propriety and natural justice.

The taxpayers' charter, issued by the Revenue in July 1986 talked about fairness and retrospection and, on fairness, it said:

[Mr. Michael Grylls]

"You will have your liability decided impartially and be required to pay only the amount of tax properly due according to the law; you will be treated in the same way as other taxpayers in similar circumstances."

That is not happening with regard to Mr. Padmore.

The normal presumption against restrospection has been breached in the past only in the taxpayer's favour —which, if fair enough—or to correct undisputed errors and omissions in drafting, and most people would understand that.

If the business world is to plan its affairs and its investments, it is crucial that it should know where it stands—subject, of course, only to the future decisions of the courts—when it enters into a transaction or a business decision. The business world is put in a very difficult position and cannot organise its affairs if it does not know where it stands.

I ask my right hon. Friend to bear in mind the points that I have made, because we should think carefully about this matter.

Mr. Tim Smith: My question is supplementary to the question asked by the hon. Member for Sedgefield (Mr. Blair) about subsection (2). The hon. Gentleman asked whether there were precedents.

Clauses 71 and 80 also have retrospective effects and clause 80(2) contains a similar provision to clause 62(2)*(a)* but it does not include a reference to proceedings on appeal. It simply states:

"Nothing in subsection (1) above affects the determination of any Commissioners or the judgment of any court made or given before 14 May 1987".

It does not then refer to the law to be applied on appeal. Is that because the Inland Revenue does not intend to appeal? Why is there different treatment in each of the three different clauses?

Mr. Norman Lamont: I hope that the Committee realise that I have not reached my conclusion easily or that I do not share the very considerable concern about this extremely serious matter. I have tried to outline the precedents. Sometimes, Governments, whether Conservative or Labour Governments have concluded that a court case has produced a result that has gone against the widely accepted view—not just the Inland Revenue view—of the law and have decided to reverse it, precisely as we propose to reverse it on this occasion.

The Government have exempted the person who took the matter to court. My hon. Friend the Member for Beaconsfield (Mr. Smith) and the hon. Member for Sedgefield (Mr. Blair) have asked whether there is a precedent for exempting a person who takes such a matter to court and the answer is, unambiguously, yes. That happened with the cases in 1971 and 1976.

My hon. Friend the Member for Bridlington (Mr. Townend) is correct in saying that that leaves us in the uncomfortable position that the law is being applied specially for one person. We have taken that action with our eyes open and for one specific purpose. It is not our intention to negate the role of the courts or in any way to frustrate the right of the taxpayer to take something to court. We certainly do not want to be in the position, as described by my hon. Friend the Member for Bridlington, of simply overturning the decisions of the courts because it meets the convenience of the Inland Revenue.

7 pm

We have had other instances when large sums of money have been at stake. This matter centres on two elements of judgment. First, was it "widely accepted" by people outside the Inland Revenue that the law was as it was thought to be? Secondly there is a judgment to be made on the sorts of sums of money that were at stake. With regard to the two previous cases I do not believe that there is any doubt that substantial sums of money were likely to come as a windfall benefit to many taxpayers who had not expected that.

I anticipate that people will ask whether £100 million is a large sum of money. They will ask the significance of £100 million in relation to 15,000 partners of a Jersey firm. In one sense that sum is not large, but when concentrated on a limited class of people it is. It would be unrealistic and dishonest to pretend that the sum of money involved was not part of the consideration and subsequent judgment.

Mr. Grylls: Is it not the case that others besides Mr. Padmore have already won their cases in front of the Special Commissioners? Therefore, in a sense the decision of Padmore was not a freak one. However, others are to be denied the relief that will be allowed to Mr. Padmore.

Mr. Lamont: My hon. Friend is not correct and it would be extremely serious if that were the case.

My hon. Friend the Member for Beaconsfield said that he thought that there had been a number of cases that had been left open. However, I am aware of only three cases where the matter has not been resolved.

I have never said that the view of the law was unanimous — indeed, unanimity hardly ever exists. However, do we have an instance where the view of the law was or was not widely accepted? I have listened with great care to what has been said and I will read the report of those speeches to see whether there is anything to challenge the conclusion that I have reached. I know of three cases. I quoted what various authorities have said. Those views do not close the matter nor end the argument. However, it must be significant that people with such a knowledge of the law took the same view and appeared to believe that the decision that we have reached is not entirely surprising.

Mr. Blair: If there are another three cases in train will they be treated in the same way as Mr. Padmore?

Mr. Lamont: No, they will not. The people concerned have not taken the matter to court. The other partners of Mr. Padmore will obviously benefit if the case is successful, but others who have not taken the matter to court will not benefit.

Mr. John Townend: Does my right hon. Friend agree that if the other three cases are not proceeded with while the Padmore case is resolved—the decision on that case given as the reason for not proceeding with the others—it is unfair that they should not be included in subsection (2) with Padmore?

Mr. Lamont: My hon. Friend is right and I am sorry if I misled the Committee. They will be treated in the same way as Padmore.

The hon. Member for Sedgefield has made some good and telling points—he always does in Committee—but I do not think it is relevant in this debate to say that, because someone takes something to court that means that the

view of the law is not widely accepted. I am sure that, on reflection, the hon. Gentleman will consider that that is not the best argument to employ.

Even if a person does take a matter to court and even if there are two or three other people waiting to take the matter to court I believe that it is still possible, in a matter of this kind when substantial sums of money are at stake and when the law is "widely accepted," to come to the conclusion that the Government must reach their decision on the same basis as previous Governments.

Mr. Alex Salmond (Banff and Buchan): If the Government had not thought that the case before the commissioners had brought forward a surprising result and that the law had not been "widely accepted" would they have proceeded in this way? I do not know what was "widely held" as regards this section of the Bill, but if the Government adopt the same argument with regard to clause 80 they will be in a substantial amount of trouble.

Mr. Lamont: I do not want to comment on clause 80. We shall have a separate debate on clause 80. Each of the cases should be considered on its merits.

I have done my best to explain to the Committee that the different factors must be balanced in this instance. I reached my conclusion with extreme reluctance. I think that the officials of the Inland Revenue would confirm that I did not believe that this matter was a bunch of roses. I do not like doing this, but I am convinced that, balancing everything, the conclusion I have reached is inevitable. I believe that it is comforting that there are precedents for the Government's decision. Nevertheless we should consider the matter carefully. I am firmly against retrospective legislation, but in this instance I believe there are compelling arguments in favour.

Mr. Blair: I believe that the right hon. Gentleman has put as good a case as possible in defence of the retrospection within this clause. I echo the words of my hon. Friend the Member for Banff and Buchan (Mr. Salmond) that those arguments may not apply to later clauses.

In essence, what the right hon. Gentleman has said is fair. It would be an extremely expensive demonstration of principle if we decided that £100 million could be sniffed at. I am not prepared to take that liberty. However, I can think of many ways in which I would prefer to spend £100 million than on foreign Jersey partnerships. My hon. Friends would be appalled if I took a different view. I believe that it was right for us to raise the question of retrospection. It is always right to do so in case we become lax about things over which we should be strict.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 62 ordered to stand part of the Bill.

Clause 63

LIMITATION OF GROUP RELIEF IN RELATION TO CERTAIN DUAL RESIDENT COMPANIES

Sir William Clark: I beg to move amendment No. 11, in page 32, line 15, at end insert —

'Provided that this subsection shall not apply where the loss arises from carrying on a trade on a commercial basis with a view to profit or where the relevant amount is a charge on income, which may be surrendered in accordance with section 259(6), and is either incurred for the purposes of the trade carried on by the surrendering company or is only available for surrender under that subsection because of section 15(5) of the Oil Taxation Act 1975.'

The Temporary Chairman (Mr. David Knox): With this it will be convenient to take the following amendments: No. 12, in page 33, line 10, leave out from 'period' to second 'of' in line 11 and insert 'its main functions consist'.

No. 13, in page 33, line 29, leave out paragraph (*b*).

No. 14, in page 34, line 5, at end add

'(8) Nothing in this section shall be taken to apply to genuine trading companies.'.

No. 15, in clause 64, page 34, line 22, at end insert —

'provided that this subsection does not apply where the successor is a trading company immediately prior to the transfer of the trade.'.

No. 16, in clause 64, page 34, line 28, at end insert —

'provided that this does not apply where the asset will be used for the purposes of the trade of the dual resident or where the asset is transferred by a non-resident and represents shares as defined in section 38(2)(*c*), Finance Act 1973.'.

and No. 18, in clause 64, page 35, line 19, at end add—

'(8) This section shall not apply to—

(*a*) companies excluded from the operation of section 48, by reason of subsection (8) of that section, or

(*b*) the disposal of any asset used for trading purposes.'.

Sir William Clark: This amendment covers clauses 63 and 64. I am worried about the effect of those clauses. It seeks to ensure that a genuine trading loss, which is incurred by a dual resident, a company or whatever, can still be surrendered to another group company by way of group relief.

Mr. Austin Mitchell (Great Grimsby): Oh!

Sir William Clark: If the hon. Member for Great Grimsby would just listen he would, for once, learn something.

The amendment also seeks to retain the ability to surrender a loss arising from a charge on income, for example, interest payable on a loan, to the extent that the charge is incurred for the purposes of its trade.

Finally, it attempts to deal with a problem peculiar to oil companies. I admit here that I am a consultant to the Texaco Oil Company. The problem arises from the additional corporation tax restrictions imposed on oil companies. An oil company cannot offset charges on income against oil extraction income unless those charges meet the specific tests set out in section 15 of the Oil Taxation Act 1975. No such tests apply to non-oil companies, which can obtain their relief by offset against their profits, including trading profits. Previously, limited relief could have been obtained by surrender as a result of section 15(5) of the Oil Taxation Act 1975, inserted by the Finance Act 1982. Clause 63 may prevent this if an oil company is a dual resident. The amendment seeks to restore the position so that the new rules do not prevent relief in cases where relief is available only as a result of Section 15(5).

It is agreed that some companies have obtained tax relief in two countries — that is, in this country and in another country. I am advised that, unamended, the clause would mean that a company could not claim tax relief in either country. Quite obviously, this would be as wrong as claiming it in two countries.

The clause should exclude those companies whose main function is trading. If their main function is trading, whether they be oil companies or not, they should not be

[Sir William Clark]

put in a position different from that of any other company. I do not know whether my right hon. Friend the Financial Secretary will agree, but there is ambiguity about balancing charges or balancing allowances on transfer between dual companies.

The clauses are far reaching and will have quite an effect on many companies. Why date the legislation from 1987 without giving those companies the opportunity of not necessarily re-arranging their affairs but dealing with the proposed changes? What is the rush? Why can it not be dated 1988 or 1989? There has been undue haste. In my view it will penalise those companies that are mainly trading companies. Therefore, I hope that my right hon. Friend will not only give sympathetic consideration to this but some assurance that something will be done to alleviate the unfairness in clauses 63 and 64.

Mr. Blair: I want to make one or two brief points about clause 63. I am advised that it stops a practice known as double dipping. I have not come across that term before, at least not in this context. Double dipping occurs when international groups of companies ensure that there is payment of taxation for both United Kingdom and United States purposes and then take relief in both countries. That is obviously wrong. I am also advised that the United States has effectively stopped the practice in respect of United States companies by introducing tax reform legislation that has been passed by Congress.

The amendment seeks to ensure that genuine trading losses can be surrendered to another group company. The hon. Member for Croydon, South (Sir William Clark), in moving his amendment, said that the clause does not simply prevent the type of practice that I have described, it actually prevents companies reclaiming the tax in the other country. I would be obliged if the Financial Secretary could say whether that is correct and whether that is the intended consequence of this legislation.

The hon. Gentleman drew attention to the function of the company. He asked why, if they are genuine trading companies, they should be within the provisions of the clause at all. My hesitation in supporting him is that it seems to me that the tax avoidance purpose and practice is not necessarily a function of the fact that they are trading companies or otherwise; it is the use of the group structure that gives rise to the tax avoidance where there is dual residence.

If tax avoidance is occurring on the scale that the Government believe, we are right to pass legislation to prevent that straight away. I would be obliged if the Financial Secretary would deal with those points and also, if it is the case that the United States has passed similar legislation, that there is a certain symmetry in the legislation that we are passing.

7.15 pm

Mr. Norman Lamont: This is a highly technical and extremely complex area. I will look carefully at what my hon. Friend the Member for Croydon, South (Sir William Clark) has said. I intend to reply to that and, if other points arise, if necessary come back and report. I believe that his fears are somewhat misplaced. His amendments can be characterised in three groups. The first group — amendments Nos. 11, 12, 13 and 14 — broadly reflect a worry that the clauses may not fully provide for the exclusion of genuine trading companies that the Government are proposing. The clauses prevent a company that is resident in two countries and therefore able to obtain two lots of relief for the same loss, to obtain relief for that loss in the United Kingdom. A dual resident company that is not set up to create a tax loss, but which has taxable profits, is not affected by the legislation because it makes a profit. However, we recognise that the result may be harsh where a trading and profit-seeking dual resident happens to make a loss. Therefore, we intend that genuine trading companies should be outside the scope of the legislation.

The clauses are drafted to exclude such companies, but they are very tightly drawn to prevent abuse by companies that are not genuine trading companies. Genuine trading companies are excluded by clause 63(5) and (6). Clause 63(6)*(a)* makes it clear that a company whose trade is such that one of its main functions is to borrow, to purchase or to hold shares in another member of the multinational group, is treated as an investing company. Clause 63(6)*(b)* brings within the scope of the legislation any trading company which, although its main function does not include the activities covered by clause 63(6)*(a)*, nevertheless in a particular accounting period carries on such activities for a purpose unrelated to the trade. Therefore, in substance clause 63(6)*(b)* makes it clear that where a trade other than trade within clause 63(6)*(a)* entails a financial activity such as the holding of investments or the payment of interest, it is only when those activities are disproportionate to the trade that the company will be caught by the legislation. This formulation was arrived at following detailed discussions with representative bodies and others.

The amendments proposed by my hon. Friend leave matters rather more vague. He relies on the undefined phrase "genuine trading companies". I fully understand his concern, but this is an area that has been exploited fully by the tax avoidance industry. We believe that it is necessary to be careful to ensure that only genuine trading companies are excluded. I hope that he will accept that I entirely recognise his concern and that he will accept my assurance that we do not intend and do not think that there will be a problem for genuine trading companies being excluded from the scope of the legislation.

The second group of amendments, Nos. 15 and 16, relate to clause 64. The general purpose of clause 64 is to prevent a dual resident investing company from side-stepping the denial of group relief provided for in clause 63 by using certain reliefs other than group relief in the United Kingdom, and, at the same time, continuing to obtain the equivalent of group relief in, say, the United States. It deals with a number of such reliefs in detail, and the amendments proposed by my hon. Friend draw attention to two of them.

Amendment No. 15 concerns the provision under which a trade that is transferred from one company to another without a change of ownership is treated as a continuing concern for all tax purposes, including capital allowances. The effect of the amendment is to allow all trading companies, and not just genuine trading companies, to continue to be treated in that way. I hope that my hon. Friend will accept my assurances that there should not be a problem for genuine dual resident trading companies.

Amendment No. 16 concerns the provision under which an asset can be transferred from one member of a

group of companies to another member on a no-gain, no-loss basis. Again, genuine trading companies are outside the scope of clause 64 because they are not within the definition of "dual resident investing company". That is what the amendment is about.

My hon. Friend has tried to define "genuine trading company". We have defined "investing company" in various provisions of the legislation. A company that is not in the investing company category will be a genuine trading company. We consider that our approach and the particulars that we have listed are a better way of defining it rather than approaching the matter from another direction as my hon. Friend has tried to do by defining "genuine trading company". My hon. Friend's amendments do not succeed in that.

In any event, the abuse that the subsection attacks is the acquisition and sale of an asset by a dual resident investing company rather than its acquisition and retention. If anything were to be done to exclude assets retained from the legislation, it would be necessary to require the retention of the asset for a sufficiently long period to prevent abuse. That would obviously not be acceptable to my hon. Friend.

The third group of amendments, Nos. 58 and 59, are aimed at delaying the implementation of the legislation. In recent years, there has been a trend for more consultation and more warning to be given by the Government of impending legislation, to give those affected time in which to re-arrange their affairs. Dual resident companies will have to rearrange their affairs. That is absolutely inevitable. That is the answer to the point that my hon. Friend raised, in which the hon. Member for Sedgefield (Mr. Blair) was interested, about interest not being available even in the United Kingdom. It will be necessary for companies to re-arrange their affairs. We know the consequences of the legislation. Companies have been on notice of the proposed changes for quite some time. Absolutely nobody could claim that we have been precipitate. We had two periods of consultation; one in 1985 and one in 1986. In March 1985, we gave a clear warning that legislation was likely to be introduced if exploitation of the dual resident company loophole continued to grow.

As my hon. Friend knows—the hon. Member for Sedgefield alluded to it—legislation went through the United States Congress last year. Our legislation will take effect three months after the United States legislation. Some people say, "If you have United States legislation, why do you need United Kingdom legislation? What is the point of it? It is not necessary." Of course, if we did not have United Kingdom legislation in addition to United States legislation, the costs would fall entirely to the United Kingdom. If our legislation were delayed any further, we would bear the cost of relief for dual resident companies at no expense to the United States exchequer. A further year's delay would be costly and would simply encourage a further year's abuse.

My hon. Friend is concerned about genuine trading companies, but I hope that he will accept that there are many examples of dual resident companies being set up for no purpose other than to get an interest deduction in the two countries. I guess—I may be wrong—that that is by far the most common reason for setting up a dual resident company. That is not to say that there are no genuine trading companies. We intend that genuine trading companies should be excluded from the effects of the legislation.

I tried to explain to my hon. Friend the way in which we have approached the problem. It is an extremely technical area. I shall study carefully what he said. I believe that it is right to approach it from the definition of "investing company" rather than rely on the term "genuine trading company". I recognise that it will be necessary for companies to re-arrange their affairs to avoid the consequences that the hon. Gentleman raised. People have had notice of that change being likely for quite some time. From the representations and discussions that I have had with interested parties, I know that the major players in the business knew what was coming and could hardly have been surprised. I assure my hon. Friend that I shall examine what he said. I make no commitment, but if any action is necessary, of course we shall consider it.

Sir William Clark: I am grateful for my right hon. Friend's comprehensive reply. I understand his difficulty. He said that the matter is complicated, and everybody would agree. I shall certainly study *Hansard* tomorrow to get the full import and purport of what my right hon. Friend said. He kindly said that he would examine the matter again and, if necessary, come back on Report—of course, without any commitment. With his assurance that he has taken on board my various reservations, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 63 ordered to stand part of the Bill.

Schedule 4 agreed to.

Clause 64 ordered to stand part of the Bill.

Clause 65

CONTROLLED FOREIGN COMPANIES: ACCEPTABLE DISTRIBUTION POLICY

Question proposed, That the clause stand part of the Bill.

Mr. Brooke: It may be helpful if I say a brief word about clause 65. The present position is that, under the controlled foreign company legislation, tax may be charged on the accumulated profits of an overseas company, but if the controlled foreign company pays an adequate dividend to its United Kingdom shareholders, tax will be chargeable on it. That is seen as meeting the requirements of the legislation. When the acceptable distribution test is satisfied, there is no charge on the controlled foreign company's profits. The clear intention of exclusion from the charge when an approved foreign company pursues an acceptable distribution policy is that dividends should be subject to United Kingdom tax.

However, attempts have been made to sidestep that, for tax purposes, by moving the residence of the overseas company to the United Kingdom before a dividend is paid. Thus, at the time it is paid, a dividend is not charged tax as a dividend received from an overseas company, but escapes tax as a dividend paid by one United Kingdom resident company to another. The device can be repeated, for example, by transferring most of the overseas company's assets to another tax haven company before changing its residence.

If necessary, existing cases will be challenged in the courts. However, since significant amounts of tax could be

[Mr. Brooke]

at risk, we have decided to take immediate action to restore the clear intention of the original provisions. The amendments that are contained in the clause ensure, therefore, that, whenever a CFC pays a dividend to pursue an acceptable distribution policy, there should be a charge to tax on the appropriate United Kingdom resident shareholder.

The increased yield from this measure that is given in the FSBR is £10 million for 1987-88 and 1988-89. That figure relates only to the handful of cases in which we know that the device has been used. The Exchequer yield in the form of tax on dividends that are paid by CFCs to meet the acceptable distribution test, is estimated at £60 million per annum. A significant amount of that tax—up to £40 million—could be at risk if the device were to be widely exploited. That is why we have introduced this clause.

7.30 pm

Mr. Blair: This section is not to be retrospective but prospective. I wondered why that was, in view of the earlier comments. I had not appreciated that we were talking about such large sums of money.

Mr. Brooke: As I said, if necessary, existing cases will be challenged in the courts, and the amounts of money to which I referred are those that we know. It is because there is a much lafger sum of money at risk, quite apart from the cases to which I referred, that we are introducing the clause.

Question put and agreed to.

Clause 65 ordered to stand part of the Bill.

Clauses 66 to 69 ordered to stand part of the Bill.

Clause 70

LLOYD'S UNDERWRITERS

Mr. Norman Lamont: I beg to move amendment No. 19, in page 40, line 45, leave out from 'Lloyd's' to end of line 47 and insert

'and in consideration of the payment of a premium, one underwriter agrees with another to meet liabilites arising from the latter's business for an underwriting year so that the accounts of the business for that year may be closed'.

The Temporary Chairman: With this it will be convenient to take Government amendments Nos. 20 and 24.

Mr. Lamont: These are technical amendments to clarify the wording of clause 70, which deals with the tax deductibility of Lloyd's reinsurance to close premiums.

Amendment No. 19 revises subsection (1) of the clause to provide a more detailed description of the Lloyd's reinsurance to close arrangements. The effect of the amendment is to put it beyond doubt that the clause is sui generis to Lloyd's reinsurance to close. The criteria for tax deductibility that is set out in the clause are free-standing and independent of case law on insurance companies' provisions.

As my hon. Friends know, one of the points that most concerned Lloyd's was that it should not be taxed on a provisions basis. The point at issue was that one should not have a provisions basis where there is no continuing entity. The point was that the provisions basis was therefore not applicable to syndicates whose membership was changing each year.

That is the purpose of this amendment. It is only one part of the issues that have arisen with regard to Lloyd's, so it may be convenient if I propose this amendment. There are other amendments on the Paper and we can debate the wider issues that relate to Lloyd's later.

Mr. Robert Adley (Christchurch): In view of what my right hon. Friend has just said, I wonder whether I should make my remarks in a moment. I should like to make a few general remarks, so perhaps my right hon. Friend will way whether it will be convenient for me to do so a little later.

Mr. Lamont: That is a matter for you, Mr. Knox, but it may be convenient if we dealt with the amendments one by one and had a debate on clause stand part.

The Temporary Chairman: That will be convenient.

Amendment agreed to.

Amendment made: No. 20, in page 41, line 2, leave out 'reinsurance'.—*[Mr. Norman Lamont.]*

Sir William Clark: I beg to move amendment No. 21, in page 41, line 5, leave out

'at the time it is payable'.

The Temporary Chairman: With this it will be convenient to take the following amendment No. 67, in page 41, line 6, at end add

'for the avoidance of doubt, the value of the said liabilities shall be discounted to allow for the anticipated lapse of time before they must be paid.'.

Government amendments Nos. 22 and 23.

Sir William Clark: The purpose of these amendments is to clarify the wording of the test for tax deductibility of Lloyd's reinsurance to close.

There is a lot of loose talk about reinsurance with regard to Lloyd's. I should make it clear to the Committee that I am not a name at Lloyd's; I have no vested interest in Lloyd's and I speak as an independent person. Consequently, what I am saying is of genuine concern to me.

If a syndicate ceases to exist, the risks of that syndicate must be reinsured. A syndicate may have 20 names, and if it ceases it carries forward the contingent liabilities for what it has underwritten and when a different syndicate takes it on, it takes on the reinsurance.

The amendment deletes the words

"at the time it is payable".

In my view those words are unnecessary, and I believe that the Inland Revenue agrees with me. The words in the amendment, taken with the words "assessment of the value", might be construed as requiring reinsurance liabilities to be discounted. Llloyd's rules ensure that discounts cannot be given. Consequently, when the syndicate agent, in conjunction with Lloyd's, determines the liability for reinsurance, those future incomes, if they have been discounted, are taken into account.

I understand that it is not the Revenue's intention that discounting should be applied to reinsurance to close for the Lloyd's 1985 to close account, although I understand its concern that the clause should not rule this out if circumstances change.

The problem with the present wording is that it could imply that discounting must necessarily be appropriate for reinsurance to close premiums, and thus run counter to the

Revenue's present intentions. In discussion with Lloyd's, the Revenue has said that there are no technical problems with the amendment and I hope that the Financial Secretary will be able to accept it.

The second amendment is a clarifying amendment. It is a matter of great concern to Lloyd's members, who are taking on uncertain liabilities, that the reinsurance to close premium that they receive should give them adequate protection against loss when the claims are eventually paid. The amount of those liabilities, and indeed their existence, is uncertain and may not be known for many years after the RIC premium is determined. Therefore, it is important that the test for tax deductibility should recognise the fiduciary and/or legal duty of the syndicate agent in determining the RIC figure, and that it is sufficient to give a reasonable assurance to those who are taking on the responsibility for the risks that they will not suffer a loss.

I understand that that principle has been agreed in discussions between the Revenue and Lloyd's and that the wording of the subsection is designed to achieve that. Lloyd's considers that the principle will be set out more clearly if the subsection is changed in the way proposed in my amendment. I understand that the terms of the amendment have been agreed between Lloyd's and the Revenue and I hope that the Financial Secretary will be prepared to accept it.

As I have said, the purpose of the amendments is to clarify the position on reinsurance. One could have a syndicate showing a profit of £10,000 after charging a reinsurance premium of, for example, £10,000. If the Revenue was to say, "Oh no, £10,000 is unreasonable," it could be that a person in the syndicate would be paying tax on deemed income that he would never receive. It is a fallacy to think that the names in one syndicate would be the same as in a second syndicate.

It is for those reasons that I hope my right hon. Friend the Financial Secretary will accept the amendments. The intention is merely to clarify the position between Lloyd's and the Inland Revenue. Under no circumstances should we do anything that would jeopardise the position that we have in Lloyd's, because I remind my right hon. Friend that Lloyd's and other parts of the City keep our economy going to a great extent and our invisibles are an important part of the income of this country.

Mr. Blair: The amendment that stands in my name is grouped with the other amendments, and I wish to speak to it. However, I should stress that, as with many aspects of the Finance Bill, I am going into territory with which I am somewhat unfamiliar.

As I understand it, the position is that Lloyd's syndicates will make up their annual accounts on a calendar year basis and that, in effect, the 1985 account will be closed at the end of 1987 and that at that time there will be outstanding claims against the syndicate. Therefore, the syndicate has to close its books but has to pay what is called a reinsurance to close premium to another syndicate that might involve the same or substantially the same individuals.

The reinsurance to close premium is to cover against outstanding claims that there may be against the syndicate. If the reinsurance to close premuim is too high, that artificially reduces the syndicate's profits and has the effect of deferring tax liability. It was that that the Inland Revenue sought to counter. The legal advice obtained was that the Inland Revenue was unable to question the figures that the syndicate gave in order to judge the reinsurance to close premium.

Clause 70 provides that the amount of the reinsurance "premium shall be allowable only to the extent that it is a" fair and reasonable assessment of the liabilities against which the reinsurance to close premium is insuring.

The difficulty that we foresaw arises out of the meaning of the words in subsection 2:

"at the time it is payable".

As I understand it, the effect of subsection 2 is to allow the amount of the reinsurance premium to be deductible as an expense of the underwriter only to the extent that it is shown not to exceed a "fair and reasonable assessment" of the value of the liabilities in respect of which it is payable. In other words, the value should not exceed a "fair and reasonable assessment" because that will then be used in order to compute the amount of reinsurance premium that is deductible.

7.45 pm

I may be wrong but I thought that the words

"at the time it is payable",

were included in order to address the problem that there may be certain outstanding liabilities at the end of the year but that they would not have to be met immediately. They might not have to be met for a year or two. It is not clear at present whether the provision against which the reinsurance premium is insuring is the actual value of the liabilities or the value taking into account the time when the liabilities accrue.

The purpose of my amendment was to make it clear that the provision made should take into account the time at which the liabilities become due. That will make for a different value from the nominal value of the liabilities. In other words, there may be certain claims that are outstanding against the syndicate that have a nominal value but there should be some allowance for the fact that they may not have to be met until a later date. I would be grateful if the Financial Secretary would clarify that.

Having looked at subsection 2 again, I thought that the words

"at the time it is payable"

in relation to the value of the liabilities were supposed to achieve that result. However, I may be wrong. In any event, the basis of computation of the value should be clear because that will give rise to the tax deductible loss that is an important part of the reinsurance to close premium.

I hope that I have explained the purpose of my amendment and I hope I have explained my query as to the meaning of subsection 2. It is important that the Financial Secretary answers my queries.

Mr. Norman Lamont: I can certainly accept amendment No. 21 tabled by my hon. Friend the Member for Croydon, South (Sir W. Clark). I agree that it would be a useful clarification and it is acceptable to the Government. My hon. Friend touched on the subject of discounting and I confirm that it is not the intention that the clause should be read as automatically applying the principle of discounting for tax purposes for reinsurance to close. I can also confirm that the Revenue will not seek to apply discounting to the Lloyd's 1985 account. How far discounting is appropriate when one is considering the deductibility of a provision is one of those areas where the tax position at present is unclear. One of the purposes of the clause as now drafted is to provide a free-standing

[Mr. Norman Lamont]

objective test of the deductibility of a Lloyd's reinsurance to close premium which does not have to rest upon the tax law about provisions. Therefore, developments in that area will not, I am advised, have a direct read-across to this clause. Should the law change, it may be that we will consider how far discounting would be appropriate in relation to Lloyd's.

Mr. Blair: Will the Financial Secretary explain what he means by discounting in this context, because I am not sure that I have understood it correctly?

Mr. Lamont: If I understood the hon. Gentleman correctly, I think that he does understand what it means. Although he did not give it that name, he appeared to describe it when he was talking to his amendment. It seems that his amendment does have the effect that he wants it to have. I am afraid I had assumed that it was accidental. From his explanation, it appears that he is in favour of discounting. He is in favour of discounting the value of a liability to its present-day value—that is, taking account of future income flows in arriving at the amount necessary to meet future liabilities. That is what he appeared to be describing at one point in his argument.

Mr. Blair: I should like to clear up this point. As I understand it, the amount of the reinsurance premium will be based on the value of the outstanding liabilities because that is what is insured against. Presumably, the larger the amount of the outstanding liabilities, the larger the amount of reinsurance-to-close premium. If that is the case, I am worried that there may be a nominal value to liabilities even though the liabilities will not be met for some time. I may be totally wrong about that, but it seems strange that we did not take into account when computing their value the time at which those liabilities are to be met and, therefore, the risk against which one is insuring. If I have misunderstood the position, perhaps the Minister will tell me.

Mr. Lamont: As I understand it, the reinsurance to close premium does not at present take into account discounting. That is why the tax treatment is that which we are proposing. I agree that amendment No. 22 would be a useful clarification and it is acceptable to the Government.

The purpose of the subsection is to ensure that the tax deductions are not excessive and also to achieve a proper balance by ensuring that the rules for tax deductibility take due account of the need to protect against a loss those taking on the outstanding liabilities.

That principle is encompassed by removing the words
"neither a profit nor a loss accrues"
and inserting:
"a profit does not accrue."
That is entirely acceptable to Lloyd's and the Government, and it clarifies the position. Perhaps I have already made it clear to the hon. Member for Sedgefield (Mr. Blair) that we cannot accept his amendment.

Mr. Adley: I am a newcomer and an amateur in these things. When I was being shown around Lloyd's, I came across an underwriter who told me that he was dealing with a situation that I gather is not uncommon. It was that in 1898 insurance was taken out at Lloyd's by a United States railway. Just recently it was discovered that the sleepers on the track were sprayed with creosote in 1898. It is now being claimed in an American court that the spraying of creosote on the sleepers nearly 100 years ago has been deemed to be responsible for loss of value of crops in an adjoining area. Who is to judge, and how will he judge, what is a fair and reasonable assessment under the terms laid down in sub-section (2) of this clause?

Mr. Lamont: I am not sure of the point that my hon. Friend is making. We are not here talking about a provisions basis, and I must be careful not to use that term. No one could accept a situation in which the Revenue does not have a locus in examining the reinsurance to close premium. That does not say for a moment that the Revenue knows Lloyd's business as well as Lloyd's does or that the Revenue has an expert view of the appropriate premium for the sort of situation that my hon. Friend describes.

As with any commercial business, the Revenue has to come in and take a broad view about whether deductions for business purposes are or are not reasonable. It has to make that judgment on many businesses within any one industry. That is difficult to do, but the Revenue has to take a broad-brush view. What was at issue in the dispute that we had over Lloyd's was whether, as a result of a legal opinion, the Revenue had a locus in looking at the deductibility of reinsurance to close. In essence, that was all it was about. We put forward a proposition that was not acceptable. We had further discussions and have arrived at a form of words.

I should make it clear that I have accepted all three of the amendments tabled by my hon. Friend. This is not just a form of words, but sets out the principle that the Revenue should have a locus in looking at the deductibility of reinsurance to close. That is the best answer that I can give my hon. Friend.

Mr. John Townend: Has not the problem been caused because originally the impression was given that the Revenue knew better than the underwriters? As has been said, experience and expertise are necessary for long-tail insurance and the only person who can make the assessment is the underwriter, not the Revenue. The other point that has been overlooked is that it is rather different from the basis of provisions. That is because, if the reinsurance to close is excessive in the eyes of the Revenue and seems to be a means of tax avoidance, it also means, as my hon. Friend the Member for Croydon, South (Sir W. Clark) said, that the composition of the syndicates varies from year to year.

If there is an abuse of the system, it will mean that the current names have been defrauded for the benefit of future names. If that is the case, the underwriter and the managing agent and everybody involved are in breach of their fiduciary and legal responsibilities to all the names. I hope that my right hon. Friend will be able to assure us that the new clauses resulting from negotiation with Lloyd's will in no way undermine the right of the underwriters to decide the correct amount of the reinsurance to close premium.

Mr. Lamont: I am not sure that it is fruitful to go into the history of why this arose and to apportion blame, if that is the right word. Some people might say that the situation arose because a legal opinion was offered which said that the Revenue had no locus. We cannot accept that. The Revenue must have a locus. My hon. Friend the

Member for Bridlington (Mr. Townend) asks if there will still be freedom to fix premiums and resinsurance to close at the appropriate levels. Of course there will: that is a commercial matter, but the level at which these things are fixed must be examined by the Revenue. I am not saying that this is analogous to provisions because it is not and I accept that, but provisions in various financial businesses can be examined by the Revenue and businesses are able to over-provide if they wish or to take a certain view about provisions.

The tax authorities also have a view about the appropriate level of deduction that should be allowed. I can give my hon. Friend the assurance that he seeks. The wording of the clauses has been agreed with Lloyd's and I know that it is satisfied. We are satisfied that we now have this locus and I hope that the arrangement will work well. In no way is it the intention of the Government to harm the business of Lloyd's. My hon. Friend spoke about long-tail business. It is that which makes Lloyd's unique, together with its speed of response and flexibility. It is an extremely valued institution and it is wholly right that we should have a tax regime that takes particular account of its special position.

Amendment agreed to.

Amendments made: No. 22, in page 41, line 13, leave out 'neither a profit nor a loss accrues' and insert 'a profit does not accrue.'.

No. 23, in page 41, line 14, at end insert

'but he he does not suffer a loss'.—*[Sir William Clark.]*

Amendment made, No. 24, in page 41, line 18, leave out 'for the purpose of closing'

and insert

'in connection with the closing of'. — *[Mr. Norman Lamont.]*

Question proposed, That clause 70, as amended, stand part of the Bill.

8 pm

Sir William Clark: I wish to use the clause stand part debate to ask my right hon. Friend the Minister a simple question. Subsection (3) deals with disallowance of a reinsurance premium from one name to a new name. As I read it, if there is a reinsurance premium of, say, £1,000 and only £800 is allowed, that is agreed between the Inland Revenue and the syndicate. That means that the name in the old syndicate has lost the tax on £200. The new name in the syndicate has to state not that he receive £1,000 but that he received £800. Consequently, he pays tax on only £800.

It seems to me a bit unfair that the new name will have the advantage of the net amount that was allowed to the old name. Can something be done about that? I would have thought that all this talk about fiscal neutrality and the fairness that we want for all taxpayers makes it odd that the disallowance for the old name benefits the new name. The old name has to pay tax and the new name saves tax.

Mr. Adley: I shall be rather Irish and declare that I have no interest in Lloyd's. My right hon. Friend the Financial Secretary may recall that on Second Reading I intervened briefly and asked my right hon. Friend the Chief Secretary a question about this matter because I am considering becoming a name. I am still not sure, but I am not asking my right hon. Friend for advice on whether I should so do.

I am only partly reassured by what I have heard this evening. Lloyd's is built on trust and has prospered on the willingness of people to put at risk most or all of what they possess. However, the action of certain of the United States courts seems fundamentally to be changing the level of risk to which people are putting themselves. My concern is not just for myself if, possibly, in future I become a name, but that first by the bond-washing exercise and, secondly, by this legislation, we may tilt the balance against those people either who are names and want to remain names or who, like myself, are considering becoming names.

The interpretation of this clause still causes me a little unease. If I asked my right hon. Friend who was to interpret "fair and reasonable" he would presumably have answered, "The Inland Revenue". That comes down to the judgment of an individual and that judgment, on the basis of this legislation, may be different from that of an inspector in five, 10, 20 or 50 years' time.

I recognise that the clause in the Bill is very much less harmful and damaging than that which was in the previous Bill, and undoubtedly there has been a welcome improvement in communications between the Treasury and Lloyd's in the past few weeks. All that I want to say to my right hon. Friend is: please can we be careful about what we are doing, because the killer of the goose that lays the golden eggs would not be a happy epithet for this or any Government with regard to Lloyd's?

Mr. Norman Lamont: My hon. Friend the Member for Croydon, South (Sir W. Clark) referred to subsection (3), which provides that where part of the premium paid is not deductible under subsection (2), there shall be a corresponding reduction in tax on the receipt of the underwriter to whom the premium is payable. My hon. Friend gave a particular example. The excess £200 would be neither deductible in syndicate one nor taxable in syndicate two. I will have a look at his example to see whether there is anything on which we want to reflect.

Sir William Clark: My example was in simple figures. However, if there is a £1,000 reinsurance, £200 is disallowed. That consequently means that £800 is allowable in the computation of the syndicate's profits. The new syndicate has received £1,000 but it is deemed to have received only £800. Consequently, its tax liability has gone down by the tax on £200. This is the anomaly, and it means that the names in the old syndicate are suffering a disallowance and that disallowance is giving a benefit to the new names.

Mr. Lamont: I will have a look at that and come back to my hon. Friend.

My hon. Friend the Member for Christchurch (Mr. Adley) wondered about the words "fair and reasonable". There has been considerable exploration of different formulae. I appreciate my hon. Friend's concern about such words, but they have been acceptable to Lloyd's. It is not just a question of how the matter stands in the opinion of an individual tax inspector. The taxpayer has the right to take his affairs to the commissioners and ultimately to the courts if he thinks that the Inland Revenue's interpretation of "fair and reasonable" is not correct.

My hon. Friend asked me and the Government to recognise the unique position of Lloyd's and not to be so over-zealous about tax avoidance, that we damage the interests of Lloyd's and thus of the market. I emphasised at the beginning that our concern has been to establish that

[Mr. Lamont]

we have the locus to look at the deductibility of reinsurance to claim. That is a principle that nobody has sought to challenge today. I emphasise more forcibly than I have already done that we recognise that Lloyd's is a unique institution. I have referred to long tail business and its flexibility. It is different from other parts of the insurance market. Not only does that mean that it is appropriate that there should be a separate and different regime for such a unique body but that we have to be careful that we do not damage something that is important in the City of London, and that is wholly understood.

Sir Brandon Rhys Williams: I think that we ought now to agree that the clause, as amended, should stand part of the Bill. I am not connected with Lloyd's and I am not associated in any way with reinsurance. However, a number of my constituents were gravely disturbed over proposals that were incorporated in the Finance Bill that was presented to the House in March. I tabled an amendment to it which I hoped would alleviate the situation somewhat. I was therefore very pleased indeed when I discovered that there had been movement and when the Bill was presented to the House again, this provision had been substantially changed. I am even more pleased that my right hon. Friend the Financial Secretary has been listening to the arguments of the experts and has accepted a number of amendments which we believe may prove to be satisfactory. I think that we should now give this a try.

I do hope that my right hon. Friend will bear in mind that this is a very sensitive area and it could well be, even now, that what is in the clause as amended may not prove to be entirely right. As he has been so accommodating over this and has approached the matter in a highly commendable spirit, I am sure that we can rely on him, if it is found that the clause, in the form in which we have it in the Committee now, is not entirely satisfactory at some future time, if representations are made, to be prepared to listen and possibly make further amendments. As matters stand, I think that we have made a lot of progress. I am grateful to my right hon. Friend on behalf of my constituents, who I know will be very glad that he has approached this matter in the way that he has. Therefore, I think that it would be right that the clause should now stand part of the Bill.

Question put and agreed to.

Clause 70, as amended, ordered to stand part of the Bill.

Clauses 71 to 73 ordered to stand part of the Bill.

Clause 74

GENERAL RULES

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I simply want to make sure that I understand correctly the effects of clause 74. As I understand it, under existing law a company will pay tax on capital gains at capital gains rate of 30 per cent. Under clause 74, a company will now pay tax at the full corporation tax rate of 35 per cent. On the other hand, companies will be able to use advance corporation tax in payment of tax on chargeable gains. I would be grateful if the Minister can confirm that that is the case. I have difficulty in construing the clause.

Mr. Norman Lamont: The hon. Gentleman is quite right. I can tell the hon. Gentleman sincerely that he comes to these debates, reads the clauses and constantly asks whether he has interpreted them correctly. He does interpret them rightly. He was correct in what he said on the previous clauses and he was also right in his summary on clause 74.

It may be for the benefit of the Committee if I go into a little more detail. There was some controversy about certain aspects of this point earlier. However, we hope that with the changes that we have made, particularly in clause 75, that some of the controversy has been removed. Clause 74 in conjunction with clauses 75 to 77 and schedule 5 amend the way in which tax on the capital gains of companies is computed and extends the scope for setting off advanced corporation tax as the hon. Member for Sedgefield (Mr. Blair) said.

Under present law, a company's capital gains are effectively taxed at 30 per cent. The effective rate is achieved by a fairly complicated mechanism. We take the capital gains made by a company and multiply them by six sevenths — the reducing fraction — and tax the resulting figure at 35 per cent. That gives an effective rate of 30 per cent. which applies to companies large and small. The small companies' rate does not apply to capital gains.

The point about ACT set-off has been made over many years. I think that it has been widely welcomed. It seemed to us that with the main corporation tax rate reduced to 35 per cent. the case for a differential lower rate on gains was necessarily much weaker and as the Chancellor explained in the Budget speech, for small companies the tax rate of 27 per cent. would be lower than the present 30 per cent. CGT rate.

Some people have said that the change is retrospective because it applies to gains accrued but not realised before Budget day. Of course, tax on capital gains is essentially a tax on disposals. Changes in the regime thus inevitably apply to the whole of the gain realised when a disposal is made. Essentially, we see that as a simplification of the system. Certainly the way in which capital gains are calculated seems to be unnecessarily complicated. We hope that this will be acceptable to the Committee.

Question put and agreed to.

Clause 74 ordered to stand part of the Bill.

Clause 75

LIFE ASSURANCE BUSINESS

Question proposed, That the clause stand part of the Bill.

8.15 pm

Mr. Blair: The Financial Secretary to the Treasury quite rightly said that clause 75 should be taken with clause 74. The effect of the clause is to ensure that life assurance companies continue to pay the capital gains tax at the old rate of 30 per cent. As I understand it, the Inland Revenue will be conducting a review of the taxation of life assurance companies. Has the Financial Secretary to the Treasury any idea when that review is likely to be completed?

Mr. Norman Lamont: The hon. Gentleman said that capital gains of life assurance companies would be taxed at 30 per cent. I want to make it quite clear that we are

talking about the capital gains of policy holders. We have drawn that distinction. The capital gains of the life companies themselves, the gains reserved for shareholders, will be taxed as before.

We have said that we believe that there should be a wider review of the taxation of life assurance companies. It is true that there is room for argument about the burden of taxation that falls on life companies. Certainly, I do not believe that even if we had stuck to our original proposal the effects would have been as onerous on the companies as some of the critics have said.

The taxation of life companies has developed in a somewhat piecemeal fashion. It is certainly highly complex and it has been argued that it no longer fulfils the function of taxing the shareholders' interest in a broadly similar way to the shareholders' interest in any other company and of taxing a proxy for policy holders' interest.

The review will consider whether the burden of tax on life assurance companies and policy holders is appropriate and whether there is consistency between one class of business and another and also between insurance and other broadly similar activities. Naturally, the life assurance industry and other interested parties will be fully consulted during the review.

With regard to the timing, I am afraid that all I can say is that we will press ahead with all possible speed. However, given the need to look comprehensively and thoroughly at what is a very complex area, it will inevitably take a little while. I am afraid, therefore, that I can give no assurance about the timing of any action which we may decide to take in the light of the review.

Question put and agreed to.

Clause 75 ordered to stand part of the Bill.

Clause 76 ordered to stand part of the Bill.

Schedule 5 agreed to.

Clauses 77 to 79 ordered to stand part of the Bill.

To report Progress and ask leave to sit again. — *[Mr. Norman Lamont.]*

Committee report Progress; to sit again tomorrow.

Rate Support Grant (England)

8.20 pm

The Minister for Local Government (Mr. Michael Howard): I beg to move,

That the Rate Support Grant Supplementary Report (England) (No. 2) 1986-87 (House of Commons Paper No. 35), a copy of which was laid before this House on 9th July, be approved.

This is the first rate support grant report which this Parliament has to consider. It will, I am afraid, be by no means the last. However, a new and greatly simplified grant system is on the horizon so in some ways I offer hope to the House. This debate marks the beginning of the end of the present system.

This supplementary report is concerned principally with school teachers' pay. The Government intend that school teachers should receive an average pay increase of 16·4 per cent. this year. They have already had half of this with effect from 1 January 1987. The Government's intention is that the second part should be payable from 1 October 1987.

We have already provided the Exchequer's contribution towards the cost in the present financial year. This supplementary report honours the Government's commitment that the taxpayer would make a significant contribution to the extra costs in 1986-87. It will make available an extra £51 million block grant to match the estimated extra cost of £111 million, from 1 January to 31 March. The extra costs are fully reflected in increases in education authorities' GREs. In this respect it follows exactly the method used in the 1987-88 first supplementary report considered by the House on 5 May. Like its predecessor, it is an extra supplementary report which would not normally be appearing now. It is brought forward at this stage at the express wish of local authority associations.

My predecessor, my right hon. Friend the Member for Brent, North (Sir R. Boyson) tried hard to explain the effects on education authorities of the 1987-88 changes. I shall follow his example. The increase on education GRE is £111 million and in block grant £51 million. This is the same grant percentage, 46 per cent. as in the settlement for 1986-87. However, hon. and right hon. Members will know that the block grant system does not give this percentage of grant to all authorities. The grant percentage in each case depends upon, among other things, the authority's expenditure in relation to its GRE and its rateable value. The block grant system is designed broadly to equalise the rate poundage costs to ratepayers of providing services efficiently at a standard level. That is why some local authorities seem to get a higher percentage of the cost of the teachers' pay rise in grants than others.

This supplementary report makes a number of other changes which together tend to make it difficult to see the effects of teachers' pay changes. The first is that it takes account of revised estimates of total expenditure for the year based on returns of expenditure and rates from almost every local authority. The previous teachers' pay supplementary report used essentially the same expenditure information, that is budgets, as the preceding main report. Most of the returns used in the present supplementary reports were completed long before accounts were closed, indeed most 1986-87 accounts are still not closed, and it will be many more months before audited returns are available. Nevertheless, we now have

[Mr. Michael Howard]

a better idea of what actual expenditure was in 1986-87 than was given by the budgets which were used in the last supplementary report.

Total expenditure in aggregate is lower than budgets by nearly £70 million but the picture is very patchy. There are some very large falls, and some large increases. Some changes are undoubtedly due to creative accounting and may not reflect real spending at all. The results of the changes in grant terms are to move quite large amounts of grant around England. The total goes up £51 million, but shire and metropolitan areas together gain over £61 million while London loses £10 million. This brings me to the second reason why the effects of the supplementary report are difficult to follow.

Those hon. Members who have taken part in these debates in the recent past will remember that 1986-87 is the last year for which we recycle grant. Let me embark upon the daunting task of trying to explain this piece of rate support grant jargon. Some authorities have chosen to increase their spending for this year. In most cases this reduces grant entitlements. The surplus grant which these authorities had previously received is returned to the pool and recycled—that is, distributed back to all authorities, including the high spenders. This had the serious shortcoming that every authority's grant depended in part on every other authority's grant and therefore authorities could not know precisely how much grant they would receive.

Legislation in the previous Parliament abolished recycling for 1987-88 and subsequent years, so that there is no longer a fixed grant pool. Any underclaim of grant will not be distributed. Conversely, if authorities were to make savings and spending fell below the amounts assumed in the settlement, there would be an overclaim and we would provide more grant. But for 1986-87, we still have recycling. My right hon. Friend the Secretary of State for Education and Science, when he was Secretary of State for the Environment, promised authorities that at least £500 million would be recycled in 1986-87. That promise was fulfilled in the first supplementary report, when we recycled £618 million. The recycled amount has changed very little in this report. It is difficult now to calculate the figure on a comparable basis because many of the parameters in the system have changed. Nevertheless, it still seems to be about £617 million. It is certainly much more than £500 million.

Like the previous supplementary report, this report makes certain other changes to grant related expenditures —for example, to take account of actual land drainage precepts and other later information, and it takes account of the boundary changes which took place at the beginning of 1985 and 1986.

Finally, we have removed the temporary safety net that was incorporated in the first supplementary report. This is another piece of RSG jargon. A safety net is a device which prevents losses of grant from exceeding a certain amount. I suppose the metaphor is that of grant falling. The consequences of too great a fall are being prevented by a safety net. In the first supplementary report, grant losses due to GRE changes were limited to the equivalent of a 2p increase in rate to ratepayers. But that particular limit was intended to be only temporary because, while the losses could not have been expected, it was right that they should flow through in full once authorities had had a chance to rate for them. We always said we would remove it to allow the remaining losses to flow through in the next supplementary report, and that is what we are now doing.

There are other consequences to that decision. Because of grant recycling, the cost of the temporary safety net was borne by all authorities. The other side of the coin is, therefore, that those authorities now get the grant that would have been theirs but for the safety net in the last supplementary report.

I turn now to another feature of the 1986-87 RSG. I refer to the matter which has become known as the Bromley error. The House will recall that there was an error in the 1986-87 RSG settlement. An inappropriate method was used when assessing how much extra expenditure each London borough would incur on highway maintenance following the abolition of the Greater London council. As a result, some boroughs, including Bromley, received no extra grant despite taking on new responsibilities. Other boroughs, including Greenwich, received more grant than was justified. This error was quickly spotted, and we undertook to correct it at the first available opportunity. The effect of the judgment in legal proceedings instituted by the London borough of Greenwich, however, meant that the Secretary of State did not have the power to make the necessary correction. The Secretary of State told the House on 5 March that he had appealed against that decision.

Since then we have been assessing the position. It has become clear that, even if we win the appeal, that will not necessarily be a complete solution. A successful appeal would allow us to correct the error for 1986-87, but the effects of the error have fed through to the 1987-88 settlement also. And, as the law now stands, even if the Greenwich judgment was reversed, it is doubtful whether we have the powers to effect a correction for that year. A similar situation will arise in due course for 1988-89.

Just to complicate matters further, since March the London boroughs of Bromley and of Kingston-upon-Thames have started their own legal actions challenging the Secretary of State's decision not to make the Bromley correction.

We have made it clear from the outset that we regard the situation as inequitable. We are determined that the error should be corrected so that the authorities concerned can receive their fair grant entitlements. It is clear, however that if we proceed with the appeal it may be some time before all the legal issues are resolved, and there is no certainty that the full implications of the original mistake could be corrected.

In the light of these factors, we have concluded that the best course is to withdraw the appeal. Instead we shall take a suitable opportunity in the current Session to take legislative powers to ensure that we have the necessary powers to correct the Bromley error in 1986-87 and 1987-88. In the meantime, the 1988-89 settlement will have to go ahead on the uncorrected basis. We shall then make the necessary correction for that year in a supplementary report when we have the necessary powers.

Mr. Roger Sims (Chislehurst): Will my right hon. and learned Friend give way?

Mr. Howard: As the issue is known to all and sundry as the Bromley error, I should give way to my hon. Friend the Member for Chislehurst (Mr. Sims), who represents part of the borough.

Mr. Sims: If I have understood my right hon. and learned Friend correctly, those who represent Bromley in this place, and not least the ratepayers, will welcome his remarks. It seems, however, that it will be some while before the error is corrected. Am I correct in assuming that the £3 million a year that the Bromley ratepayers lost as a result of the error will be recouped for 1988-89 and retrospectively?

Mr. Howard: My hon. Friend is entirely correct. Let me take the opportunity of paying tribute to him and his colleagues from the borough, all of whom have paid close attention and taken a close interest in the matter, and have ensured that the views of residents are made known to me and to my predecessors.

Let me summarise the effects of the supplementary report. It increases block grant and the GREs of education authorities to help to pay for the teachers' pay increase from 1 January to 1 March 1987. It updates GREs to reflect later information and boundary changes. It removes the temporary safety net imposed in the first supplementary report. It has been brought forward now at the unanimous urging of local authority associations, and I am sure that it will be welcomed by them.

8.30 pm

Mr. Roland Boyes (Houghton and Washington): Let me take this opportunity to welcome the Minister to his new post, but also to warn him that, as he probably already realises, he is entering a legal and financial minefield. Many of us spent nearly every Tuesday and Thursday morning for a whole year trying to put right many of the Government's errors following challenges made in court. The only people who seemed to benefit from the work that I did last year were the lawyers. However, I believe that the Minister is a lawyer, so I do not suppose that that worries him too much.

I describe the subject as a minefield because—as is clear from the Minister's summary of the "Bromley error"—it is impossible to predict when the next challenge in the courts will take place. If an appeal in court is successful, it means that we will be upstairs in one of the Committee Rooms week after week, discussing turgid legal briefs and deep financial affairs. However, we broadly welcome the main part of the Minister's statement. The report meets the request of the local authority associations for an early implementation of the extra grant consequent on the teachers' pay award. But some parts of the report are not consequent on that settlement, and will seriously affect the rate budget in 1987-88. I shall return to that in a moment.

Let me deal briefly with some of the consequences of the way in which the cash to pay for the teachers' award has been given to local authorities. As the Minister said, the estimated cost in 1986-87 is about £111 million, and the government promised an extra grant of £51 million. That is what the report is implementing. However, the local authority associations asked the Government to provide alternative funding arrangements rather than channeling the extra assistance through block grant, because there were obvious problems for some local authorities.

ILEA, for instance, receives no extra assistance as a consequence of the award, because it does not receive block grant. As ILEA is rate-capped in both 1986-87 and 1987-88, that is a double punishment. Moreover the Minister may wish to comment on this later I understand that some of the extra block grant will not go to local education authorities. The Minister may have made that point in his speech, in which case I apologise. But the Minister shakes his head. Perhaps he will look into the matter, either this evening or on another occasion. If the cash was intended to pay for the teachers' award, it should go to LEAs.

The net effect of the changes proposed in the report is that there will be some heavy gainers and some heavy losers. When he summarised the figures, the Minister said that there would be a loss of £10 million for London and of £16 million for the combined metropolitan areas. The shire districts would lose £28 million, and the shire counties £17 million. A point that the Minister did not make, and which I hope that he will take into consideration, is that many local education authorities paid teachers' back-pay in their May pay packets. The timing of the report means that authorities will not receive the extra grant until August, so that they will suffer an adverse cash flow. I should be glad if the Minister would look into that as well.

The matter of GREs is rather technical. Paragraph 1 *(b)* of the report says that one of the main objectives is to redetermine multipliers

"to remove the limit imposed in the first Supplementary Report on grant losses as a result of the fresh determinations of GREs specified in that Report."

Being a lawyer, the Minister may be able to make sense of that, but I am sure that, if I set it as an examination question and they were asked to comment, many hon. Members in the Chamber tonight would hand in a series of blank pages at the end of the three hours. But let us try to translate it and to show what it means for some local authorities.

In the first supplementary report for 1986-87, the Secretary of State made a number of changes to authorities' GREs which resulted in changes in grant for authorities. To protect them from the effects of those changes—some of them unexpected—in the middle of a financial year, a limit equivalent to a 2p rate was placed on the grant losses that an authority could incur as a result of the changes. In rate support grant jargon, it is known as a "2p temporary safety net". The Government made it clear that that was only a temporary measure, and that the full effect would be implemented in a future supplementary report.

In the normal course of events, the "future supplementary report" would not have been implemented until April 1988. The removal of the safety net during 1987-88 will be particularly hard on rate-capped authorities. Those authorities' rate limits were set by the Local Government Finance Act 1987, which the Government had to introduce to restore the legality of the whole RSG and rate-capping system. The rate limits set out in the 1987 Act made no explicit allowance for the loss of 1986-87 grant, which authorities would not ordinarily have expected to be implemented until 1988-99. Furthermore, if authorities had been aware of the timing of the losses, and if the normal procedures under the Rates Act 1984 had been operating, the losses could have been taken into account in discussions with the Secretary of State over the rate limit. The procedures of the 1987 Act, which temporarily jettisoned the 1984 Act, did not provide for such discussions.

I am glad that the Secretary of State for Wales has come into the Chamber early, because he may understand the

[Mr. Roland Boyes]

paragraph that deals with the rate support grant in Wales. He may have a translation of this complex sentence into meaningful language. Indeed, if he wants it in Welsh, I am sure that I can persuade one of my Welsh-speaking colleagues to come in in about 60 minutes to present the case in Welsh and to ask him a few questions, to which he will respond. The right hon. Gentleman is a very intelligent man. He will have been on a crash course in Welsh and, no doubt, in a few weeks will present the case on these complicated Bills in Welsh. However, in most cases, it does not matter whether the case is presented in English, Welsh or Afghan, as Labour local authorities always end up worse off.

I have here a table setting out the large losers in the Association of Metropolitan Authorities. One of them is the Tyne and Wear passenger transport authority. It is to lose £1·7 million. The area that I represent is part of Tyne and Wear, and it suffers from very high unemployment. It is absurd that any local authority or passenger transport authority should lose any money. The north-east of England needs every penny that it can get to help it over its dire and difficult problems.

My constituency suffers from massive unemployment. We are to lose a development corporation, but we shall not benefit from additional money, in the way that the inner cities will benefit. I digress slightly from this debate on the rate support grant settlement. We welcome the additional cash that is being made available to the inner cities, but there are other parts of the United Kingdom that suffer from just the same level of unemployment. They also suffer from poor housing and general deprivation and they, too, need additional cash. There is disquiet in my constituency and in similar constituencies about the fact that they are being shoved aside while attention is focused on the inner cities. The Minister ought to be aware of the problems that we face and of the issues that will be raised in the coming months.

Apart from those reservations, to which I know the Minister has listened carefully and to which I am sure he will respond, the Opposition welcome in general the rate support grant settlement for 1986-87.

8.42 pm

Mr. Roger Sims (Chislehurst): My remarks will be brief, thanks to what my hon. and learned Friend said when he opened the debate. He explained what is to happen about the Bromley error, which deprived the ratepayers of Bromley of £3 million a year. I am delighted to hear that it is to be returned to us, even though it may be 1988-89 before that happens. When he replies to the debate I hope that the Minister will clarify what is to happen about the outstanding sums. Bromley has been deprived of £3 million a year and it has also lost interest on that money. We hope that we shall not be out of pocket and that the loss of interest will be taken into account when the final repayment is made.

The Minister is aware that the Greater London council operated a Londonwide concessionary fares schemes. The scheme that replaced it meant that the costs were shared, pro rata to population, but the way in which the money has been distributed bears no relation to its collection. Most inner London boroughs were presumed to spend far more than they do on concessionary fares, whereas the reverse applies in outer London – for example, in my borough. The cost of the concessionary fares scheme in Bromley for 1987-88 is £3·5 million, whereas the grant related expenditure assessment is only £1·4 million. That is inequitable.

I took up this matter with the previous Minister of State, and in his letter of March 1987 he explained that at the time of abolition his Secretary of State did not have the power to distribute concessionary fares in London in the way that I had asked him to do. He explained that the Rate Support Grants Act 1986 had changed the position and that his Department had considered the possibility of introducing a change in the 1987-88 settlement. He also said that after careful consideration he had decided not to do so but that that did not preclude it from being given further consideration for adoption in the following year's settlement. When he replies to the debate, I should be grateful if the Minister could assure me that the concessionary fares adjustment will be made in the forthcoming year so that Bromley will receive its fair share.

8.46 pm

Mr. Bob Cryer (Bradford, South): This is the first speech that I have made in the House since May 1983, so it is opportune to say a few words about my predecessor before I deal with the rate support grant report. Tom Torney was a widely respected Member of Parliament and worked diligently for his Bradford, South constituency. I wish him a long and happy retirement, particularly in view of the fact that shortly before the election he lost his wife. In normal circumstances, he could have looked forward to spending his retirement with her. It was a sad end to his parliamentary career, but he can reflect on the fact that he made a distinguished contribution as a Member of Parliament. He was an unremitting critic of the Common Market, and he expressed his views clearly and pungently, whenever he felt that it was right to do so.

The unemployment in Bradford, South is relevant to the order, which will provide additional money for local authorities. That will help to create jobs. In Bradford, South, unemployment stands at over 13·5 per cent., so jobs are sadly needed in my constituency. Nearly 6,000 people are unemployed there. The Government are fond of omitting percentages and dealing with absolutes. They say that they have spent so many millions of pounds on creating jobs. However, 6,000 people in Bradford, South are still unemployed. The percentages are even higher in Bradford, North and Bradford, West. The talents of those people are being wasted. Unemployment creates a sense of alienation among people who have been on the dole for so long. It is all due to the Government's economic policies.

The rate support grant report is important because the local authority is the largest employer in Bradford. Every source of income is important. Bradford employs teachers, whose pay award is reflected in the order. I do not intend to comment on the pay award. That will have to be negotiated. However, there is a strong and enduring sense of injustice among teachers because of the arbitrary fiat of the Secretary of State for Education and Science. By it, their negotiating rights have been removed. That sense of injustice will continue so long as negotiating rights are denied to teachers. Deep as they are in their dogma, I hope that even at this late stage the Government will recognise that if people are in regular employment they should have the right to influence the terms and conditions of their employment.

There are a number of ways to create jobs. Money helps, of course. The order reflects the Government's response to the representations of the local authorities, but the money on offer is too little. The Government should have been much more generous. Money should have been made available much earlier, because money helps to create jobs.

There are a number of ways in which that could be done in Bradford, South. The local authority and local Members of Parliament have made representations about the reconstruction of some of Bradford's schools. The local authority wanted a total expenditure of £21 million a year for five years. Bradford is almost unique among significant towns and cities in the country in having an expanding school roll. However, central Government have allowed only about £6 million for one year and Bradford is not, therefore, in a position to plan ahead.

The Minister knows well that when money is injected into the economy through the rate support grant, it is, in the main, the private sector that is stimulated, as it does most of the work for local authorities. Therefore, the repair and refurbishing of schools would benefit the private sector. Of course, the community at large would also benefit from providing children with decent surroundings in which to be educated. At the moment, apart from any major refurbishments, about £3 million is needed to meet the bill for routine maintenance and repairs to schools in the Bradford, South constituency.

The second straightforward and rapid way of creating jobs in Bradford, South would be to improve the housing stock in the public and private sectors. There are many examples of Boot houses, which may be something about which hon. Members do not readily know. Such houses were built in the 1920s, in the prefabricated method. They are held together by large tie bolts and were built to have only a short life. Those tie bolts are now rusting and the houses must either be rebuilt, which is expensive, or demolished and replaced with new housing. Again, an injection of money by central Government for the difficulties facing local authorities would be only natural justice.

If the Department of the Environment were to restore its broken pledge to local authorities—that if they sold council houses, they could have that revenue for building new houses and for repair—by rights Bradford should have about £6 million to spend. If that pledge was restored, there would be a further cash injection to improve houses in the public sector and to help those in the private sector. The Government could assist materially by providing money for improvement grants, which have virtually dried up because of central Government's meanness.

Transport facilities are listed and included on the order. Deregulation has produced some horrendous ommissions in our bus services. In part of my constituency called Wyke, people used to be able to catch a bus into Bradford's city centre. Now they must catch three buses, with three fares. That is a significant item of expenditure for people who struggle from week to week to make ends meet.. I know that that may seem trivial to Conservative Members but I advise them that during the election I received between 20 and 30 complaints about it. I have also had letters subsequently about it.

The passenger transport authority has said that, under the terms of the legislation, it cannot provide the type of service that it provided prior to deregulation. The Government should seriously take on board the fact that money should be made available to ensure that those services are restored to provide an opportunity for people living in Wyke to travel to the city centre, as cheaply and as reasonably as possible.

Jobs could be provided in other areas. Electrifying the line from Leeds to Bradford would enable Bradford to maintain, without qualification, its position on British Rail's inter-city map. The construction of a link between Bradford Interchange and Bradford Forster Square would also create jobs in the construction industry, in which about 400,0000 people are on the dole. Such capital investment would be welcomed. The Government are always complaining about the difficulties of creating jobs and about how hard up they are for doing that task. The Prime Minister goes on the Jimmy Young programme to say how concerned she is about the lack of jobs. If the Minister talks to the Prime Minister he can slip into her red box the suggestions that I am making so that they can be acted upon because these capital projects can be used to improve inner-city areas and to provide jobs for their citizens.

Bradford needs more rate support grant because it is facing difficulties in, for example, the National Health Service. I know that that is not absolutely germane to the order, but it supports my case for more rate support grant. Bradford has the longest waiting list in the region, with 6,874 people waiting for operations. I hope that the Government will discourage greedy consultants from encouraging people to go private in their attempt to avoid the long waiting lists. That is a temptation for many people. However, it should be a priority for the Government to cut waiting lists. If we had won the general election, it would have been a priority task for the Labour Government.

Finally, the Minister will no doubt say that money is in short supply, that the cake is limited and that the local authorities can have only a modest increase in this supplementary rate support grant. However, I must point out that the Government can provide money when they want to. The cost of their foolish Falklands expedition was £2 billion and there is an annual expenditure of about £800 million on fortress Falklands. When the Prime Minister, who is by way of being a nuclear nut, pushed through Sizewell B, and appointed an inspector to produce approval for it, as she did, and when successive Secretaries of State for Energy repeatedly state their sympathy for the Sizewell B nuclear power station, £1·5 billion is put forward for it.

Only yesterday there was jubilation from Tory members because there will be a slight saving on the Trident expenditure. It is a modest saving the Trident programme will cost just under £10,000 million instead of £11,000 million. I know that the Minister is concerned about wider issues and I can point out to him that Trident is in breach of the United Nations nuclear non-proliferation.

Mr. Deputy Speaker (Mr. Harold Walker): Order. We are discussing local government expenditure.

Mr. Cryer: That is absolutely right, Mr. Deputy Speaker. You have underlined the point that I am making. I am saying that the rate support grant order, allocating as it does a supplementary grant, is not sufficient. I am pointing out to the Government that they can come back

[Mr. Cryer]

to the House, next week if they like, with another order providing more money which we would all enjoy debating, if they cut expenditure on Trident and at the same time kept international treaty obligations, such as the United Nations non-proliferation treaty.

The measure provides a little more for local authorities, but it will barely enable them to keep their heads above water. They are short of cash. They provide vital services for our communities and I hope that this supplementary grant is not the last injection of cash to maintain those services and to provide much needed jobs, not only in Bradford, South, which is obviously an important area, but throughout the country, especially where unemployment is at its worst.

8.59 pm

Mr. Richard Tracey (Surbiton): I am not sure whether I am supposed to welcome back the hon. Member for Bradford, South (Mr. Cryer). The other night I heard my hon. and learned Friend the Minister for Local Government refer to a similar Labour Member as a "parliamentary retread." Therefore, I welcome back the parliamentary retread for Bradford, South. I should warn him that retreads usually have attached to them a warning that they must not go too fast down the motorway. The hon. Gentleman may have been going a bit fast tonight.

I certainly endorse what the hon. Gentleman said about his predecessor, Tom Torney. I recollect meeting the present hon. Gentleman a few years ago walking through Wandsworth and I imagine that he was going through a process of re-education which I hope will serve him well in the House now.

I rise briefly to welcome the statement made tonight by my hon. and learned Friend the Minister, particularly about the extraordinary circumstances of the case which has affected the borough of Bromley and the royal borough of Kingston upon Thames. My hon. Friend the Member for Chiselhurst (Mr. Sims) also welcomed the announcement that the ratepayers of those boroughs would be completely reimbursed for the past peculiarities of the operation of the law as a result of the case brought by the London borough of Greenwich. I hope that this evening my hon. Friend the Parliamentary Under-Secretary of State will give a complete assurance that our ratepayers will in no sense suffer from the most peculiar anomalies of this case.

The case has been used in Kingston upon Thames by the present hung council, particularly members of the Liberal and Social Democratic parties, as a means of pillorying the Government for alleged inequalities and inaccuracies in their interpretation of the rate support grant. I hope that as a result of my hon. and learned Friend's statement we can return to the ratepayers in the royal borough with a complete assurance that in the near future they will be completely reimbursed for their rates. I look forward to such an assurance from my hon. Friend the Parliamentary Under-Secretary of State. With all due respect to my hon. Friends on the Front Bench it seems that the law has to some extent proved to be an ass and I trust that tonight they will fully reassure my constituents.

9.03 pm

Mr. John Cartwright (Woolwich): I congratulate the Minister on the elegant way in which he tiptoed around the appalling jargon of the rate support grant. I fear it will not be long before he gets stuck into it and produces additional jargon of his own. That is the usual track record of Ministers in his Department.

I wish to comment briefly on two aspects of this settlement, both of which have been referred to. First, this settlement has had a curious impact on the Inner London education authority. The Minister said that the net effect for Greater London of the various elements in the order is a loss of £10 million, but he did not point out that the impact on ILEA is singularly curious. The object of the exercise in this order is to reimburse local authorities for the Government's share of the teachers' pay settlement. For the Inner London education authority in the current year that would be some £38 million, but because the Government have chosen to use the extraordinary mechanism of the block grant system to provide the extra money not one penny piece of it will go to the ILEA. That will mean that inner London ratepayers will have to pay all the additional cost out of their rates. In addition, they will have to pay, through their national tax, a share of teachers' pay in other parts of the country. In that sense, inner London ratepayers and taxpayers may be paying double their contributions.

No doubt Ministers will say that that is the direct result of the spending policies of the ILEA, and I am not here to defend all of those. The ILEA has some extraordinary priorities when it comes to spending public money. However, that is not much consolation if one considers that inner London ratepayers will be contributing £950 million towards the £1,025 million to be spent by ILEA this year.

My second point relates to the removal of the 2p temporary safety net. The Minister fairly pointed out that that was a temporary arrangement and that it had been planned to come to an end. However, it was generally thought in local government that it would come to an end in April 1988 at the end of a financial year. Its removal part of the way through the financial year will cause obvious problems. It is part of the general pattern that local government has come to expect in the past few years: the goal posts are constantly changed half way through the game. Uncertainty is the only thing of which one can be certain in local government finance.

The alteration presents particular problems for the rate-capped authorities which do not have the same freedom of manoeuvre. The rate-capped authorities, especially in inner London, will have problems. I remember the great banners draped across every public building in my constituency, which said, "Rate-capping means cuts." In the first two years, rate-capping has certainly not meant cuts. Spending has continued to increase, because the authorities have found every sort of ingenious technique of creative accounting, as it is called in the trade, and every ingenious system of borrowing to ensure that spending continues to increase. In some cases the authorities were frank about that strategy which was based on the hope that a Labour Government would come riding to their rescue and bail them out. That hope has not been fulfilled and the pigeons must now come home to roost. However ingenious the borrowing may be, it has to be paid back sooner or later and much of it is extremely short-term borrowing, based on public buildings, parking meters, street lights and so on. I think it was the leader of Islington council who said that debt in her borough had reached Third world proportions, and that is the case in

a number of inner London authorities. They are beginning to realise that the happy borrowing has to come to an end and not on a planned basis but at some speed. Those of us who have experience of local government know that if cuts have to be made in a hurry they are not always the sort of cuts that ought to be made. One cuts the services that one can cut swiftly, and they are not always the low priority services.

We can all criticise those in power in the authorities who saw the iceberg in front of the Titanic and simply went full steam ahead into it, but now they are having to make cuts at speed. It is sad that at a time when the Government — I give them credit for this — are saying that more needs to be done to tackle the problems of deprivation in inner London, there are now to be unplanned and sometimes damaging cuts in local authority services. That will be in direct contrast to the Government's wishes.

Given the Minister's complicated preparations for the poll tax, I hope that he has not overlooked the problems of the inner-London boroughs. If it is possible to ease the further staging of rate-capping so that it is possible to enable those authorities to plan down their expenditure in some sensible way that would be in the interests of the people of inner London.

9.9 pm

Mr. Allen McKay (Barnsley, West and Penistone): When the Minister opened the debate he said that this will probably be one of the last times that we discuss the rate support grant. The Minister said that he was looking forward to a new system being introduced. Given the majority that the Conservatives have got that will be done. However, it will not be as easy as the Government think. Many people are now awakened to what the poll tax means.

It is significant that we read in the newspapers that the Government are now thinking about bringing in the poll tax in stages. At last, they have realised the significance of the poll tax and the vicious way in which it will hit the majority of people.

My hon. Friend the Member for Bradford, South (Mr. Cryer) has just made his maiden speech. I cannot see why it should be called a maiden speech because if one looks at his record in the past years, both in voting and speaking, it is second to none. I look forward to the renewed partnership between my hon. Friend the Member for Bolsover (Mr. Skinner) and my hon. Friend the Member for Bradford, South. That partnership has been missed for a number of years.

My hon. Friend the Member for Bradford, South and I have had differences of opinion, but my hon. Friend would not want it any other way. I appreciate the feelings that my hon. Friend the Member for Bradford, South expressed about his predecessor, Tom Torney, who was a well-loved Member of this House. He was well known for his speeches and support on agriculture, which is a great interest in my constituency.

This debate gives us an opportunity to discuss a number of things. The teachers' strike is still with us. We are grateful for the amount of money that is being put back into local government to help with the teachers' pay award, but it is not sufficient to come up with a solution to deal with the teachers' strike. I remind the Minister of the effects of the Government's policies on rate funding and rates, especially in south Yorkshire and in my area of Barnsley metropolitan council.

I remind the Minister that representatives from South Yorkshire's fire service met his predecessor to discuss the serious state of affairs in south Yorkshire. Not too long ago I wrote to the Minister on this matter. If the letter has not reached him he will probably delve into his files to find out where it is.

The South Yorkshire fire service is in serious difficulty. That service has the remit of Home Office approval regarding the fire cover for that area. According to Home Office figures that service is undermanned. Last year the service had to tap reserves to try to maintain the present service. That present service is still not up to the level that the Home Office requires. If extra money is not given to the South Yorkshire fire service there will be serious cuts in manning and the number of appliances on the road. This is not a political gimmick or a political plea. The fact is that the fire cover in that area is necessary and at present that service is undermanned. If money is not forthcoming or the Government envisage further cuts, that service will be severely undermanned. That would be a tragedy.

I spent a long time as a retained fireman in south Yorkshire. I know of the essential necessity of maintaining a turn out of about three minutes for the first call, four minutes for the second and about five minutes for the third. If that turnout time is extended there is a danger, not to property, but to life. I ask the Minister to look at that situation carefully because there were clear indications from his predecessor that he realised that there was a problem and that there would be an attempt to resolve it.

Before the abolition of the South Yorkshire county council we enjoyed one of the cheapest and most efficient transport systems in this country. The Government did not like it because of its cost. The Government closed their eyes to the fact that it was not just a cheap transport system — it made it possible for people in remote areas to take jobs with low wages because they had a cheap transport system on which to travel. Once the cost of transport was increased, they were priced out of their jobs.

A lot of my constituency is rural. Any further cuts in transport will mean a cut in rural services. The popular services will be retained because they pay for themselves. The less popular services will be subsidised by the transport executive. However, the least popular services will disappear. In areas where there was a bus service once every two hours, there will be a service once every four hours, or it may disappear altogether.

In the Barnsley metropolitan area, things seem to be moving gradually in the right direction. There seems to be a levelling-off in unemployment. I look forward not just to that levelling-off but to a decrease in unemployment. To achieve that we need the co-operation of the local authority because central Government cannot do that. An amount of money has been put into the area for factories and such things.

The problem with the rating system is that it treats Barnsley more or less as a shire county. It is not. Nor does the rating system take into account the number of collieries which have closed and on which the town relied for its prosperity. That has not been taken into consideration, so we are getting too little, too late. The Government's intention to raise employment levels and decrease our problems will fail if they do not give sufficient cognisance to the problems within the rating system. The new rating system will not work in my constituency. That is why I intend to fight it to the bitter end. It will do my constituents no good at all.

[Mr. Allen McKay]

I welcome what little relief there is in the Bill, but again it is too little, too late. The Government should learn a lesson from previous years. They should stop screwing local authorities into the ground. They have got their approach completely wrong. There should be a partnership between central Government and local government, not the enmity that is occurring. A partnership will improve the situation; the way central Government are going at present will ruin it.

9.18 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): This is the second supplementary report for 1986-87. Two more reports and another year will pass before we and local authorities will know the final grant settlements for the year which ended last April. That is just one indication of the complexity and instability of the current system. That is why we shall be introducing a new, simpler grant system from 1990. I hope that everybody present in the House tonight will welcome that. That new system will take full account of the different spending needs of local authorities. No longer will grant depend on authorities' levels of expenditure and nor will there be any need for resource equalisation, which produces many of the incomprehensible aspects of the present system and, for example, many of the debating points that have been made this evening about ILEA.

I pay tribute to my hon. Friend the Member for Surbiton (Mr. Tracey) for the work that he did when he was a Minister in the Department of the Environment. He now argues strongly on behalf of his constituents, as he did before, about the injustice of the Bromley error. He understandably asks for complete reimbursement of the money that was lost as a result of that error. As my hon. and learned Friend the Minister said at the outset of the debate, the Government are determined to put such errors right and to legislate. That will result in the losses that have been sustained by Bromley and Kingston councils, to name but two, being restored. I understand my hon. Friend's plea that interest should be included. I am sure that, from his experience in the Department of the Environment, he will understand that the system is too complex to permit anything as simple as paying interest on forgone money. That is largely because it is not a matter of additional money being available. The issue is about redistribution between authorities when some have received more than their fair share.

The redistribution process takes place every time there is a supplementary report. The matter is complicated enough at the moment, but if those who gain, and it is shown that they should not have gained, are required to pay interest on the money that they received, and those who lost receive such interest it would make the system even more complicated than it is at present. I understand and sympathise with my hon. Friend's point. I hope that he will be content with the fact that, following his strong representations and those made by my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont), the Financial Secretary to the Treasury, the losses that were sustained by Kingston will be restored.

My hon. Friend the Member for Chislehurst (Mr. Sims) raised the same point as he raised earlier, about the interest on Bromley's loss. On 5 March, my right hon. Friend the Secretary of State told the House that it was not a matter of additional money being available. I must give my hon. Friend the same answer: it will not be possible to pay interest.

As my hon. Friend the Member for Chislehurst pointed out, the matter of concessionary fares is not new. He argued that point strongly and strenuously. The news that I can give him is that we understand the wish of many London boroughs to see a change in the way in which the concessionary fares GRE is distributed in the capital. It has been raised by the London Boroughs Association for 1988-89, and we shall give it careful consideration. It is not a matter that we considered for the supplementary report before the House.

It would have required a significant methodology change that we would not normally have made retrospectively unless there were overwhelming reasons for doing so. My hon. Friend is the first to recognise that he has a difficult task. He is arguing from the point of view of his borough. All London boroughs entered into an agreement about how the concessionary fares costs should be distributed. That system has many critics, but, at the moment, the Association of London Authorities and the Association of County Councils are opposed to the sort of changes that my hon. Friend put forward.

The hon. Member for Houghton and Washington (Mr. Boyes) raised many issues. We shall certainly write to him on the Tyne and Wear passenger transport authority point and provide him with a more detailed explanation than I would be able to give him this evening. He asked why some of the grant goes to non-local education authorities. There is a small effect on the grant of non-local educational authorities, but, overall, local education authorities gain £51·5 million, and non-local education authorities lose £500,000. That is yet another of the quirks of the present system that we shall resolve when we introduce our new arrangements for the community charge.

This was the first time that I and my hon. and learned Friend the Minister of State had heard the hon. Member for Bradford, South (Mr. Cryer) speak in the House, so from our point of view it was his maiden speech. We were pleased by the tribute that he paid to his predecessor, Mr. Tom Torney, and if we did not know it before we have become aware of the hon. Gentleman's dexterity as a parliamentarian by the way that he was able to include, in a debate on the RSG, references to Trident and the Falklands.

The hon. Member for Woolwich (Mr. Cartwright) raised an issue that was first raised on the first supplementary report for 1987-88, concerning why, when extra money is being given to meet the cost of teachers' salaries, no additional money is being paid to the Inner London education authority in grant. It is because of the nature of a block grant system, which is broadly designed to equalise rate poundage costs to ratepayers for providing services at a standard rate. It does not aim to support expenditure at a common percentage rate of grant. ILEA is out of grant because of the enormous wealth of the central authorities on which it precepts. It is possible to demonstrate that by the fact that the cost of the teachers' pay award, after taking account of grant changes, is 0·7p on the rates in Inner London, whereas it is 0·8p elsewhere, even after the grant has been paid. Therefore, it is grossly simplistic and unfair to suggest that the Government have taken money which was due to ILEA. Under the present system no money was due to ILEA.

The hon. Member for Barnsley West and Penistone (Mr. McKay) raised the issue of the South Yorkshire fire and civil defence authority. I am pleased to tell him that if he looks at the detailed figures in the supplementary report he will see that some £158,000 is going to that authority, which means that its grant total will increase to over £6·40 million.

The main effects of the supplementary report are that the AEG increases by £71 million to £11,950 million to reflect the latest estimate of specific and supplementary grants, which is an increase of £20 million. The Exchequer's contribution to the extra cost of teachers' pay is an extra £51 million in block grant. Provision is increased to £111 million, all of which goes on to education authorities' GREs.

We are reflecting other later expenditure information in GREs, including the boundary changes that were made on 1 April, 1985 and 1986. We have removed the temporary safety net that was originally designed to help those authorities that would have suffered an in-year and unexpected grant loss from the correction of the Bromley error. We have carried out a further round of grant recycling and we have made the England-Wales pooling adjustment. I comment the report to the House.

Question put and agreed to.

Resolved,

That the Rate Support Grant Supplementary Report (England) (No. 2) 1986-87 (House of Commons Paper No. 35), a copy of which was laid before this House on 9th July, be approved.

Rate Support Grant (Wales)

9.28 pm

The Secretary of State for Wales (Mr. Peter Walker): I beg to move,

That the Welsh Rate Support Grant Supplementary (No. 2) Report 1986-87, which was laid before the House on 8 July, be approved.

In presenting this report I must say how impressed I am by the good working relationships that have been forged between central and local Government representatives in Wales since the inception of a separate Welsh rate support grant system in 1981, and by the effectiveness of the process of consultation between central and local Government in Wales.

The main purpose of this report is to ensure that additional expenditure provision and grant in respect of the teachers' pay award for 1986-87 is incorporated into the RSG settlement for that year. The report increases provision for relevant expenditure by £7 million in respect of the teachers' pay award and increases block grant by £5 million on that account.

The teachers have been awarded a substantial pay increase and my right hon. Friend the Secretary of State for Education and Science has asked them to be open-minded about devising effective, long-term machinery for settling questions affecting their pay and conditions. I am obviously encouraged that one union at least has decided to forgo further disruptive action and I hope that we shall now see an end to the disruption that has affected our schools for the past two years.

I have taken the opportunity, in the light of information now available from local authorities, to increase specific grants by £2·7 million to £177·4 million. This, together with the increase on account of teachers' pay, means that the report increases aggregate Exchequer grant by £7·7 million to £1,081·3 million. The aggregate amount of rate support grants and block grant are increased by £5 million to £822·1 million and £856·3 million respectively.

The first supplementary report for 1986-87 stated that the education pooling adjustment between England and Wales for the year would be carried out following the enactment of the Local Government Act 1987. That Act has now received Royal Assent and this report makes the adjustment, which each year compensates English authorities for the fact that more Welsh students are educated in England than are English students in Wales. A transfer of £3·5 million is made on account of that position.

In this report local authorities' revised estimates of current expenditure are £10·1 million higher than their budgeted expenditure reported in the first supplementary report and some £57 million, or 4·1 per cent. higher, than the Government's provision for current expenditure for the year. Total expenditure is some £31 million higher than provision; representing an overspend of £38 million by county councils and an underspend of £7 million by district councils. Ratepayers in Wales felt the consequences of this overspending by county councils in their rate demands for 1986-87.

When I met the Welsh Consultative Council on Local Government Finance last Friday I emphasised the need for all councils to work within the Government's expenditure plans. I would also remind it that extra grant is available to it if budgeted spending for 1987-88 is reduced. It knows

[Mr. Peter Walker]

that I am anxious to encourage local authorities throughout the Principality to adopt the best and most efficient management practices available, and I urge it to review the savings that could be achieved. Successive Audit Commission and Local Authorities Management Services and Computer Committee studies indicate the scope for real progress.

In my previous incarnation as Secretary of State for Energy, I looked into the potential for improving energy efficiency in local authorities throughout the United Kingdom. Some of the local authorities in Wales were some of the best authorities at coming forward with programmes that had reduced their expenditure on a considerable scale. Others are not pursuing such programmes. I would welcome a discussion with the local authorities on ways in which we could co-operate so that when there is some technical or management breakthrough or some management method that produces results that make expenditure more effective, it can be put into operation quickly throughout Wales. I commend my proposals for the supplementary report to the House.

9.32 pm

Mr. Alan Williams (Swansea, West): I will be abnormally brief, partly because the Secretary of State and I have spent a long time in each other's company today discussing issues in relation to Wales, and partly because I find the rate support grant such algebraic gobbledegook that I am still trying to master the definitions of the definitions. However, I cannot promise that such brevity will be characteristic of our future exchanges on these issues.

The Secretary of State referred to the need for co-operation with the local authorities. I know from the district councils that they welcome such co-operation. I understand that there was a meeting, which they described as amicable — that is what we could expect with the Secretary of State — last Friday. The Secretary of State may care to tell us whether any meaningful progress was made.

The district councils have made it clear that they want more and better planned medium-term resources and a degree of stability rather than volatility in relation to the block grant settlements and capital spending powers. Whether these are long-term objectives that the Secretary of State sees as unattainable, I do not know. As a newcomer to the subject, I would appreciate his assessment.

The main financial element in this is the sum of £7 million towards the teachers' pay settlement. Settlement is the wrong word; I should say the pay imposition. We welcome the fact that belatedly and inadequately there is to be at least recognition by the Government that they got it wrong in relation to teachers. I am glad that this extra money is to be made available.

The tragedy for education is not just that we had the dispute but that in the course of the dispute and in the lead up to it — in the several years of erosion of the relative earning power of teachers — there has been a desperate loss throughout the country of key specialists and we will find it exceedingly difficult to attract them back. There is certainly a severe shortage of teachers, especially in the fields of mathematics, physics and design and technology. The Minister said that he hopes this will be the end of the dispute. I speak as one whose wife is a teacher, but not a militant one, and a member of one of the main teacher unions.

There is a tendency for the Government to misunderstand the sheer depth of anger among teachers who are not of a militant disposition because, as they see it, they have been despised over recent years. They are also angry because the Government have imposed rather than negotiated a pay settlement and have arbitrarily torn up the previous arrangement for negotiating. After all, we are dealing with mature, educated people who want at least to have a say in their own lives and prospects. In consultations with his colleague the Secretary of State for Education and Science the Minister will have to recognise that there is little chance of achieving the sort of peace that we want in our schools, certainly not with this £7 million, unless the Government come forward with some proper arrangements to provide meaningful pay negotiations.

I was alarmed by a report that the Secretary of State for Education is now talking in terms of imposing a no-strike rule on teachers. I hope that the report was incorrect. I know that the Secretary of State would be involved in such discussions. In a democracy I have no objection to people entering into no-strike agreements as long as they enter into them of their own volition. However, I find repugnant and unacceptable the idea that the Government would impose a no-strike arrangement on teachers. I hope that the Secretary of State will take this opportunity to say that the report which appeared the other day was a mistake. At least the extra money now available is a partial payment of the arrears owed to the teachers, and in that sense we certainly do not want to block it.

9.38 pm

Mr. Keith Raffan (Delyn): As I understand it, this debate is on a Welsh rate support grant supplementary report to a Welsh rate grant supplementary report to a Welsh rate support grant report. I have every sympathy with the right hon. Member for Swansea, West (Mr. Williams) because it takes a bit of working out to find exactly where we are in terms of the annual debate on the rate support grant.

I was glad to catch the tail end of the previous debate and somewhat relieved to hear the assurance by my hon. Friend the Under-Secretary of State for the Environment that we shall have to go through this process for only another two years. In view of the difficulties that the right hon. Member for Swansea, West shares with me about understanding the RSG, I hope that this will convert him to the Government's proposed rate reforms.

These matters are complex and almost impossible to understand, though they can usually be simplified to the following equation. The Government provide increased grant, the Opposition says that it is not enough, to which we retort that we are not even convinced that local authorities are spending even their existing resources efficiently and effectively. As my right hon. Friend and the right hon. Member for Swansea, West have said, the biggest item in this second supplementary report is in respect of increased expenditure by county councils following increases in teachers' pay. My understanding of it is that there has not been a mistake by the Government that has led to the extra £7 million being provided. This was promised all along to allow for the May increase to the teachers for 1986-87.

As I said, when we discussed the last rate support grant supplementary report on 5 May, the Government's pay proposals for teachers are extremely generous and give the teachers a 16·4 per cent. pay rise which, added to existing increases, will mean that teachers will have received a 25 per cent. increase between March 1986 and September of this year. That pay award is unique in its generosity, and most other groups would be delighted to receive it.

Most of us know from our increased contact with the electorate over the past few weeks, particularly that with the teaching profession, on the doorstep if not actually in the schools, that pay is no longer an issue between the Government and the teachers. Negotiating machinery is still an issue and one that I hope that the Government will resolve, certainly by March 1990.

The Government have shown their generosity and determination to improve education and educational standards. I hope that local authorities, and especially Clwyd county council, will respond by ensuring that resources are spent more efficiently and effectively.

I can give two instances of where this is not happening in Clwyd. The first is surplus places. There are 22,300 surplus places in primary and secondary schools, in the county costing £3·5 million a year to keep empty. The Government have no wish to remove all those surplus places. Our target is to remove two fifths of them. That would save £1·4 million, which could be reallocated to good effect in the education budget. It is important that Clwyd makes progress in removing these places.

The Government are not anti-rural schools. We do not want to close all, or even many such schools. However, it is absurd to have schools with only nine pupils. That is not in the interests of the educational and social development of the children. They cannot have a school football team or a choir. Nor is it a way of realising the full potential contribution of a teacher when he or she has to teach so few pupils, often of different ages but in the same class. We have to look at this problem, particularly as I have in my constituency so many hard-pressed urban primary schools, some of them with classes numbering up to 43.

The second example of the inefficient use of resources by Clwyd county council, of its wrong set of priorities, is its arts project centred on Bodelwyddan castle. The project is costing a massive £545,000 a year to run, offset by an income of merely £11,000. I do not want to be thought idiosyncratic, but the expenditure at Bodelwyddan has risen to a worrying extent. I was reassured when, during the election campaign, my right hon. Friend's predecessor as Secretary of State was in my constituency, having recently visited Bodelwyddan castle. He thought that the whole project was "a shambles" and he was concerned about the amount of money that Clwyd was spending on it. Having visited the castle, he saw the points that I am making.

I see the hon. Member for Clwyd, South-West (Mr. Jones), who is a member of Clwyd county council smiling benignly. I do not want to put the hon. Gentleman on the spot in the way that I have put so many of his colleagues on the spot, but I notice that he is not rising to intervene and say that he is greatly in favour of the project. I know that he is one of the sensible people who is opposed to it and he is worried about the cockeyed priorities of the council.

Such expenditure of well over £500,000 cannot be justified when the schools and libraries book budget has been slashed since 1985 from £75,000 to £15,000. It has remained at that figure ever since, although an extra £18,000 was allocated for GCSE books this year. I regularly go round my constituency, as no doubt many colleagues go round theirs, and I am appalled by the state of the school library book stock.

The last time that I raised this subject in the House, I had the support of the hon. Member for Wrexham (Dr. Marek). I hope that the hon. Member for Clwyd, South-West will endorse my point as well. It is wrong that the county council in Clwyd is spending so much money on an arts project when it is not fulfilling its statutory obligations with regard to education.

I am also very concerned about the cuts in real terms in the school maintenance budget that have taken effect over the past few years. As a result of my visits to schools, I can endorse what the hon. Member for Clwyd, South-West said earlier this afternoon in the Welsh Grand Committee. He referred to the neglect of school building maintenance within the county. There is no doubt that that is false economy.

I recently visited Ysgol Bryn Coch junior school in Mold. The headmaster took me around the building. It has not been painted internally for 18 years. Posters are stuck up to prevent the plaster falling down on to children's heads. He showed me various spots which can be pressed in the corridor ceilings, from which water comes through even when it is not raining. The water drips gently when it is not raining, but they have to put out buckets when there is a heavy shower. Last Friday I visited Ysgol Gwenffrwd at Holywell. The window frames at that school have not been regularly repainted. As a result they are now completely rotten. The headmaster told me that an estimate has been obtained for completely replacing the window frames and that estimate was between £100,000 and £200,000.

Clwyd county council is neglecting its statutory obligations with regard to the education of children in the county. Parents have a right to be annoyed. I for one am quite prepared to go to the Welsh Office and ask my right hon. Friend the Secretary of State for more money for education in the county, but only when I am convinced that existing resources are being spent efficiently and effectively. At the moment, they are not.

"Clwyd is a rotten council and it has got its priorities wrong." — [*Official Report*, 25 March 1987; Vol. 113, c. 547.]

Those are the words of the hon. Member for Wrexham, not mine. However, they reflect my sentiments. I hope that we members for Clwyd can form an alliance — with a small "a" — across the Chamber. We are members of different parties, but we represent the people and the children of the county. Together with the Government, the Secretary of State and the Welsh Office I hope we can bring home to Clwyd county council the fact that it has its priorities completely wrong. It must get its priorities right for the sake of the people of the county and of their children.

9.46 pm

Mr. Dafydd Wigley (Caernarfon): Having made my customary remarks about the Secretary of State for Wales at another time, I welcome him to this continuing saga of debates on the Welsh rate support grant formula. Those of us who take part in these debates are becoming a bit of an inward-looking small crowd. The hon. Member for Delyn (Mr. Raffan) has hit upon a theme that he has hit

[Mr. Dafydd Wigley]

on many times in these debates. I have been doing my homework. I looked at the similar debate on 18 July 1984when the hon. Member for Delyn spoke. Apart from attacking Clwyd county council, not surprisingly, he concentrated on Bodelwyddan castle. He referred to that in column 430 of the *Official Report*. Lo and behold, on 16 January 1985 in another rate support grant for Wales debate at column 434 of the *Official Report*, the hon. Member for Delyn again concentrated on Bodelwyddan castle. When the Secretary of State has had an opportunity to travel around Wales, he will get to know places lke Bodelwyddan castle. However, in the meantime he will hear plenty about such places from his hon. Friend the Member for Delyn.

The other familiar feature of these debates is that we are discussing an incredibly complicated subject. It is the old saw that there were only three people who knew anything about this: one is dead, one has forgotten, and the other has gone mad. That is the feeling we get in these debates every year. The Secretary of State is new to this version of rate support grant debating. Some of us are perennially doomed to go on in every debate on the same subject.

Seriously, the right hon. Gentleman will have noticed already since he became Secretary of State for Wales that there is a different tenor to our debates on local government finance from those that he may have been used to in the English context. Sometimes, we have criticised Welsh local authorities for not pressing harder to spend where services need expenditure. However, by and large, over recent years, those authorities have followed Government guidance. To that extent, many authorities have asked whether we need the same mechanism in Wales as exists in England, which has been used in England against local authorities.

If the formula involves a punishment of loss of grant if expenditure exceeds a certain threshold, it inevitably causes difficulties for the treasurers on the finance committees of local authorities because they cannot plan ahead. That is especially so when there are uncertainties outside their own control, such as teacher's pay, for which they have to make forecasts for the coming year and make provision. It is not until three months after the end of a financial year that they know the exact amount of money that is coming through. Assurances will have been given but authorities would be afraid of overspending because of the loss of grant that would result. Often they will have held back on expenditure and then towards the end of the financial year, thinking that they will be all right, decide to accelerate certain projects. The result is that expenditure patterns may not follow real needs within local authority areas.

In opening this short debate, the Secretary of State underlined his hope that local authorities would underspend, as that would give them more grant. That is the logic of his remarks. If grant-related expenditure has any meaning at all, it reflects need in an area. Local authorities should be encouraged to spend up to that level and not to underspend. If they are underspending, they may not be providing some of the services that are needed so desperately in many communities in Wales.

The Secretary of State will be coming increasingly aware over the next few months of the various forms of deprivation that exist in various communities, and not only in urban areas. There is deprivation in the valleys, where there are housing problems, for example, and there is deprivation in rural areas that do not have the wealth of some of the richer English rural areas such as Worcester. In some rural areas in Wales income is particularly low, the maintenance of services is extemely expensive, and the expense falls on a relatively small rate base. This means that the pressure on local authorities to maintain a basic level of services is great. They have little room in which to manoeuvre.

I hope that we may move away from the sort of rate support grant debate that we are having this evening and which we have had over recent years. As the right hon. Member for Swansea, West (Mr. Williams) said from the Opposition Front Bench, we should be looking for greater stability. There should be a regime in which local authorities know what their resources will be and in which they will be compensated when changes take place that are outside their control. A rolling capital programme would enable them to make a coherent attack on needs in their areas. The present ad hoc capital programme often results in a rush of finance immediately before a general election, for example. We all know that many road improvement schemes were visible during the general election campaign. That cannot be said of this Government alone, because every Government will use the same tactics. There is a need for greater stability and a pattern within which planning and strategy can be shaped to meet real needs.

If there is a change from the present rate support grant structure and rate structure, I hope that there will be a means of maintaining equalisation in a way that meets the needs of communities. One of the factors that the Secretary of State may not have come across very often in England—it is to be found in certain English counties but in many areas of Wales—is sparsity and super-sparsity. I have no doubt that he will come across the factor increasingly in his deliberations with local authority associations.

Mr. D. E. Thomas (Merionnydd Nant Conwy): Will my right hon. Friend accept that there is such a problem in areas such as the vale of Aberconwy, which is a sparsely populated area within my constituency? There is a much heavier density of population in the coastal area that comes within the constituency of the Minister of State, the hon. Member for Conwy (Mr. Roberts). There is the additional problem of the massive influx of tourists and the on-costs of tourism that are not reflected adequately in the rate support grant.

Mr. Wigley: Indeed. This issue arose in the tourism debate two Fridays ago. We know that tourism brings advantages and resources to certain areas, but it brings additional costs as well. For example, there are the costs of maintaining roads, car parks and environmental services generally. In national park areas, there are costs to be met as well. We are looking for a formula—we work to one now and I have no doubt that we shall do so in future—that is sufficiently finely tuned to meet the deprivations of the valley communities, which are great, the problems of inner-city Cardiff, Swansea and Newport, and also those of the rural areas. It is necessary to have the wisdom of Solomon to arrive at the right balance.

We should be aiming at a level of service and if we can maintain a level throughout Wales in terms of social services, education, roads, environmental services and leisure services that is to be found in some of the more

prosperous counties in England, we shall increase the real standard of living and the quality of life of our people. That must be our target — to establish standards in terms of what is obtained for the residents, and then to find a means of financing it. I know that it is easier said than done, but I hope that, as we move ahead from the present structure of local government financial support, it will be the main determinant of our policies.

9.54 pm

Mr. Richard Livsey (Brecon and Radnor): I welcome the Secretary of State's announcement of an additional £7 million for teachers' pay. However, I should like to concentrate almost entirely on one aspect of county council spending—that is, education spending. It is clear from the figures presented by the right hon. Gentleman that education spending accounts for £708 million, and is thus way ahead of any other part of the expenditure.

I want to concentrate on that because, as it is the biggest part of the expenditure, there are difficult problems to grapple with, particularly in Wales. I should particularly like to follow on from what was said by the hon. Member for Caernarfon (Mr. Wigley) about population sparsity in rural areas. In Powys, part of which I represent, the population is 111,000 — only 4 per cent. of the total population of Wales—yet Powys covers 25 per cent. of the country's surface area. That creates tremendous problems of population sparsity. Powys also has 25 per cent. of the roads in Wales. The county council has to grapple with those factors to balance its budget.

I criticise the activities of the Audit Commission in this context. I know that the Secretary of State and his predecessor have relied on Audit Commission reports to make decisions. Those reports have been given to county councillors, who have also tended to make decisions on that basis. As a result of one such report, 13 small village schools in Powys were in danger of closure. The matter hung in the balance. Fortunately however, after two debates in the county council the proposals were thrown out. I think that the county council was quite right to make that decision, because only three weeks later the Secretary of State for Education had a conversion on the road to the general election and announced that village schools in England could stay open as well.

The district audit service paper set out to analyse and criticise the county council's expenditure programme for education. It calculated that Powys was spending £4 million above average on primary education. That analysis was wholly misleading, as no attempt was made to quantify the additional cost to the county of providing education in the most sparsely populated area in the whole of England and Wales. Powys is unique in that respect, and the additional cost is therefore fundamental The analysis also turns out to be educationally unsound.

It is all due to a lack of finance to take account of the sparsity factor. The distribution in Powys is one pupil per 26 hectares. The average in Wales being 4 hectares. The English average in non-metropolitan counties is 2·5 hectares. As a result of that disparity, school transport alone cost £1 million more in Powys than the average for primary and secondary schoolchildren and is three and a half times the Welsh average — just to cart schoolchildren around for excessive distances from their homes to their schools.

Mr. Raffan: I should like to pin the hon. Gentleman down. He is always on about the issue of rural schools. But is his party prepared to support any rural school, irrespective of how small it is? Does he believe that it is in the interests of children to be taught in schools that are down to eight or nine pupils? Will the hon. Gentleman answer yes or no to that question?

Mr. Livsey: There are some unique cases. In my constituency there is a school with only 16 pupils. If, however, that school were closed, children aged four, five and six would have to make a 24-mile round trip for their education. That is a unique case, and the school must be kept open. Primary schools with 20 or 25 pupils need to be kept open in predominantly rural areas. In Powys, there are 46 primary schools where there are no more than 50 pupils on the school roll. Due to the geography, 41 per cent. of schoolchildren in primary schools live outside the large areas of population. In Powys, large areas of population mean communities of about 1,200, but that unique factor is not taken into consideration. Education in Powys costs 16 per cent. more than the average for the rest of Wales, but it receives only 11 per cent. of additional funding.

Because of the sparseness of population, the fire service costs 12 per cent. more than it does in the rest of Wales, and roads cost 128 per cent. more because the road system in Powys accounts for 25 per cent. of the Welsh road system. There are 1,700 road bridges in Powys, about half of which need to be repaired. The rate support grant settlements take no account of that fact.

Mr. Alex Carlile (Montgomery): Does my hon. Friend agree that in the context of a Government who believe in parental choice for education it is most important that village primary schools should be maintained? The vast majority of parents in rural mid-Wales, particularly in my hon. Friend's constituency and in mine, infinitely prefer to send their children to village primary schools, and if necessary they are prepared to pay for the education of their children.

Mr. Livsey: My hon. and learned Friend is correct. That is why there have been so many battles to keep certain schools open. It is the preferred option of those communities, some of which have grown in recent years. The school rolls have increased because people prefer to live in smaller communities.

Libraries cost Powys 15 per cent. more than the Welsh average. The Audit Commission's categories of local government expenditure bear no relationship to the sparsity of population in many parts of Wales.

Housing in Wales is crucial. For much of the day we have been discussing in the Welsh Grand Committee the poor housing stock in Wales. The Secretary of State should provide more houses to rent. He should also encourage housing associations to build more houses for key workers. Until the funds from the sale of council houses are released for the building of more houses, there will be insufficient houses to rent. We favour the sale of council houses to their occupants, but if insufficient houses to rent are being built there will be a housing crisis and long waiting lists. The Government must take that major factor into account.

I ask the Secretary of State to back the initiative of Powys, Dyfed and Gwynedd who have approached the European Community to obtain more funding and greater recognition of their plight because of sparsity of population. We suffer from under funding because we are

[Mr. Livsey]

not recognised as being eligible for grant aid. Intermediate development grant aid was taken from Powys in 1983. Therefore, that precludes us from financial assistance from the European Community—and is a source of funding that would assist us all round and, I believe, the Secretary of State, too.

10.04 pm

Mr. Peter Walker: I share completely the view of the right hon. Member for Swansea, West (Mr. Williams) about the jargon of the rate support grant. When I was privileged to be the first-ever Secretary of State for the Environment—a position that I enjoyed immensely and that I found was one of the most exciting positions that one could occupy — the only thing that spoilt that position was having to deal constantly with the rate support grant. The only pleasure that I had in leaving that position was that I thought that at least I should never again have to deal with it. I believe that the unbelievable jargon of the rate support grant — this will doubtless cause me great difficulty in any coming negotiations — has been invented by the Treasury so that nobody can understand what is happening.

The right hon. Member for Swansea, West asked me about a point about stability that was put to me when I had a meeting with local authorities in Wales last Friday at the request of the district councils. Of course, I should like planning arrangements that would give local authorities the maximum stability. In fairness to all of us who are involved in government, whether local or central, I should say that the reality is that we are happy with stability when the level of expenditure is to our satisfaction, but we are massively against stability when it is not.

One point that was mentioned by the hon. Member for Brecon and Radnor (Mr. Livsey) was housing problems. From previous experience I know that one of the problems of suddenly increasing expenditure on housing improvements is that the jerry builder comes in on a massive scale very quickly and a lot of bad work is done very suddenly. It would be better if such things could be organised on a more planned and arranged basis.

On the teachers' pay offer—the right hon. Member for Swansea, West said that it had been imposed—I believe that many people in the country would like such a pay increase to be imposed on them. That increase was provided by the Government and I hope that as a result of it relationships will be improved. All of us are constituency Members of Parliament and, over the years, meet teachers and visit our schools, and we have immense admiration for the great majority of teachers and for the dedicated work that they do for our children.

My hon. Friend the Member for Delyn (Mr. Raffan) rightly referred to the problem of tackling surplus school places. It is not only a negative problem. As we all know from our constituency experience, the closure of any school of any description is unpopular with the parents whose children attend that school. However, we must weigh up carefully the costs that are involved in those surplus places and consider what that amount of money could do for education if it was better applied.

Mr. Alex Carlile: Will the Secretary of State accept that when one is considering the closure of village schools, one of the factors that one should take into account—I recognise that it is only one of the factors—is the position of the school as part of the community, and not only its position as an educational institute?

Mr. Walker: Yes, of course I do. Indeed, there was specific mention of that in my party's manifesto at the recent election. I recognise that it would be easy for us all, as politicians, to say that we shall never be in favour of the closure of any school of any description and that that would be popular with the people who are immediately concerned. However, we do not have to face the other side of that equation. If the number on the school's roll is such that the expenditure involved is depriving other areas of education, a balance must be made. It is difficult ever to obtain that balance and to obtain popularity by supporting the idea that using that money elsewhere in the education system is wise and sensible.

My hon. Friend the Member for Delyn gave some examples of the expenditure priorities for his county council. He rightly concentrated on the important factors that parents consider to be the correct priority.

The hon. Member for Carnarfon (Mr. Wigley) dealt with some of the problems of planning and specifically mentioned the problems of tourism in some areas. I recognise that. At present a working party chaired by the tourist board with local authority and Welsh office representation has a remit to look for better methods of reflecting tourism needs. In due course I shall take account of the report and its results and consider them carefully. The potential of tourism in Wales is considerable, not just in terms of income and revenue, but in terms of job creation because it is a labour intensive industry. As the hon. Gentleman rightly said, tourism has far-reaching implications which affect local authority expenditure. I welcome the fact that at present this is being investigated and I shall examine the report with great interest.

The hon. Member for Brecon and Radnor concentrated on education and criticised the Audit Commission. I have seen the work of the Audit Commission in a range of Departments and it does a sophisticated, good job. Obviously, if auditors are suddenly called to investigate a matter, they are not aware of all the implications. I would hate us to get into the habit of thinking that the Audit Commission is foolish, so we will reject everything it says. As a Secretary of State in various Departments I have found that it has come to correct, sensible conclusions which have resulted in considerable improvements in efficiency.

On the other hand, if we think that the Audit Commission has reached conclusions without considering all the factors, the right process is for us to say immediately to it, "Interesting report, but we do not think that you have considered a, b and c. Look at those factors and come to a conclusion." The Audit Commission and LAMSAC, which is the local authorities' organisation for looking at efficiency, have produced good, valid reports. One of the disappointments is that some local authorities take them up and others do nothing about them. There is no doubt that when seeking to improve the efficiency of local authority expenditure we could learn a great deal from independent investigations which come up with ideas and suggestions.

I should like to discuss with local authorities in Wales how, when reports are produced, we can, throughout the Principality, consider them quickly and decide whether

they are a bad idea. We can decide then not to put them into operation because they are wrong for whatever reasons, or to implement them because they are a good idea. If we do that we shall improve the efficiency of both local and central government.

Mr. Wigley: The Secretary of State will be aware that from time to time the Audit Commission in Wales has been criticised. Sometimes it has been felt that the Audit Commission relates to a norm, an average or its experience in a generality of circumstances which may not correspond to highly different circumstances and localities, whether regarding rural matters or the Welsh language. Can the Secretary of State impress on the Audit Commission the need to be sensitive to the differences that exist from area to area?

Mr. Walker: Yes, of course. When we feel that the Audit Commission has got it wrong, instead of merely talking about it in a debate we should go directly to it and say, "You have done this before. We think you have got the report wrong for these reasons and we would like your comments on our argument against the report." Our relationship with the Audit Commission should not be hostile or particularly friendly; I want a genuine dialogue. We should look objectively at what it recommends and take advantage of what we can.

I commend the order to the House. It will provide the local authorities of Wales with additional money which they require for the purposes related.

Question put and agreed to.

Resolved,

That the Welsh Rate Support Grant Supplementary (No. 2) Report 1986-87 (House of Commons Paper No. 25), a copy of which was laid before this House on 8th July, be approved.

Urban Development

10.14 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. David Trippier): I beg to move,

That the Urban Development Corporations (Financial Limits) Order 1987, a copy of which was laid before this House on 1st May 1987, in the last Session of Parliament, be approved.

Urban development corporations are set up under the powers in part XVI of the Local Government, Planning and Land Act 1980, to regenerate their designated areas. The bulk of UDCs' activities are financed by grant-in-aid, paid out of money voted by Parliament with additional finance provided by loans from the national loans fund. UDCs may also plough back their receipts.

The 1980 Act set a limit of £200 million on the total of UDCs' grants and borrowing but provided for this to be raised to £400 million by order. The New Towns and Urban Development Corporations Act 1985 raised the statutory limit to £600 million with a similar power to raise it to £800 million subject to affirmative resolution of this House.

Present spending plans for the current financial year would take UDCs' overall grant and loan to within £3 million to £4 million of the £600 million. My right hon. Friend the Secretary of State has therefore made this order, which will increase the limit to £800 million.

The main functions of a UDC are to assemble, reclaim and service land, to provide infrastructure and to encourage development. A UDC brings a co-ordinated, single-minded and public sector backed approach to the regeneration of its area.

Urban development corporations make effective use of public money by concentrating it on particular problems in particular areas and by using it to stimulate private sector investment. They represent a key part of this Government's attack on urban problems. There are now seven UDCs. The first two, the Merseyside and London docklands development corporations, were established in 1981. Five more have been established this year. Four of them are in England — the Black Country, Teesside, Trafford Park and Tyne and Wear development corporations — and one in Wales, the Cardiff bay development corporation. There is no doubt that Merseyside development corporation and London docklands development corporation, have been successful, although their job is not yet complete. The House might find it helpful to have a brief summary of their achievements.

The Merseyside development corporation —

Mr. Simon Hughes (Southwark and Bermondsey): Before the Minister tells us about the urban development corporations' achievements, can he tell us how much money per year the relevant local boroughs have had from the Government so that we can compare their ability to spend on equal terms? What do the three London boroughs get compared with the £800 million that he proposes for the LDDC and so on?

Mr. Trippier: I knew that I was unwise to allow the hon. Gentleman to intervene. I can certainly give him the figures now for the amount that the LDDC receives annually, and I shall refer to those in my wind-up if I have the information to hand. I shall try to make the comparison for which the hon. Gentleman asks.

The Merseyside development corporation was set up because the Government recognised that the dereliction of the docks coupled with a depressed local economy called for substantial public sector resources to regenerate the area and stimulate private sector investment. Last month, within days of taking up my new responsibilities, I visited the MDC and was impressed at what had been achieved. The UDC had spent about £140 million in total. Its capital expenditure is already in excess of £100 million, with more committed. The private sector has responded and the results are there for all to see.

The corporation mounted the country's first ever international garden festival in 1984, attracting over 3·3 million visitors. Its great success brought new confidence to the area. It has restored the Albert dock warehouses.

Mr. Allan Roberts (Bootle): What has happened to the garden festival site subsequently?

Mr. Trippier: The hon. Gentleman knows very well what has happened. He will have heard me say, just a few moments ago, that I paid an official visit to the area. He is also well aware that the Merseyside development corporation is seeking, through a partnership with local authority, to work out a compromise so that that part of Liverpool can be further developed.

The MDC has restored the Albert dock warehouses — the largest group of grade 1 listed buildings in the country. About 1·25 million sq ft of buildings have been refurbished. Partnership with the private sector has provided high-quality commercial development with the prospect of residential development to come. In 1988, with the opening of the Tate of the north in Liverpool, we shall see the completion of a transformation that has converted an area of gross dereliction into a hive of activity. By the end of the 1980s private sector investment in the Albert dock scheme is expected to exceed £60 million in return for half that amount from the public sector. Already some 2 million people visit the area each year and this is expected to rise to 5 million eventually. In all, over 200 acres of derelict land have been reclaimed by MDC for housing and commercial development and a further 200 acres of land and water have been reclaimed for recreation and public open space.

MDC is extending its regeneration activities to the area south of the Albert dock and its waterfront strategy envisages a number of tourism and leisure-related projects that will bring desperately needed jobs and investment to the area. The corporation estimates that around 2,300 permanent jobs have already been saved or created within its area and this is not to mention the 1,000 or so people working at any one time on construction and related projects.

I turn now to the London docklands development corporation. In July 1981, LDDC was charged with the regeneration of over eight square miles of London's docklands. Much of this area was severely run down following the closure of the docks and the associated decline of local industry. Land was left derelict and polluted. It was a formidable task. Just six years later LDDC has transformed its area. The docks are once again a focus for growth. Over £2·2 billion of private sector investment commitments have been attracted to the area

at a cost of only £324 million in public expenditure. So, for each pound of public money spent, £7 of private money have been attracted. About 7,000 homes have so far been completed on LDDC sites and on private land, mainly by the private sector; 2·5 million sq ft of non-residential floorspace have been completed, 7·5 million sq ft are under construction and a further 7·5 million sq ft are committed. Ten thousand new jobs were attracted to the area between 1981 and 1986.

Improving access to this rather isolated area of London has been a high priority. The docklands light railway, which opens on time and within budget on 30 July, was promoted and part-funded by the corporation. Extensions to the east, and to the City, have now been proposed. In addition some 15 miles of new roads have been built. But the corporation's activities go far wider than that. Some 227 environmental projects have been carried out at a total cost of £26·7 million. About £10 million has been given to projects in the community and social areas to help meet LDDC's wider objectives of making docklands a pleasant environment in which to work and live and £2·4 million has been given to new and existing smaller businesses to ensure that they can survive and expand alongside the major schemes.

The corporation's latest corporate plan shows planned expenditure rising rapidly as its infrastructure programme reaches its peak. Some £135 million is to be spent on projects in this financial year alone, financed by a combination of grant aid and receipts from land sales. Over the next six years to 1993, LDDC has plans for an impressive list of infrastructure, social and environmental projects that will be financed partly from land sales. They will bring the process of regeneration rapidly to the point at which it is self-sustaining. Private sector interest is high. There is now competition for development in an area which, not many years ago, no developer would consider.

I turn now to the new UDCs. The four new English UDCs were each the subject of preliminary studies by consultants. Each UDC will be responsible for drawing up its own strategy, but the consultants' reports indicate what they might achieve. For example for Trafford Park DC, the consultants anticipate nearly 1,000 acres reclaimed or developed, well over 10 million sq ft of floorspace developed and more than 700 houses provided. For the Black Country DC, the consultants recommend the construction of a spine road and anticipate as much as 4 million sq ft of industrial development, 1,700 new homes and 250 acres of open space and parks.

On Teesside the consultants believe that 1 million sq ft of industrial and warehousing space could be provided, a further 1 million sq ft of commercial and retail space and over 2,000 homes. Their recommended strategy includes several projects to change the image of Teesside, including an international nature reserve on the wetlands to the north of the Tees.

In Tyne and Wear the consultants envisage that nearly 1,000 acres of derelict land could be reclaimed for new development, with the creation of over 1 million sq ft of commercial and industrial floorspace and 1,300 houses, taking advantage of the dramatic and potentially attractive locations provided by the rivers.

Mr. Michael Fallon (Darlington): Will my hon. Friend confirm that both those assessments include assessments of the potential for job creation and that the total for the two corporations is over 9,000 jobs — 6,000 on Teesside and 3,500 on Tyneside?

Mr. Trippier: I am grateful to my hon. Friend for his intervention. It is vitally important in all those areas — the four UDCs that have already been established and those to be established — that we try wherever possible to encourage enterprise. An important part of that process is encouraging the new jobs that go with that enterprise.

The Cardiff Bay DC is the responsibility of my right hon. Friend the Secretary of State for Wales. I understand that it, too, has embarked on a series of studies to examine development plans. Our initial estimate is that the new UDCs will each spend more than £100 million over the next decade. The total amount of spending, and its profile over time will depend in each case on the quality of the proposals that they bring forward, the response they receive from the private sector and public resources available.

Whatever the precise allocation of resources to the UDCs, there is no doubt that the total funds to be made available to them must be significant if they are to achieve their goals. This order provides the headroom within which the first two UDCs can build on their success, and the new UDCs can embark on the first stage of their task. I commend the order to the House.

10.26 pm

Mr. Allan Roberts (Bootle): The procedure on financial limit orders such as the Urban Development Corporations (Financial Limits) Order 1987 is that the Opposition usually does not vote against increases in money that might bring some benefit to areas. To all intents and purposes, this order appears to increase funds. The maximum allowed by the Local Government, Planning and Land Act 1980 was £400 million. As the Minister has said, the New Towns and Urban Development Corporations Act 1985 increased that amount to £800 million. We are now considering an order that will allow a maximum of £800 million. However, there is one difference. When it was £400 million, there were only two development corporations — London and Liverpool. There are now another five. The increase from £400 million to £800 million for seven urban developments rather than two is not an increase: it is a major cut. If £800 million has to be shared among seven urban development corporations, when previously there was £400 million shared between two, the seven will not get as much as the previous two. That is common logic. That is not a massive increase.

Mr. Trippier: The hon. Gentleman should bear in mind the size of the areas that we are dealing with — the size of London docklands compared with the size of Merseyside. It is very different indeed.

Mr. Roberts: I shall come to the size of the area and the unique nature of the London docklands in a minute when I will point out where the Government's policies, in trying to project what they call a success in London docklands, are misguided. It is misleading to suggest that there is a massive increase in money. Notwithstanding that, the Opposition will not divide the House. Whatever little money for public expenditure one manages to wring out of a Conservative Government is welcome when they are the Government who cut public expenditure. There should be no mistake that it is a cut.

[Mr. Roberts]

This is an important debate because the concept of the urban development corporations, as the Minister has tried to outline, is crucial to the Government's so-called inner-city policy initiative. There have been two long-standing urban development corporations that the Government claim are successful that we can look at in terms of the policies outlined by the Government. Apart from the selling-off of council estates over the heads of tenants, and in some cases the selling-off of tenants, this seems to be one of the crucial parts, with no great increase in public expenditure, of the Government's long-heralded inner-city initiatives.

The London docklands development corporation is unique. To suggest that eight square miles of land, with massive areas available for housing and other developments, situated right in the centre of London next to the City can be repeated elsewhere throughout the country and applied in other inner-city areas is nonsense. Whether one considers it successful or unsuccessful, as some of my colleagues will say later, it is unique. There is no City of London, or equivalent in Merseyside, Tyne and Wear, Trafford Park, the Black Country, Teesside or Cardiff. What the London docklands development corporation has done will not be repeated elsewhere and has not been repeated in Liverpool, where the docklands development corporation covers parts of the city of Liverpool and parts of my constituency in the local authority area of Sefton.

The other major difference between the London docklands development corporation area and the Merseyside experience is that there were people living and working in the London docklands before the development corporation was established. That was not true, except for one small council estate in my constituency, of Liverpool docklands.

Despite what the Government claim, the way that the London docklands has been developed by the corporation has ignored the local people. The corporation has brought in city-type office development; there has been speculative development; buildings have been erected; the plastic, steel and glass is there and there is plenty of activity for everyone to see, but conditions for local people have not improved in terms of jobs or housing conditions. Nothing has been done for the local community.

Jobs and housing are the two key matters with regard to the inner city—except for law and order and drugs—at which Government policy is directed. Jobs have been created in docklands but others have been driven out to make way for the large, prestigious, speculative developments. Compulsory purchase orders have been used on small and medium businesses that used to employ local labour, which has now been driven out. As my hon. Friend the Member for Newham, South (Mr. Spearing) will point out later, on the Government's figures there has been a net loss of jobs.

Of the jobs that have been created, only 8 per cent. have gone to people who were living in the area before the London docklands development corporation was set up. The local community has been shut out. The developments that the docklands corporation has initiated have been for labour that is commuting in to the area. The docklands light railway may be a welcome development, but it does not go through the populated areas where the existing communities live. It is designed as a form of in-and-out transport and the proposed new West Ferry road, if it is built, will destroy local communities in docklands. A lot of the activity has been speculative and has created jobs for people outside, with some people coming from the United States of America. When I was in America recently there were advertisements in the press about the luxury housing in docklands saying, "It is the place to move to; bring your business and buy a house."

As to housing and private capital, 90 per cent. of the available land in the borough of Tower Hamlets for housing was handed over to the development corporation. What did it do? It massively increased the land values. That increase in land values has been the main source of finance. The private finance that the Minister talks about is not people putting money down, it is people obtaining land, selling it at inflated prices and using that money to build in docklands for profit. That is where a lot of the private finance has come from. No real private capital has yet been invested on any significant scale, except for what has accrued from the massive increase in land values as a result of the development corporation being declared.

The consequence of the massively inflated land values is that housing is for sale at prices that none of the local people have any hope of affording. One has only to look at the advertisements for houses. A one-bedroom flat in Acorn yard costs £41,000. A three-bedroom house in Greenland quay costs £109,000. The development corporation claims that it offers the houses at, for example, £40,000, but that is a lot of money for people on Merseyside and elsewhere. The development corporation thinks that that is cheap. Local people cannot afford that, but within three or four months of them being bought the houses are resold for £100,000 or more. I know, because I live in the east end of London, that if one wants to get hold of one of the houses and one is not a local resident, there are rackets for buying fake local rent books so that one can prove that one is a local resident in order to buy a house at £40,000. Such houses are not lived in but are sold for £90,000 or £110,000 a few months later. Therefore, there is no housing for local people, but the areas are attracting a lot of people who are very rich and can afford houses at prices of £100,000.

It is obscene that there are 7,000 people on Tower Hamlets' waiting list. There are 1,000 homeless people in Tower Hamlets. The Liberal council is claiming that it cannot house the Bengali families and is evicting them. It is obscene that they cannot get housing but that riverside flats are selling for £500,000. Local people, because of those developments, are being denied access to their own river in the area where they grew up. That is the sort of casino economy that is being created in the London docklands.

However, Liverpool is different. As I said, very few people lived in the docklands area except for those on the small Rimrose estate. As the Minister admitted, the Merseyside docklands development corporation has produced only three initiatives. One was the garden festival. That was very successful as a one-off. People came to see it. It was very prestigious. However, the year after, because the Government would not support Liverpool city council and the other local councils in terms of rate support grant to enable them to take it over, a company called Transworld took it over. That company opened it for one season and then went into liquidation leaving hundreds of thousands of pounds' worth of debts. Since then—the Minister said that he has visited the area—there is a big fence around it, local people cannot get in.

There is nothing there except the remains of a garden festival that once existed, with a fence round to keep people out because the Government, for doctrinaire reasons, would not allow the local authorities to take it over and run it and would not give them the rate support grant to enable them to do so. That was one initiative that was welcome at the time but it did not last very long.

Another initiative is the Albert dock. It is said that 90 per cent. of the contracts to develop it went to local firms, which, I should point out, do not necessarily employ local labour. The dock is welcome. It looks good. I visit it and enjoy it. However, if anyone suggests that that is a significant contribution to the area or that it will have a significant impact on the inner-city problems of Merseyside, Bootle, Liverpool and elsewhere they are fooling themselves. It is very nice and it is welcome but it is not stopping the hard drug-taking. It has done nothing about the high levels of unemployment, especially youth unemployment on Merseyside.

The other day I went just one mile away in my constituency and drove around with someone I brought in from another part of the country. We had just visited the prestigious Albert dock and as we were driving around my friend said, "Do you know what this area reminds me of? It is like the pictures we see on television after the bomb has dropped. It is like the pictures of where the survivors live after a nuclear war." The dereliction and empty factories are there for everybody to see. Welcome as the Albert dock is, it is not a major contribution to solving the inner-city problems of Merseyside.

Another initiative, welcome in itself, is that the development corporation has taken the negative value away from derelict land by cleaning it up. The land is there with big signs up advertising its availability. The trouble is that nobody has come to build factories on it. There is nothing on the derelict land, even though the negative value has been taken off by public expenditure.

As the Minister said, there is a hope that there will be a leisure scheme, a conference centre and a hotel built in parts of docklands. I hope that it happens, but this must be about the tenth time that those things have been proposed for Merseyside. Even in the days well before the development corporation we were told that people were coming to carry out that sort of scheme. What we need from the Government is public expenditure to make sure that kind of thing happens, because it is vital pump-priming.

I say to the people who have urban development corporations in Tyne and Wear, Trafford Park, the Black Country, Teesside and Cardiff: do not be too optimistic. As we have seen from the Government announcement today, there is a little bit of public expenditure, a bit of pump-priming and a lot of window-dressing. Those things will contribute to a small extent to the provision of some facilities, although they will create other problems for local communities of the kind that we have seen in London docklands.

What we really need is mainstream expenditure on housing, education, social services, on cleaning up the environment and on creating new jobs. The Government shy away from that and, having made massive cuts in rate support grant, they set up these development corporations as a substitute, as palliatives. We shall not vote against the extra money, because we are lucky to get any public expenditure out of the Government. However, we say quite clearly that it is too little and it is window-dressing.

The Secretary of State for the Environment in 1981 was the right hon. Member for Henley (Mr. Heseltine). Speaking to the Tory party conference he said that the principle of self-help was not applicable to inner-city problems. He said that the Tories must realise the true impact of unemployment. He went on:

"But if the case can be made it may also be from extra public expenditure.

In the inner cities, none of us can act on a scale and with a speed that has the measure of the present recession."

The right hon. Member for Henley said that on 9 October 1981. Those remarks are still applicable, but the Government are not listening. We welcome the little that they are doing, but it is not enough and they know it. This is no substitute for real policies to deal with inner-city problems.

10.42 pm

Mr. Michael Fallon (Darlington): This order is warmly welcomed on the Government side and for a reason that may surprise some of my hon. Friends. Contrary to what we have just heard, the initiative to set up urban development corporations is now beginning to attract a measure of all-party support. My hon. Friends may have thought that the speech by the hon. Member for Bootle (Mr. Roberts) was a little grudging. There was a recognition that the money was all right but that it was not enough. Just two months ago some of us sat on the Statutory Instruments Committee at which the development corporations were set up. We were told by the hon. Member for Jarrow (Mr. Dixon) that if Labour came to power in the general election it would repeal the legislation to provide these urban development corporations.

We ought to be grateful for the grudging support from the Opposition Front-Bench spokesmen. Indeed, such support is perhaps spreading. At Question Time today the hon. Member for Durham, North-West (Ms. Armstrong) asked the Secretary of State for the Environment whether he would set up a development corporation in Consett. She obviously welcomed this sort of initiative that we are pioneering elsewhere.

The second reason why urban development corporations and the order are to be welcomed, is that those corporations are now finally up and running. That has not taken long. It is less than a year since it was announced at the Conservative party conference that more urban development corporations were to be created. The original two in London docklands and on Merseyside have been followed by five more. The corporations being established are important for every region in which they are being established, but they are especially important in the north-east. Two of the five corporations being established are in the north-east.

The hon. Member for Bootle spoke about increasing mainstream expenditure to the north. He seems not to have understood that one of the fundamental problems of the north-east is that we have had all the mainstream expenditure. We have had oodles of it. We have had regional aid, rate support grant, housing benefit and subsidies for nationalised industries. Everything that is going we have had. However, the assistance that the region has had now for 25 years has been spread far too widely. It has been blanket regional aid. It has been thinly spread subsidy for nationalised industries. It has been lop-sided rate support grant when what we needed — it was not

[Mr. Michael Fallon]

until this Administration came to power that it was recognised — was much more specific help targeted clearly on those areas in the greatest need.

It is no accident that where public money has been targeted most precisely and specifically, there we have had the best results. Examples are the enterprise zone in Hartlepool, the specific help given to Consett through the Derwentside industrial development agency, the assistance given by the Shildon and South Durham development agency to Shildon, when the railworks were closed. It is in those areas, where public money has been targeted, that the jobs are beginning to return.

The initiative in setting up the urban development corporation on Tyneside and Teesside recognises that, and that the historical and structural problems of the north-east are largely centred on the rivers of Tyne and Wear and Tees. It was on the rivers that the older industries were created and became established—shipbuilding, iron ore, steel works and so on. People were drawn to the river areas, and labour was imported there 100, 75 or 50 years ago. It is in those areas, where those industries have retracted the employment and people have been thrown out of work, that the greatest need is now apparent. The Government, in earmarking the river areas of the north-east, have got it right.

It is also no accident that in those river areas local government has failed, for example, in London, where too many local authorities were getting in each other's way, and too many Labour authorities were choosing the route of high spending, and putting up rates, driving out industries and the jobs that go with them.

Miss Marjorie Mowlam (Redcar): I shall ask the hon. Gentleman two questions. First, will he explain how, on Teesside, the 43,000 jobs lost under the Tory Government will be replaced? For example, on the water front, about which he is talking, how will a nature reserve and investment of £10 million solve the problem of our job losses?

Mr. Fallon: I was waiting for the second question. The answer to the first question is that it is estimated that this single urban development corporation on Teesside will create, over the lifespan of its initial existence of five to seven years, some 6,000 jobs. That is no mean achievement, and should not be lightly disregarded. We all know that we have lost jobs in manufacturing and the older industries, but if I had been told four years ago that the Government would take a single initiative, and create through it some 6,000 jobs, even I might not have believed it.

I was saying that it is no accident that it is on the riverside areas that local government has failed. The plain fact is that it should not be—*[Interruption.]*

Mr. Deputy Speaker (Mr. Harold Walker): Order. There is so much sedentary noise below the Gangway that I am not quite sure to which speech I am listening.

Mr. Fallon: It is no accident that urban development corporations are needed now. They would not be needed to get new business into those riverside areas if local authorities had not already failed by driving business out of those areas through their high-rating policies on Tyneside and Teesside.

I believe that the two new corporations that we are financing through the order tonight will cut through the problems with local authorities, the bureaucracy, the inertia that is attracted to bureaucracy and the inherent tendency of labour bureaucracies to choose the highspending, job-destructive route.

The two corporations will succeed, for three reasons. First, they will be very specific, as I have already argued. They will target their resources on relatively small geographic areas. I accept that Teesside is one of the larger areas, but by targeting on such areas that does not mean that they will not be helping the region as a whole. My constituents in Darlington will benefit because they will be able to find jobs in the new businesses that will be brought to Teesside just as jobs will be furnished for those who worked in the older industries. That means that the considerable amounts of money that are spent specifically and locally on Tyneside and Teesside and in development corporation areas will have a much wider and more subtle effect at spreading prosperity and job opportunities more widely across the north-east.

Secondly, the corporations will succeed where local authorities have failed because the corporations have the powers necessary to do so. We have already heard that the corporations have planning powers, and the hon. Member for Bootle was jealous of that. They have powers of compulsory purchase to cut through the inertia that bedevilled the London docklands for so long. They will have the ability to bypass the local politicians and to do in their areas what the London docklands development corporation has done in its to secure regeneration.

Thirdly, they will succeed because they will have the resources, although not the huge sums that have been spread so widely through regional aid or rate support grant which has been spent on subsidising a vast political clientele through housing benefit and rent subsidy. They will have resources specifically to prime the pump for new investment which will help to refurbish the old industrial landscape to attract fresh investment into those areas and the private sector finance that will follow.

Those of us who are serious about regenerating the economy of the north-east will wish the two urban development corporations well. If we are to regenerate the north-east we must begin by regenerating the riverside areas and helping the people who live there. That is the secret to re-establishing a firm economic base in the north-east.

10.52 pm

Mr. Simon Hughes (Southwark and Bermondsey): I understood from the Prime Minister's first words after her election victory that she was specifically interested in the inner cities. She said so. However she betrayed her motivation at the same time. She said that she wanted them "for us now". That is what has been happening.

I am glad that the Secretary of State is in the Chamber. The trouble with the Tory party is that it sees what it wants to see and excludes a lot of the unpleasant truth. I am sad that the Minister—whom I welcome to his new job—went through his opening speech with such a flat apparent disinterest in communities where people live and want to continue to live in prosperity.

There is a difference between the London docklands development corporation and the other development corporations. The main difference, as the hon. Member for Bootle (Mr. Roberts) said, is that there was a community

resident in the London area first, whereas there was no such community in the other areas. There is all the difference in the world between developing a vacant site and developing a populated one. The people who live on the site might be asked what they want to happen as they know the area better than anyone else.

Of course we welcome the one third increase in public money. Southwark, Tower Hamlets and Newham councils would also welcome a statement from the Secretary of State next week that he will increase their rate support grant by one third, but he will not do that.

The right hon. Gentleman will probably rate-cap one, two or three of them, or plan to do so again. That will cut the public money that locally elected councillors of whatever party can spend and allow the unelected appointees of his office to spend in their stead. If the money is available, there can be regeneration, but in whose interest will that be? The interests that should be served are clear, and we want regeneration for obvious reasons.

In my constituency there is 28 per cent. adult male unemployment. The percentage became substantially higher following the establishment of the London docklands development corporation. Where jobs have been created, they have gone substantially to people who live outside the borough. These jobs have been created largely in service industries, which do not require the natural skills that those in the community want to develop and to find employment in.

There are many jobs that could be done but the strategy has not been to allow the local community to develop the self-help that the right hon. Member for Henley (Mr. Heseltine) talks about. It has been self-help for those who have come in with the money and paid the highest price. The regeneration has been in and for the interest of those who started off best. Opposite my home is a site that was sold the other day to Ideal Homes for £20 million. I gather that it is to parcel it up and sell it on. The consortium that was willing to buy the site partly for rented housing, partly for housing associations and partly for co-operative housing was not allowed to do so. Instead, the site was bought by a private developer who is planning to sell it on, for profit, to other developers, and mainly for private housing.

Most of those in my community cannot afford the prices that private housing now commands. Some private flats are being sold for £2·5 million each, while for those in work the average income in the area is between £100 and £200 a week. This is not regeneration in the local interest. Many of the new flats are going to employees of foreign companies. These are foreign employees who already have homes elsewhere and who should be subject to planning permission when it comes to second homes, bearing in mind that there are 15,000 in Southwark on the housing waiting list. Those 15,000 are waiting for a decent first home. This is not regeneration in the interests of the local community.

The land sales and the speculation in development are horrendous. The land price is £1 million an acre. It is immoral that the community has to battle for small pieces of land for a little more rented housing, sheltered accommodation for the elderly or more play space, when down the river the Kuwait Investment Office, through the arm of the St. Martin's Property Corporation Ltd.—I raised this issue on the Adjournment on Friday—wants to erect a building that would look rather like this palace but much larger. It would provide 1·2 million sq ft of office development on a prime riverside site, and it would dwarf everything around it.

There is no employment strategy. Until last year, the LDDC did not have such a strategy, and it is only just beginning to put one together. There is no community development strategy. I do not mind if the Minister does not accept the truth from me because of my political partisanship, but I suggest that he speaks to the Prince of Wales. The Prince visited Tower Hamlets the other day and he was not pleased with what he saw. He saw housing conditions that the Select Committee on the Environment, which is chaired by a Conservative Member, said demanded a national response from this Conservative Government. The Minister should talk to Prince Philip, who chaired the inquiry into British housing, about the housing policies that should be implemented in the inner cities. The princes have views that are certainly not those of the Government.

Mr. Nigel Spearing (Newham, South): Is the hon. Gentleman aware that the Prince of Wales said—this appeared in an article in *The Times* of 4 July—that we want to regenerate the environment and

"to create viable and self-sustained communities"?

The Act on which all these considerations must be based does not require anything to do with people. Instead, it is directed to regenerating profit.

Mr. Hughes: The hon. Gentleman knows as well as I do that the original Act lays down no requirements that the community should have a role to play. That is the fundamental failure. The Government proclaim the morality of the family but ignore the community. To develop over the top of community is to deny the history of the riverside communities, which the hon. Member for Darlington (Mr. Fallon) so lauds, and which have contributed as much as any. It also denies their ability to contribute, which is enormous, and it is what they want to do. Give them decent housing, whether as owner-occupiers at a low price or for rent, public transport and jobs and they will contribute with proper community development.

The hon. Member for Darlington may not yet accept what I am saying, but if they are willing to do so, he and the Minister should come to my constituency, where they can listen to people who have lived through the development of the LDDC and who have battled to hang on to any of the principles which communities are about.

Money could be spent well. It could be spent on providing a decent public transport service north and south of the river. It could be spent on ensuring that our environment is more pleasant, that there is more green space, that there are more open amenity areas and more community facilities. In the basics, however, such as jobs and housing, we must respond to need rather than demand.

The Minister said that there is now competition for development. It is no use having competition for development when local people cannot begin to compete because the price is way beyond their reach. The London docklands is often a rip-off working for the profit of those who started with the most. That is unacceptable, and it should be unacceptable to people of decency on the other side of the House.

11.1 pm

Mr. Den Dover (Chorley): Anyone who has listened to the debate so far must conclude that the hon. Members for Bootle (Mr. Roberts) and for Southwark and Bermondsey (Mr. Hughes) are keen on public investment in inner cities, whereas our Minister has rightly emphasised how well we have done to attract private investment.

Nobody could have predicted the liveliness and regeneration of the past seven years in the previously derelict and despairing docklands area. I applaud the foresight of my right hon. Friend the Member for Henley (Mr. Heseltine), then the Secretary of State for the Environment, who did a marvellous job in the docklands and tried to follow up that success in Merseyside.

The Back-Bench Committee on Urban Affairs and New Towns, has considered what needs to be done in inner cities which have had the traumatic experience of job losses and a loss of public confidence and faith in the future. We strongly recommended urban development corporations, which should be scattered around the United Kingdom. I greatly welcome the Government's emphasis on inner cities for the future.

In the east end of London, we have 96 per cent. rented housing. How can that be sensible when we have 70 per cent. owner-occupation in other parts of the country? Private developers such as Wimpey, for whom I worked part-time until the end of last year, have invested in the land, often when it was of negative value and put down houses. People have met that supply of housing with their own cash. Whereas working people in the east end were hamstrung and had to look for rented housing, they have been able to buy housing which has greatly increased in value, thus helping to transform the area.

It must be said, however, that the opportunities in docklands are much better than in Merseyside. A few years ago, though, one would never have expected private investment and jobs to be brought to an area so that local people would have jobs in services, construction and transport. Therefore I welcome the investment and the increase in borrowing powers to ensure that the inner cities are revitalised. The Trafford Park area and the west midlands are very anxious that this development should take place.

I am sure that there will be sensible investment in the infrastructure by the development corporations. There should be small teams of chief officers and experts, because more of the work ought to be handed to private sector consultants. There will be investment in private housing. In the past there has been only rented accommodation and public investment. Land values will increase. The hon. Member for Bootle referred to negative land values on Merseyside. I agree entirely with him. That has to be contrasted with what is happening in docklands and what will happen in the four urban development corporations. All that the Opposition can offer are sour grapes, even though the Government's strong initiative strikes at the heart of regional needs—the need for private investment and the need for an act of faith by the Government of the day. I applaud what the Government are doing.

11.6 pm

Ms. Mildred Gordon (Bow and Poplar): As this is my maiden speech I take great pleasure in paying tribute to my predecessor, Ian Mikardo. He represented constituencies in Bow and Poplar for 23 years, and he first entered the House in 1950. He was much loved and respected both here and throughout the country for his wit and wisdom. I wish him a happy retirement. I hope that he will write his memoirs so that we can all read the many wonderful stories that he has to tell. My predecessor loved this place and I hope that I shall find it as attractive as he did. When I arrived here I was greeted with cries of, "When are you going to start the book?" I have to inform hon. Members that I shall disappoint them, as I have no talents in that direction.

At first, I found that many things here were strange. It is strange to be debating a serious subject at this time of night. Perhaps this accounts for the fact that out of 633 Members of Parliament only 41 are women. What young woman with children could be attracted to a place in which one has to spend half the night and work such unsocial hours?

At one time I taught in Holloway prison—I hasten to add as a visiting teacher. It shares many similarities with this place, which is dark and gloomy. We lose our name and we are referred to by the name of our constituencies. We hardly see our families, unless they come to visit us in the family room. That is another reason why women are not attracted to stand for Parliament.

The sentence that the result of the election has given to my constituents is very serious. It means that many of them are imprisoned for another four years in crumbling flats and in the despair of poverty and unemployment.

I am very honoured to represent Bow and Poplar. I ask for the indulgence of the House while I speak about the east end. I was born and bred there; I went to school there; my father was a Stepney councillor; I taught for many years in east end schools.

I feel that I know what is needed by the people in the east end and how they feel and think, because I have suffered from many of the same problems. There is widespread unemployment, 28 per cent. among men and 15 per cent. among women. There is a serious problem of homelessness and higher than average mortality and perinatal mortality rates. There are long hospital waiting lists, fewer cars than average and bad transport, particularly from north to south.

Lest anybody should think that all is bleak and gloomy in the east end, I must point out that there is much there that we treasure. There is a rich cultural life; enriched by people from many parts of the world. We have the river. The area in which I was born, once known as Red Cliff, was a salubrious area centuries ago, where people from the City went to take the air and to convalesce. So there is a natural beauty in the area, which has been destroyed by man.

There is also warmth and compassion, and the companionship that enables poor people to survive harsh conditions. There is great courage and close family life, which is under threat because the children of people living in the east end can no longer afford to live there. When they move out, their parents will be left alone to fend for themselves, which is not as it should be.

I lived in the east end during the war when we were under serious threat, but we fought back. I was an air raid warden. My first ideals of Socialism were strengthened when I saw ordinary working men and women, who had never been given the chance to do anything but menial jobs, take command during air raids when the area was cut off. The sent for the fire and rescue services and saw about people being clothed and fed. They did all that and I

realised the talent that is wasted among working people because this society has no use for it and does not allow them to get out into the light and to use it.

We are under attack once again. We are under attack from the reforms that are proposed in the Gracious Speech. We cringe when we hear the word "reform". I am reminded of Humpty Dumpty in "Alice Through the Looking Glass", who explained his strange use of words.

"'When I use a word' Humpty Dumpty said 'it means just what I choose it to mean — neither more nor less.' 'The question is' said Alice 'whether you can make words mean so many different things.'

'The question is' said Humpty Dumpty 'which is to be master, that's all.'"

In this Government's looking-glass world, the word "reform" is used to mean the opposite of reform. It is used when the Prime Minister means that she is going into the attack. To people in Tower Hamlets, the "reform" of education means that the prices of school meals will increase and that the children whose parents cannot afford the extra fees for woodwork or home economics will be excluded from those extra subjects. Where are we to find the extra teachers to look after the children who will be excluded from those subjects because their parents do not have the money to pay for the materials? "Reform" in education will also mean the introduction of something like the 11-plus. As a former teacher in the east end, I shall have a great deal more to say, when the time comes, about the obscenity of the 11-plus and the loss of confidence that system brought about in 90 per cent. of the children whom I taught.

The "reform" of the Health Service means that we already have a private hospital that is drawing staff from the London hospital, and increasing the waiting lists for people who cannot afford to do other than use the Health Service, which is no longer serving their needs as it should. I have dozens and dozens of letters that are cries of pain from people who cannot get the treatment that they need and, indeed, the treatment for which they have paid when they paid their national insurance contributions.

The "reform" of social security will be an attack on young people who are unemployed. It will make them work for a pittance and undercut other people's wages. It will cut the maternity grant and various other benefits.

The community charge will increase costs for everybody in Tower Hamlets. The average rate per household is £548 and the estimated community charge per adult will be £639. Therefore, even a pensioner or any single person living on his own will have to pay £91 more per year under the community charge. So much for reform.

Now the Government's reforming zeal has been turned to the inner city. The London docklands development corporation is put forward as the jewel in the Government's crown — a blueprint for urban development corporations in other major cities. But we who live with the problems created by the LDDC can tell hon. Members that the jewel is paste and the crown is tarnished. A historic opportunity to solve the housing problems of the east end once and for all is being frittered away.

In Tower Hamlets we need an improved environment, homes and jobs. Let us examine the record of the LDDC. As a child I grew up within the sound of the river, but not the sight of it. I could hear the ships' horns, but in front of me was a grey dock wall. There was a little park some distance away where a small area of the river bank was open and we played. I hoped when those docks closed and the jobs were lost that there would at least be some community gain and at last we could have a riverside walk.

Some £300 million to £400 million has been spent. When I visit the east end and the Isle of Dogs today I get the feeling that it is as the Wild West must have been. There is plunder in the air. The biggest growth industries are wine bars and real estate agents. The area should be developed for the benefit of the people. I do not believe that anyone should be allowed to build right on to the river bank. It should be for the use of the whole population, not for the pleasure of the privileged few.

The proposals for Canary wharf are architecturally and otherwise obscene. It will obscure the view of Greenwich which east enders have enjoyed for many generations. Land prices are rocketing and house prices are spiralling. I have a cutting from a local newspaper about a new development which has just come on the market in Wapping and it states:

"Under LDDC rules the homes were offered to Tower Hamlets residents for the first month, but there was not a single offer from local people for the flats which cost £90,000 plus."

What a mockery! On paper the residents have the first offer of the houses, but they cannot afford to pay for them. Instead the houses go to outsiders and local people have no chance to live in the area where their families have always lived.

Has the money used by the LDDC been well spent? It claims that 8,000 additional jobs have been created, but more than 5,000 of them were transfers from the outside, from Billingsgate and the printing industry. Only 2,800 of those new jobs were real new jobs. Some 3,355 jobs have been lost through firms being squeezed out by compulsory purchase orders and rising land prices. Despite all that money being spent, there has been a net loss of 517 jobs. So much for the benefits that the LDDC has brought to the unemployed in the east end.

Canary wharf is in my constituency on the Isle of Dogs. This huge development was given planning permission in two weeks — less time than it takes to get planning permission for a fish a chip shop. After 18 months the master building agreement is still not signed. Two of the developers have pulled out and now a new developer from Canada is said to be moving in. It is all secret. We do not know what is happening. We are not consulted. The development is simply being imposed on us. The land was offered to the Canary wharf consortium at a price well below its market value. We do not know how the price was arrived at. Was it based on a certificate from an independent valuer or did the Department of the Environment give its specific consent to dispose of the land at a price lower than its market value? We have not been told.

The local community groups do not want Canary wharf. They do not want the docklands highway that is to go with it, which will make life a misery for many local people, and they do not want to have anything to do with the obscene idea of a £30 million memorial statue in an area where so much else is needed. These disgraceful ideas have nothing to do with the needs of the people in Bow and Poplar.

Peat, Marwick, Mitchell and Co., the accountants of the LDDC, reported that the number of jobs that we had been told that Canary wharf would produce had been vastly overestimated, that most of the jobs would be for

[Ms. Mildred Gordon]

people brought in from the outside once again and that only about 1,800 jobs would be provided for local people. Most of those jobs would be part-time and many of them would be cleaning jobs. The developers, on the other hand, were to get very great gains. They would get tax relief which could be written off against of any of their developments anywhere in the country and the Exchequer would pay about £80 million in lieu of rates. Tower Hamlets council will not gain because it will lose the block grant. It will lose £1·3 million for every £1 million of rateable value of Canary wharf and there will be a net loss to the community.

Canary wharf will change the face of the east end and of London. It will extend the City into the east end. Aldgate already looks dehumanised. It is already part of the City, and that change will go further. Local people are considered to be in the way. This is not the first time that people have been pushed out because they ae considered to be in the way. It happened in the 18th century to the peasants, with the enclosure of the land. Today some councils are selling off council estates, moving the tenants out and handing those estates over to private developers.

The London docklands development corporation commissioned a report by Sandra Wallman of University College. She started with recommended points for the consortium of Canary wharf. She talks about dockland traditions, and this is very significant. She said:

> "This issue is more diffuse, covering the need for some parcel(s) of land to be held in trust so that the continuity of the traditional community is assured, the matter of local place names and the environment. Commitment to local identity in all its forms is a serious need at this initial stage."

What does that mean? Does it mean that the east enders are to be pushed into some parcel of land that has been set aside, just as the red Indians were pushed into reservations? At least the Dutch bought the island of Manhattan for beads; the LDDC is getting the Isle of Dogs for a song. Is it considering allowing a small group of east enders to stay on the Isle of Dogs to be a sort of living museum—a "chirpy, cheeky, Cockney, chappy" living museum? Would we be walking around wearing cloth caps and mufflers and saying, "Gor blimey, Guv. How's your trouble and strife? She's up the apples and pears." What kind of nonsense is this? Is this what the LDDC has in store for us? Is the City to move in and take over while a few of us will be allowed to stay on some parcel of land, squeezed into a corner of the Isle of Dogs? East enders are not going to stand for that. We refuse to be treated like this.

East enders are proud people; they are fighters. They fought Mosley in Cable street. They knew how to unite —community side by side with community—against the people who were attacking them. They stood firm during the war and they will stand firm against attacks on their way of life today.

We are not backward-looking. We want to keep the best of the old traditions and we want to take advantage of new technology. We want the training that is needed to go with that new technology. We want homes with gardens for our people and for the children. We want jobs and a better environment. We do not want decisions that affect our lives to be taken in secret. We want democratic control of the land to be returned to the community. As we have resisted before we shall resist the LDDC plans that are against our interests now. I shall be proud to be part of that resistance.

11.25 pm

Ms. Hilary Armstrong (Durham, North-West): As other hon. Members have noted, one of the first acts of the Prime Minister after the election was to reassure us that the Government would do something about "those inner cities" and especially about jobs. The urban development corporations are the Government's answer with regard to jobs and are a means of interfering in the market mechanism.

I welcome that readjustment and realignment in Government thinking. I particularly welcome that change in the hon. Member for Darlington (Mr. Fallon). For many years the hon. Gentleman had preached to us that we should rely upon the market mechanism. I am pleased that there is a recognition of the fact that the market mechanism has signally failed areas such as the north-east.

For years we have known that markets, left to their own devices, cannot create the jobs that are necessary to overcome the divisions we know and experience in British society.

Apparently this £800 million is all there is. I presume to intervene in this debate even though I know that there is no hope of anyone in my constituency benefiting from the establishment of the UDCs. The Under-Secretary of State made that clear in his answer to my question. I believe that he also made it clear that the rationality behind the criteria used to decide which areas will get that aid is somewhat questionable.

My constituency meets all the normal criteria in terms of unemployment levels and deprivation. Every Government report recognises that my constituency meets those criteria. Indeed, the Secretary of State recognised that my constituency has what he calls a "reclaimed site" that would be ideal for more investment. I remind the House that that "reclaimed site" was not derelict when the Government came to power. Then, it was the site of a thriving steel mill. Now it is a derelict, open, green field site. The Government's answer to the massive problems of many areas in Britain is to throw money at them.

It is sad to note that the things over which the Government bashed so many local authorities are now at the heart of their suggestions. The money is to be channelled through organisations whose chairmen, on a daily basis, are costing us much more than the people who ran those democratically elected authorities that the Government got rid of not so long ago because they were too expensive.

Why are the Government and the Secretary of State so frightened of local democracy? We have heard unspecified rumours that the Government are punishing local authorities that hampered development. We have heard the rumour that the only way to get development is to remove any opportunity from local government and put it into non-elected, non-accountable bodies. What does that mean for areas such as north-west Durham? I do not believe that even the Government could say that the local authorities in north-west Durham came anywhere near the category of hampering those people who wanted to establish private development in their area. They have done as much as any local authority could possibly have done.

It is true that within the Derwentside area over 3,000 jobs have been created since the closure of the steelworks site, but at the same time other jobs have been lost and they have been skilled and full-time jobs. Many of the jobs that have been created are unskilled and part-time. North-west Durham, like many other areas, is an area where there are hundreds of workers willing to change, willing to develop their skills and desperate to make their contribution, but there is no chance now of those people getting the sort of assistance that the Government now recognise is necessary for hope for areas such as that.

The Secretary of State this afternoon accused me of simply knocking the north. I forgive him for that. He does not know me very well. He will know by the end of this Parliament that I fiercely defend the north at every opportunity, but defending and fighting for a future does not mean that I go around with my ears shut and my eyes closed. I cannot develop and open up opportunities for the people who are asking me to so without recognising the depth of their need and the opportunities that they are crying out to be offered and that they are being denied at the moment.

Derwentside district council, which is only one of the district councils that comes within my purview, tells me that this week the Audit Commission said that since 1983 there has been no rise in the amount of money that has been spent on rate-related purposes. But the Audit Commission says that Derwentside, nevertheless, has had an exceptionally difficult task because the grant amount of that rate-related expenditure has been significantly reduced in that time. In a council of increasing unemployment, trying to work with local investors, the Government have been taking away money and have not been enabling it to match its needs, as it sees them and as it knows them. This, then, is the result of the Government's flight from democracy, the result of their failure to listen to the people of the north.

When the Secretary of State visited Derwentside last week, he did not meet and talk to those people who have managed to gain the support of the local electorate. He met those people who have signally failed to get the support of the local people. He met his Conservative colleagues. I do not believe that his colleagues in the north represent any real voice and any real thing that the Government should be listening to. If they are going to listen to them, they have got to listen also to the people who have been elected by the people of the north to represent them. With no democratic accountability, with no democratic planning and with no control from any elected body, the money that is being put in will not, I am very sad to say, create the necessary jobs.

I wish that I could believe that the proposal before us this evening will create jobs. It will not work, but not because we will not co-operate. People in the north have demonstrated over generations and to the Government that we will work with them, whatever their proposals are, in whatever way we can, to improve opportunities for our folk. But we know that Government appointees, like colonial administrators, do not know the skills and the capacities of local people. It will not work because the Government have not learned to listen even to people such as Lord Scarman, who argued this week for a much closer partnership between local government and central Government in these necessary interventions in the markets. Such a partnership would mean that central Government might understand a little more about what they were doing in those localities, from which they seem to be so very far removed. All that may seem immaterial to the Government because they have demonstrated that they simply have no idea of the part that local democracy can and must play in economic regeneration.

Given the Government's distaste for local democracy, the people of the north can only look on in horror as a Secretary of State who has destroyed local government is now put in charge of economic regeneration also. We are desperately afraid that new failures will follow old failures. We once again urge the Government to recognise that we will co-operate, but that if we do so they must listen to what the elected people of the north are saying.

11.35 pm

Mr. Trippier: I am anxious to begin my reply to the debate by paying a warm tribute to the hon. Member for Bow and Poplar (Ms. Gordon), who made her maiden speech this evening. Obviously, my colleagues on both sides of the House will welcome her future interventions. I especially welcome the fact that she paid tribute to Ian Mikardo, her predecessor. I do not suppose that I would ever agree politically with Ian on many issues, but there is one exception—small firms. He was an expert in that area. In my former incarnation as the Minister responsible for small firms, I enjoyed many exchanges with him on the Floor of the House. He was the chairman of the Tower Hamlets local enterprise agency—a post that he filled with distinction. He spoke with great authority about small firms and he supported many of the measures introduced by this Government, especially the local enterprise agency grant scheme—which I introduced—which was a bipartisan measure that drew support from many political parties.

I was interested to hear my hon. Friend the Member for Darlington (Mr. Fallon) make a point that I thought was absolutely true—that support for urban development corporations was coming from many people in different political parties at both local and national level. At least, I thought that to be true until I heard the speech by the hon. Member for Southwark and Bermondsey (Mr. Hughes). I refer him to a statement made by his hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith):

"The alliance believes that UDCs can do a very useful job. We shall seek to work closely with them."

The then Minister, my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten) intervened, and asked:

"Is the hon. Gentleman giving us a clear and unequivocal pledge that the urban development corporations will be supported, after the next election, by the alliance?"

The hon. Gentleman replied:

"Yes. The Minister may have that pledge."—[*Official Report, Sixth Standing Committee on Statutory Instruments, &c.* 12 May 1987; c. 10-13.]

Mr. Simon Hughes *rose*—

Mr. Trippier: I am sorry, but I do not have the time to give way. I have only eight minutes to reply. We know that the alliance—if there is such a thing—has difficulties at the moment, but the hon. Gentleman should get to grips with his hon. Friend the Member for Berwick-upon-Tweed on this matter. I also suggest to Opposition Members who have spoken, especially the hon. Member for Bootle (Mr. Roberts), that they confer with the hon. Member for Birmingham, Perry Barr (Mr. Rooker) who said:

[Mr. Trippier]

"The Opposition believe that corporations and boards can be an effective machinery for action, and that setting them up is not an attack on local government, as some people would suggest . . . We hope that the urban development corporation will be a success." — [*Official Report, Sixth Standing Committee on Statutory Instruments, &c.* 21 January 1987; c. 9-10.]

That is absolutely amazing. We cannot believe that those hon. Members could have said that and, prior to a general election which they must have suspected, in their wildest dreams, was looming. Of course, it has come and gone and, fortunately for us, we have been returned with a significant majority to carry on with our good work with urban development corporations.

I was fascinated by the speech of the hon. Member for Bootle. He kept on referring to the council, by which I assume that he meant the former Labour council — *[Interruption.]* We are all aware of where the hon. Gentleman's constituency is, and that he was talking about Liverpool council.

Mr. Roberts: Will the Minister give way?

Mr. Trippier: The hon. Gentleman has had an opportunity to address the House.

Mr. Roberts: The Minister should not misrepresent me.

Mr. Trippier: Would I ever do that?

We heard no criticism of the former Liverpool council, but I do not think that the vast majority of Labour Members would wish to be associated with that council.

The hon. Gentleman referred disparagingly to the Albert Dock. He did not refer to the 2 million people who visit that area bringing with them more money that can be spent in Liverpool and which is creating more jobs.

Most important of all, the hon. Gentleman failed to mention the substantial rate increases that have driven industry out of Liverpool.

Mr. Roberts *rose*——

Mr. Trippier: My hon. Friend the Member for Darlington made that point with regard to a number of local authorities in the north-east. It is true that that is the greatest disincentive to the growth of enterprise; it acts as a brake on enterprise. It is clear from all that we have done with the UDCs to date that they have been a significant success in this regard.

When the hon. Member for Redcar (Miss Mowlam) intervened in my hon. Friend's speech she referred to the loss of jobs in traditional industries as if, had her party been in Government during that period, it would somehow have been possible to avoid the losses in those traditional industries. Yet no Labour Member has explained why when the last Labour Government were in power unemployment more than doubled. There was a significant loss of jobs in traditional industries, particularly in the north.

Miss Mowlam: I was drawing a comparison between the 45,000 jobs that have been lost in the past eight years and the 6,000 jobs that are promised by the UDC.

Mr. Trippier: The situation would have been far worse had there not been that kind of impetus from UDCs in the areas that we are discussing.

Matters are improving, with unemployment gradually coming down. Obviously it is not declining fast enough and we recognise that it is an unacceptable level of unemployment, but we should be on the same side in trying to stimulate growth in the number of jobs and the expansion of wealth in these areas.

My hon. Friend the Member for Darlington made an important point about the north-east with which I agree. He said that blanket regional aid for the north-east was wrong. I do not think that I have ever heard anybody say that before. I have thought about it on a number of occasions and about the fact that 94 per cent. of the population of the north-east live in an assisted area. It is extremely difficult to focus attention on one constituency or travel-to-work area and attract people from outside that area to it if 94 per cent. of the population are living in an assisted area. What can one do to target aid? When I think of the five different instruments that we have available through the Department of the Environment with the urban block, including the use of UDCs, the 32 schemes that are available through the Department of Employment and the 64 schemes that are available through the Department of Trade and Industry, it is vitally important for the Government, especially in this Parliament, to target aid more specifically. That is one of our roles and that is what my right hon. Friend the Prime Minister is asking us to do.

Ms. Armstrong: Will the Minister give way?

Mr. Trippier: I am sorry I have only one minute left to wind up.

Mr. Deputy Speaker: The hon. Gentleman is mistaken; he has no time.

It being one and a half hours after the commencement of proceedings on the motion, THE DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 14 (Exempted business).*

Question put accordingly

Question agreed to.

Resolved,

That the Urban Development Corporations (Financial Limits) Order 1987, a copy of which was laid before this House on 1st May 1987, in the last Session of Parliament, be approved.

DARTFORD-THURROCK CROSSING BILL

Ordered,

That Mr. Terry Dicks, Mr. Den Dover, Mr. Adam Ingram and Mr. Rhodri Morgan be members of the Select Committee on the Dartford-Thurrock Crossing Bill. — [*Mr. Lennox-Boyd.*]

Aldermoor School, Southampton

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

11.44 pm

Mr. James Hill (Southampton, Test): I direct my remarks immediately to my hon. Friend the Minister. Many parents, teachers and school governors are depressed and angry at the events perpetrated by the Hampshire education authority on the Aldermoor first and middle schools, Lordshill, Southampton. I shall give the background to the events.

On 1 April I received a letter saying that the Southampton area advisory committee had, on a resolution, voted to retain both the schools by 12 votes to seven. It had a second vote on the retention of the first school with the nursery school and the vote was 16 to three. It was fairly obvious at that time that the advisory committee was firmly determined to keep the nursery and first school and the middle school. Those votes were sent to the schools sub-committee in Winchester.

I wrote to the chariman of the Hampshire education authority and on 15 April I received a reply:

"The Sub-Committee will receive not only a full report on the urgent problem of empty places . . . it will also receive in very great detail the representations of all those who were consulted, together with the views of the Area Advisory Committee."

The letter then goes on with a little patting on the back. It says:

"the procedures employed by us"—

meaning the Hampshire education authority—

"for consultation about school reorganisations were recently commended by the Audit Commission and I think it would be fair to say that no Committee spends more time and trouble than we do over these difficult matters."

That was dictated by P. D. Merridale and signed in his absence. It is that sort of approach that has given rise to the main complaint from the parents, teachers and governors.

The consultation has been scarce. The sub-committee's visit to the eight schools in the area was cursory. "Cursory" was the word mentioned by some of the teachers at Aldermoor school. We have now reached a situation where the sub-committee in Winchester — it was approved by the full committee — agreed that not only should the first and middle schools be closed but the nursery school should operate on its own. I am aware that the nursery school is a valuable element in the area but it seemed to me at the time that it would have worked better within the nursery-first school concept. Therefore, a great deal of emotion was stirred up.

One of the stumbling blocks of the argument was the state of the school buildings. The parents paid for a survey to be carried out by a well-known firm of chartered architects in Southampton — Gutteridge, Woodford, Chambers, of 45 Westwood road. The architects did a survey because the survey carried out by the architect's department at Southampton city council for Hampshire education authority was so condemning. The survey was the result of three separate visits to the site. Several floor panels were lifted where access was formed for electrical and heating services, sub-floors inspected, cladding was removed to reveal the steel frame of the main building and so on.

It was a full survey and one of the disappointing factors, which shows how Hampshire education authority has behaved in connection with this school, is that the survey said:

"It is understood that no maintenance had been carried out on external decorations for at least eight years. In the circumstances it is surprising that the condition of the existing building is as good as a more close inspection found.

The main buildings are constructed of steel lattice roof trusses . . . partly supported on steel columns".

They were found to be in very good condition. The timber framing was also in excellent condition.

"Windows are recent steel windows, weather stripped in wood sub-frames.

Rainwater pipes are cast iron with cast iron . . . gutters."

Comments on the findings by Southampton city council were made by this firm of chartered architects. The firm said:

"There is no significant sign of rot despite lack of maintenance. The condition of the cladding is remarkable, and this indicates the quality of material used in the original building".

The firm again mentions that regular maintenance had ceased eight years before, praises the steel trusses in connection with the pitched roofs and says that they were excellent. The firm also found that the city council report spoke about areas of wet rot or dry rot. The firm said: "no evidence so far can be found of significant areas of wet rot, and there was no evidence of dry rot in the building."

A paragraph that is terribly damning of the Southampton city council architect's report says:

"It is our contention that the Southampton City Council's report is misleading in this matter."

The architects' conclusion says:

"It is our opinion that a decision to close the Aldermoor Schools cannot be justified on the grounds that the main buildings have reached the end of their useful life, or that it requires a large amount of finance to maintain its existence for another thirty years."

During the survey, the firm brought forward some estimated budget costs for preserving the main building for another 30 years. The cost survey was carried out by a firm of chartered quantity surveyors, Jung and Barnett, and the total was £153,650. At the time that that report was written, Hampshire education committee was reading a report which said it would cost £500,000 just to preserve the first school and an additional £700,000 to preserve the middle school.

Naturally, the staff at Aldermoor have been greatly involved in this. It has been a school since 1939 and is very much a part of an established community — almost a village within a city. Aldermoor has the most stable school population of the four schools in the immediate area. There is a tremendous amount of parental involvement in Aldermoor. The parents engage in normal fund raising, but in their own time they also built and furnished a library for the first school. Those are the sort of activities that we are looking for in education.

I am worried because Hampshire education committee is now saying that there are plenty of vacancies around the area and that these children, certainly the children from the first school, can go to other schools. I have a letter from the governors of one of the nearest schools, the Shirley Warren county first school, which says precisely the opposite:

"The Governors . . . view these proposals with dismay . . . The LEA has assessed the capacity of the school at 264 places. This figure is considered to be much too high. Classrooms are small: in order to place such a number of pupils, the music room would be lost — to serve as a classroom . . . Toilet facilities and playground space would

[Mr. James Hill]

be inadequate for this number of pupils. It would appear that the LEA has failed to take account of residential building development within the present catchment area."

The idea that the Shirley Warrren first school will take a great number of these pupils is pie in the sky. The governors say that they

"are of the opinion that the LEA's proposals, as at present formulated, would have a profoundly damaging effect upon the school and they urge most strongly, that you, sir, should require the LEA to exclude the Shirley Warren First School from the scheme."

That is a group of governers in a nearby school that is expected to take up a number of pupils that will be turned out of Aldermoor first school.

The main questions are these. Are the buildings suitable? Can they be refurbished for a reasonable sum? Can the first school remain with the nursery school, or will the Hampshire education authority, when it completely reviews the situation, as I hope it will, agree that the main school can stay? The suspicion, perhaps not in my mind but in the minds of many of the parents, is that as this is a valuable 11-acre site in a desirable residential area, adjacent to a hypermarket, the school is being forced to close. I am sure that that is wrong, but I make the suggestion that if a first school is kept with a nursery school in the main buildings, a certain amount of land would be available for development.

I have had assistance from the department of management and science at Southampton university, which has done research on educational statistics in the Southampton area. It has made a damning report on the way in which the Hampshire education authority has worked out the number of vacancies in the area. The local education authority argued that in 1991 the rolls will be lower in the Coxford area than they are now. The statistical evidence presented by the LEA and the sources used by the local authority are inappropriate in this case. The forecast of a large fall in rolls does not stand examination. None of the statistical tools available to the authority can be used to forecast the number of pupils that schools in Coxford will have in five years' time.

There are large population movements within the area, with families with small children replacing those with children who have grown up. Many council houses have been sold in the area. People are moving into low-cost first homes for the young, who naturally wish to produce a young family. The only way that I can see that the area would have a fall in rolls would be if it were given over entirely to old age pensioner accommodation, and this is not possible under the present situation at Lordshill.

A statement was made by Mr. Molinero, a lecturer in the department of management and science at Southampton university. He has researched the educational statistics, and says:

"I find this whole episode rather depressing. The LEA could have argued from the beginning that on the current budget it could not afford to run so many schools so close to each other and that they were proposing to close the one on the most valuable site. They did not have to invent facts that turned out to be wrong; and once proven wrong they should have changed their arguments. As far as I am aware the LEA is pushing for closure irrespective of the facts; nothing has been changed in the original document. I do not understand what is meant by "consultation" if everything that the consultation produces is ignored. The closure of the school will be an insult to the parents, the local community, and to all of us who would like to see proper local democracy at work."

That is a damning piece of paper. It was written by someone who certainly does not have any children at Aldesmoor school and who is not emotionally involved.

That statement shows that there are many anomalies. The first anomaly relates to the number of children and the vacancies in the area. Also, the method by which the figures were obtained seems to be more guesstimate than anything else. The figures completely overlook the residential side of the catchment area and how that is changing, with more and more children. An architects' report condemned the original report from the Southampton city council. I will not say that that council report was wrong, but it did not compare with the report from the chartered surveyors and architects who produced the final report.

I have a complete copy of the final report, and I know that my hon. Friend will be pleased to receive a copy of it. It contains many photographs of the buildings and a description by a firm called Insite (Southern) Ltd. on all the infestation and fungal decay and the possible reasons why a building should be pulled down. The report gives the main buildings a complete and clear picture and states that it is perfectly possible to retain the main building for a further 30 year life.

As my hon. Friend the Minister will probably know, the site is unusual. The building is one storey but is most attractively laid out. The parent-teacher association has laid out an area for environmental studies. A fountain has been built and the PTA has put together a library for the school. There are many community facilities and 30 volunteer parents work in the school every day. There is a very strong community feeling.

The Secretary of State for Education and Science has already said that he would not close rural schools unnecessarily, as they are a great focal point for community facilities. This is one such school. I know that there will be difficulties. I have already incurred the wrath of the chairman of the Hampshire education authority. It has gone ahead with its decision with little consultation. It is almost illegal to rush forward without massive consultation. So far, it has not even issued the notices, although the matter has been going on for some months. When the notices are served—as I am sure they will be, as Hampshire is digging in its heels—it will not admit that it has made a mistake in this matter.

I offer a halfway house. The council can preserve the nursery school and the first school. If it must take the land and playing fields, so be it. As for the middle school, perhaps there are vacancies in the not-too-distant areas of that part of Southampton. However, I do not think that we can stand by and allow it to close and become a small nursery site.

The parents, teachers and governors would not forgive me if I did not state their case. They are extremely angry. Perhaps they have not been their own best advocates, because at times they have acted in a more militant manner than has been necessary. I am sure that if the appropriate notices are served and there are three months in which to raise objections—I hope that everyone in Southampton who has written to me or said a word against the closure will write to the Secretary of State—my right hon. Friend will respond to a request from me to receive a delegation of all concerned so that the issue can be examined in detail. There are some anomalies and the

professionals do not agree. I am sure that, with a little consideration, the chairman of the Hampshire education authority will at least reconsider the matter.

12.5 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): I congratulate my hon. Friend the Member for Southampton, Test (Mr. Hill) on obtaining this Adjournment debate on the proposed changes to first and middle schools in the Aldermoor and Lord's Hill areas in his constituency. I am aware that this is an issue which is currently stimulating a great deal of local interest and discussion.

We all know that the education system faces considerable challenges in the late 1980s and the 1990s. The prime challenge is the need to improve standards of achievement on the part of all pupils of all abilities, to improve the quality and range of the curriculum and the effectiveness of its delivery and to secure the best possible return from the resources which are found for education. For many schools, internal changes in the organisation of classes or the distribution of teaching duties will be needed. For some, such changes will not be sufficient and action involving closures and amalgamations will have to be considered.

Full account must be taken of education considerations when planning changes. New arrangements need to offer an education better suited to the needs of pupils of all abilities than the ones they replace. The viability of a school does not depend solely on the number of pupils. It depends on the age range and character of the school, its ethos, the quality and balance of expertise of its teachers and its non-teacher support, links with neighbouring schools, the fitness for purpose of its building and the extent to which all of these can be maintained.

Perhaps I should explain the standard set of procedures which comes into play when a local education authority wishes to change the organisation or pattern of provision in its schools. These procedures are laid down by sections 12 to 16 of the Education Act 1980. My Department has recently issued a circular entitled "Providing for Quality", which provides up-to-date guidance on the requirements of the Act. Briefly, the requirements are that when a local education authority or, in certain circumstances, the providers of a voluntary school wish to establish, discontinue or alter the size or character of a school they must publish proposals explaining their intentions. During the two-month period following publication, it is open to interested parties to submit objections to the proposals. If such objections are made, or if the Secretary of State has given appropriate notice to the local education authority, or if the school concerned is a voluntary school, the proposals fall to the Secretary of State to decide and may not be implemented without his approval.

I should also mention that, although it is not a requirement of the Act, it has been established in the courts that those likely to be affected by the proposals have a legitimate expectation to be consulted before such proposals are made. I am advised that the Hampshire local education authority recently completed local consultations and that the outcome of these was put before the education committee in April. The LEA is now preparing statutory notices for publications in the near future.

As my hon. Friend knows, when the Secretary of State is deciding proposals to close or alter a school, he is under a general duty to act fairly. In other words, he must judge each proposal or set of proposals on its merits, taking into account both the arguments of those making the proposals and the views of those objecting to them.

My hon. Friend will, I am sure, understand that it is important for the Secretary of State to avoid prejudging the issues where such proposals are concerned. He will not, therefore, expect me to say anything about the reorganisation which is the subject of this debate. I hope, however, that he will accept my assurance that I have listened carefully to what has been said tonight, and that his points will be taken into account, along with any other representations which we may receive, before a decision is reached on any proposals which may come to my right hon. Friend.

I assure my hon. Friend that as, if and when, proposals which affect these schools are made, I shall be most happy to receive a deputation from those schools led by him. I thank him for initiating this important debate and I look forward to receiving representations from him on this issue.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Twelve o'clock.

House of Commons

Thursday 16 July 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH WATERWAYS BILL

Read the Third time, and passed.

FELIXSTOWE DOCK AND RAILWAY BILL *(By Order)*

Order for consideration, as amended, read.

To be considered upon Thursday 23 July at Seven o'clock.

LONDON REGIONAL TRANSPORT BILL *(By Order)*

Order for consideration, as amended, read.

To be considered upon Thursday 23 July.

LONDON DOCKLANDS RAILWAY (BECKTON) BILL *(By Order)*

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

KEBLE COLLEGE OXFORD BILL *[Lords] (By Order)*

SELWYN COLLEGE CAMBRIDGE BILL *[Lords] (By Order)*

UNIVERSITY COLLEGE LONDON BILL *[Lords] (By Order)*

Orders for Second Reading read.

To be read a Second time upon Thursday 23 July.

WESTERN ISLES ISLANDS COUNCIL (VATERSAY CAUSEWAY) ORDER CONFIRMATION BILL

Read the Third time, and passed.

PRISON DISTURBANCES

Resolved,

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report of an Inquiry by Her Majesty's Chief Inspector of Prisons into Prison Disturbances.—*[Mr. Hurd.]*

Oral Answers to Questions

HOME DEPARTMENT

Birmingham Pub Bombings

1. **Mr. Mullin** asked the Secretary of State for the Home Department if he will call for a report from the chief constable of the west midlands as to why west midlands police officers have been taking statements regarding the case of the Birmingham pub bombings when this inquiry has been placed in the hands of the Devon and Cornwall police; and if he will make a statement.

The Secretary of State for the Home Department (Mr. Douglas Hurd): I am assured by the chief constable of Devon and Cornwall that all inquiries and interviews carried out in the course of the investigation of the allegations by the former west midlands police officer Thomas Clarke have been conducted by officers of his force.

I understand from the Director of Public Prosecutions that officers of the West Midlands police have conducted certain inquiries on his behalf in connection with the appeal by the six men convicted of the bombings. These inquiries have no connection with those on which the chief constable of Devon and Cornwall will be reporting to me.

Mr. Mullin: Is the Home Secretary aware that there is grave disquiet about the way in which the inquiry is being conducted? I include in that the inquiry that is being conducted by the Devon and Cornwall police. Does he agree that the West Midlands police force is probably the force least qualified in the whole country to be involved in the investigations? Does he further agree that it is the job of the Court of Appeal, not the police, to determine whether witnesses are telling the truth?

Mr. Hurd: I shall not enter on that ground in a case that has been referred by me to the Court of Appeal. I have seen nothing that in any way justifies the allegations and insinuations that the hon. Gentleman has made.

Dame Jill Knight: Will my right hon. Friend bear in mind the convention of the House, that Members of Parliament mind their own constituency business and do not intervene in matters relating to other hon. Members' constituencies? Will he also recognise that the Birmingham pub bombings have a great deal more relevance to the west midlands than to Sunderland, South?

Mr. Hurd: That is not a matter for me. However, I must say that I have been very disturbed by press reports of what the hon. Member for Sunderland, South (Mr. Mullin) is reported to have said in Dublin, where he described these people as political prisoners and cast doubts on the whole process of reference to the Court of Appeal. He misled those who were listening to him in Ireland, and brought no credit upon himself.

Mr. Alton: In retrospect, does the Home Secretary agree that if the impartiality of the case could have been safeguarded by the Police Complaints Authority there would have been greater public confidence? Does he further agree that if the Maguire and Guildford cases had been referred to the Court of Appeal the extradition agreements would now have been agreed and implemented by the Republic of Ireland?

Mr. Hurd: I cannot allow that sort of consideration to influence my decision whether to refer matters to the Court of Appeal. I decided in January to refer the Birmingham case to the Court of Appeal for reasons that I stated to the House at the time. At the same time, I explained why I had not decided to refer the Guildford, Woolwich and Maguire cases. Since then, there has been a suggestion of fresh matter in the case of the Guildford bombings. There was a television programme, and we are

trying to get hold of what Mrs. Fox, who appeared on the programme, is supposed to have said. There has been some difficulty in getting hold of her statement. That has slowed things down and made it more difficult for me to consider whether there is any new matter of substance that will justify referral of the Guildford case.

Sentencing Policy

2. **Mr. Hind** asked the Secretary of State for the Home Department what representations he has received seeking powers to grant jurisdiction to the Court of Appeal to increase sentences; and if he will make a statement.

Mr. Hurd: I have not received any representations so far this Session, but, as I said during the debate on the Loyal Address, the Government are considering how to strengthen clause 38, as it now is, of the Criminal Justice Bill.

Mr. Hind: Will my right hon. Friend bear in mind that there is a great deal of disquiet among the general public about the fact that convicted criminals receiving unnecessarily lenient sentences are benefiting from a miscarriage of justice in the courts? Will he look carefully at the advice being given by the Lord Chief Justice, Lord Lane, and also by Lord Denning? Their recommendation is to allow the prosecution to have the right of appeal and also to give the Court of Appeal the right to increase sentences that it regards as being manifestly lenient. That would settle many of the public feelings of disquiet.

Mr. Hurd: I have read Lord Lane's speech and discussed it with him. I bear in mind the points that my hon. Friend made when the previous Bill was before the House, and the points that were made in another place. We are taking all those into account and considering, as I made clear in my speech on the Loyal Address, how to strengthen clause 38 of the present Bill.

Mr. Andrew MacKay: Does my right hon. Friend agree that most people in Britain would say that it is eminently fair that if somebody can appeal against a sentence that appears to be harsh, the prosecution should equally be allowed to appeal against an over-lenient sentence?

Mr. Hurd: Yes, I think that many people would regard that as fair. It is quite a revolution in what the prosecution in this country has traditionally been about. I have never regarded this as a matter of principle. I think that there have been substantial practical difficulties about putting this new responsibiity on the Crown Prosecution Service within months of its birth. We have discussed this point in the House. I ask my hon. Friend to be patient and to wait and see how we strengthen clause 38 to meet the kind of considerations and anxieties that he has expressed.

Ms. Clare Short: Does the Home Secretary agree that as the British prison system is dreadfully overcrowded with large numbers of prisoners who have never been convicted of any offence of violence of any kind, the way to solve the problem is not overwhelmingly to increase light sentences for serious offences, but to reduce sentences for many of the most trivial offences? Will he tell the House what action he proposes to take about that?

Mr. Hurd: I do not think that the hon. Lady is correct, because she poses one problem in dismissing another. The problem of public anxiety to which my hon. Friends have been drawing attention is very real. The actual level of sentencing for crimes such as rape and robbery has been steadily increasing, but public confidence in the system is shaped by the occasional sentence that appears to be wayward in a lenient direction. I do not think that there is an enormous number of such sentences, but perhaps they attract disproportionate publicity. However, there is no doubt about the shock to confidence in the system when they occur.

Mr. Lawrence: Will my right hon. Friend take account of the substantial strength of feeling in the legal profession against giving the Court of Appeal the right to increase sentences? That strength of feeling arises not only because of the resource implications, but because of the alterations in the principles which have traditionally always been applied in our law to stop an accused person being subjected to double jeopardy.

Mr. Hurd: As I said earlier, and as my hon. and learned Friend's intervention again illustrates, this would amount to a considerable revolution in what the prosecution in this country has always been about. I ask my hon. and learned Friend and other hon. Members to wait a little. I hope that when we come forward with our proposal on this matter he will find it reasonable.

Mr. Hattersley: The Home Secretary referred to sentences that were wayward in the direction of leniency. Does he regard the provisions of the Criminal Justice Bill as being appropriate for sentencing for insider dealing on the stock exchange?

Mr. Hurd: I welcome the right hon. Gentleman back to his old pastures. I hope that our dealings across the Floor of the House will be reasonable and constructive. The right hon. Gentleman has imported a question from his last portfolio, which is a little unfair. He will be aware that it is only under this Government that insider dealing has been made an offence.

Late Licences and Amusement Arcades

3. **Mrs. Mahon** asked the Secretary of State for the Home Department what discussions he has had with chief constables about the effect on the maintenance of law and order of *(a)* the number of late licenses granted and *(b)* the number of amusement arcades operating.

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): Discussions about amusement arcades were held with officers of the Metropolitan police in November of last year. We have recently asked the Association of Chief Police Officers for information on its experience of amusement arcades as part of our review of the adequacy of the law. The Department is working with the police and others on a number of initiatives to reduce problems associated with licensed premises generally.

Mrs. Mahon: Does the Minister agree that there appears to be a correlation between the increased granting of late-night licences and violence on the street? Does he further agree that amusement arcades are good only for profiteers? They reflect the values of our society and lead to truancy and increased child gambling, which is a phenomenon that is to be abhorred. Will the Minister give local authorities more control over the granting of licences for amusement arcades?

Mr. Hogg: As to amusement arcades, my right hon. Friend the Home Secretary has anticipated the concern of

the hon. Lady. She will recall that on 6 May my right hon. Friend announced a research programme designed to determine the extent of the use of arcades by young persons and whether that use is addictive and results in criminal or anti-social activity. When we have received the results of that research we will be in a better position to judge whether it is necessary or desirable to legislate.

Dr. Hampson: Does my hon. Friend agree that a related temptation for the younger age group is the increasing availability of lethal weapons? I have a constituent whose 13-year-old son had posted to his school a horrendous knife with a 10-in blade. The young people who are faced with these temptations are buying these weapons at low prices. This must be a contributory factor to the increasing violence and damage that is being carried out by this age group.

Mr. Hogg: My hon. Friend has raised a serious point, about which Ministers are extremely concerned. We should like to come to the House with proposals as soon as we reasonably can.

Miss Lestor: Is the hon. Gentleman aware that one or two organisations, particularly the Spectrum Children's Trust, have already done some work on what is happening in amusement arcades. That shows that a growing number of children are playing truant from school in order to participate in these activities. Gambling is addictive among young people and many are in moral danger as the hours of opening increase. When the hon. Gentleman receives the results of the research, I hope that he will report quickly and look at those two aspects of the problem.

Mr. Hogg: I am aware that that view is held by many reasonably-minded people. That is exactly why the programme of research has been commissioned. When we have received the report we will be in a better position to judge whether we should legislate. I am against the concept of a nanny state, and I do not contemplate legislation being introduced unless I consider it to be desirable.

Crime Statistics

4. **Mr. Patnick** asked the Secretary of State for the Home Department what figures he has available which allow a comparison to be made between the levels of serious violent crime in England and Wales, France and Germany.

The Minister of State, Home Office (Mr. John Patten): International crime statistics are published periodically by Interpol. As my right hon. Friend said on 30 June, the latest figures show that there were fewer than two homicides per 100,000 population in England and Wales in 1984. The figures for France and West Germany were twice as high.

Mr. Patnick: I thank my hon. Friend for that information. I do not wish to sound complacent, but it proves that it is contrary to the widely-held belief. Can my hon. Friend comment on the figures for petty crime, such as car thefts, break-ins and similar crimes, and, if so, will he elaborate?

Mr. Patten: My hon. Friend is right to say that the vast majority of crimes that inflate crime figures in this country are eminently avoidable. For example, 25 per cent. of indictable crime in this country is theft of or from cars, and about 20 per cent. of that takes place when cars are left unlocked.

Mr. Duffy: Is the Minister aware that in Sheffield, parts of which the hon. Member for Sheffield, Hallam (Mr. Patnick) and I represent, city centre pubs have been operating a system of early warning for the past five years in an attempt to stem the increase in violence? In spite of that, pub landlords and managers now face a dramatic increase in assaults. How will the Minister respond to the call of the vice president of the local Licensed Victuallers Association for harsher penalties?

Mr. Patten: I understand that it is a problem for inner-city pubs. I heard the vice president of the local Licensed Victuallers Association, to whom the hon. Gentleman referred, on the "Today" programme recently making that very point. It is an inner-city problem and it is best dealt with largely by prevention and warning.

Mr. Nicholas Bennett: Has my hon. Friend any comparisons on statistics for street crimes between this country and France and Germany, especially in view of the new crime that appears to be gaining prevalence in south London, called steaming, where gangs of 30 of more attack people on buses and in shops and rob everybody in sight?

Mr. Patten: I do not have the figures on street crime at my fingertips because the lock on my Red Box jammed and it was only with the help of the policeman behind the Chair and a screwdriver that I was able to open it for 2.30 pm. I shall write to my hon. Friend with those details. I know that one of the main aims of the Metropolitan police force is to stamp out as vigorously as possible those forms of violent crime, and the courts have available an equally vigorous range of penalties to punish those who are convicted.

Mr. Corbett: I welcome the Minister to his new job. Will he confirm that in the matter of non-violent crime England and Wales are somewhere near the top of the international league? For example, does he know that there is a burglary every 34 seconds and an act of theft or of handling stolen goods every 16 seconds? What is he going to do about that?

Mr. Patten: I must begin by reciprocating the welcome. I am delighted to congratulate the hon. Gentleman on his important post. I had not read about it. I hope that we have the same — *[Interruption.]* The hon. Gentleman is indicating that it may be only temporary.

It is undoubtedly the case that the majority of crime in this country lends itself not to police detection but to public prevention. Indeed, about 20 per cent. of all burglaries take place in houses which have unlocked doors or unfastened windows.

Mr. Favell: Is it not high time that we introduced legislation to prevent the sale of knives to under 18-year-olds? Does my hon. Friend recall that at one time there was great concern about the sale and use of flick-knives? That was abolished with great success. We cannot sell cigarettes to under 16-year-olds, we cannot sell liquor to under 18-year-olds, so why should they be able to buy knives?

Mr. Patten: I appreciate my hon. Friend's strong concern, which I know is shared on both sides of the House. It is something that my right hon. Friend the Secretary of State is considering at the moment.

Public Places (Safety)

5. **Mr. Canavan** asked the Secretary of State for the Home Department whether he has any plans to review the operation of existing legislation regarding safety at sports grounds and other public places; and if he will make a statement.

Mr. Douglas Hogg: Parts II, III and IV of the Fire Safety and Safety of Places of Sport Act 1987, which received Royal Assent on 15 May, amend the existing legislation for spectator safety at sports grounds and the licensing legislation for indoor premises. There are no plans for a further review.

Mr. Canavan: Is the Minister able to reply to the submissions that have been sent to the Home Office by myself and others about the need for a public safety information Bill in view of the considered opinion of various experienced people and organisations that tragedies such as the Bradford football fire and the Herald of Free Enterprise disaster might have been avoided if the public had a statutory right of access to information on matters of public safety or the lack of it?

Mr. Hogg: I have not yet seen the letter written by the hon. Gentleman. The Government are committed to improving safety standards, and the Act, to which I have already referred, greatly improves the standards of safety that the public are entitled to expect at sports grounds. Under that Act, local authorities have greatly increased powers to inspect and control. As the hon. Gentleman will know, a whole range of stands have now been brought within control, whereas previously they were not.

Mr. Marlow: Would not sports grounds and other public places be somewhat safer if the Government would consider introducing a modern version of the stocks and pillories for football hooligans and other types of vandals who make life hell in our inner cities?

Mr. Hogg: That is the sort of humorous suggestion that I have learnt to expect from my hon. Friend.

Crime Statistics

7. **Mr. Hardy** asked the Secretary of State for the Home Department how many notifiable offences were committed during the last month for which figures are available; and what increase this represents compared with the position 10 years earlier.

Mr. John Patten: There were 951,000 notifiable offences recorded by the police in the first quarter of 1987. The number in the first quarter of 1977 was 614,500. This represents an average annual increase of 4·5 per cent.

Mr. Hardy: Does the Minister agree that those very serious figures do not represent the full picture? Does he accept that an increasing number of crimes are not reported which 10 years ago would have been reported? As the Home Office is given to establishing research programmes for a variety of activities, will the Minister institute a research inquiry into the incidence of non-reporting of offences that the police should certainly know about?

Mr. Patten: The Home Office is doing that all the time. With respect, the hon. Gentleman is wrong. The incidence of reported crime has been rising, not falling. Through insurance, consultation with the police and better prevention, we are undoubtedly helping the situation. The hon. Gentleman is held in great respect in the House and in the Labour movement. If he would talk to Labour local authorities which publish material such as "Police Watch" in Manchester and "Policing London" in the metropolitan area which do such damage to public confidence in the police, he would help a great deal more.

Mr. Wheeler: Does my hon. Friend agree that opportunist crime has grown exactly in line with the growth in the availability of goods, money and property to steal? That is 96 per cent. of the crime problem. Does he also agree that there is, indeed, under-reporting, that crime will not be prevented by police patrols on the street, but that it will be stopped by the public working with the police, local authorities and other agencies to prevent it?

Mr. Patten: My hon. Friend is absolutely right about the facts and figures. He is also right that so much crime is preventable, especially small-scale burglaries. As he is a London Member, I put it to him that many London local authorities, rather than having nuclear-free or anti-police zones, should try to set up crime prevention zones.

Mr. Chris Smith: In the light of the alarmingly increased figures that the Minister has given, even for reported crime, what real commitment do the Government have to improving crime prevention and what real resources do they intend to put into local authorities to enable them to improve street lighting to make neighbourhoods and estates safer and to carry out the real work of crime prevention that the Government have so far neglected?

Mr. Patten: Alas and alack, many London Labour-controlled authorities are the last places where we would consider putting extra resources for work of this kind. They spend the resources that they have on publishing periodicals such as "Policing London" and seek to damage police and public relations. Since the Government came to power, neighbourhood watch schemes in England and Wales have increased by 35,000. We also have crime prevention panels. The Government are committed to crime prevention.

Sir Bernard Braine: In view of the known connection between alcohol abuse and the rising tide of crime, what steps are being taken to reduce the huge increase in illegal under-age drinking in public houses?

Mr. Patten: With respect, there is no clear evidence of the connection that my right hon. Friend suggests. Nevertheless, there is clear evidence of problems of alcohol abuse. My Department and the Department of Health and Social Security are looking into this all the time.

Mr. Hattersley: As the Minister is clearly anxious to make this into a political issue, and as the Government refuse to accept that the increased crime rate is the product of unemployment and deprivation, to what does he attribute the rise in crime in the past eight years, which has been far faster than anywhere else in the Western world.

Mr. Patten: Crime has been rising all over Western Europe for the past 30 years. The rate of growth in this country is considerably less than in France, for example, and very much less than in other countries, such as Spain. One has only to consider a couple of randomly chosen periods. Between 1974 and 1979 violent crime was about 49 per cent. Between 1979 and 1986 it was only 32 per cent.

The measures taken by the Government are beginning to work successfully on some elements of the increase in crime.

Mr. Alton: Given, as the Minister has said, that burglaries and break-ins form the largest category of crime and are certainly what the public are most worried about, does he agree that what is needed is not merely the extension of neighbourhood watch schemes, but more policemen on the beat? What is being done to study the relationship between drug abuse among many young people and the number of burglaries and break-ins undertaken by people who steal to feed their addiction?

Mr. Patten: The police are constantly looking at that connection, just as there are more and more police on the beat taking their important share of preventive work in society. The police, however many there were, could never possibly attempt to prevent all crime. It requires public co-operation and co-operation from everyone who wishes to see crime rates reduced.

Child Abuse

8. **Mr. Greg Knight** asked the Secretary of State for the Home Department what action has been taken by his Department to prevent child abuse and to improve the chances of the prosecution and conviction of those guilty of this crime.

Mr. Hurd: We have been running a "Stranger Danger" campaign for several years, and await the advice of an independent working group on further publicity measures against child sex abuse. A group of experts is preparing draft guidance to the police on the investigation of these offences. The Criminal Justice Bill would permit children's evidence to be given at the Crown court by live video link. I have asked for comment on whether video recordings should be more readily admissible in evidence.

Mr. Knight: Does my right hon. Friend agree that whenever there is an allegation of child abuse the police should be able to obtain a medical report on the child concerned so that they can decide whether to prosecute? Does he further agree that any attempt to prevent the police from so doing is to be deplored? Furthermore, is there not a clear case for substantially increasing the penalties available to the courts in cases of child neglect and for tightening the parole conditions on those convicted of child abuse?

Mr. Hurd: My hon. Friend is right on the first point. This would clearly fall within the scope of the inquiry which my hon. Friend the Minister for Health announced last week. There was a real problem in Cleveland on this point, which I have discussed with the chief constable. I believe that the disagreement about the local guidelines there has now been sorted out. My hon. Friend is right on the second point. One of the changes that we propose to introduce in the new Criminal Justice Bill is to increase from two years to 10 the maximum term of imprisonment for neglect of a child. Many cases involve more serious charges with more serious penalties, but even where it is only a question of neglect, we believe that the maximum should be increased.

Mr. Madden: Does the Home Secretary have any information about High Court injunctions issued against the parents of children who are alleged to be victims of abuse, forbidding parents from communicating with anyone, including lawyers and doctors, about the circumstances of their case? Will he make urgent inquiries into this matter, and does he agree that if such injunctions have been issued they are wholly unacceptable?

Mr. Hurd: I do not think that this is a matter strictly for me, but if the hon. Gentleman would like to point my inquiries in a particular direction, that is if he will give me particulars of what he has heard, I shall ensure that the matter is properly investigated.

Sir John Biggs-Davison: While public concern is fully justified, does my right hon. Friend know whether, or have the impression that, there is more of this than there was in the past?

Mr. Hurd: It is hard to say and any impression must be subjective. The number of reported cases has obviously increased sharply, but, equally obviously, as society becomes more receptive to these stories, the proportion of abuses reported is likely to increase. It is difficult to go beyond that.

Ms. Clare Short: Is the Home Secretary aware that when a child who has been sexually abused in its family is then removed from the family it causes the child more distress? A better alternative would be for a power to exist which requires the abusing male to be removed from the family. In his review of child law, will he look into this possibility, which already exists in many states in the United States of America?

Mr. Hurd: I shall certainly ensure that those who are looking into this aspect of the law take that suggestion into account.

Mr. Dickens: Has my right hon. Friend taken on board the fact that the nation is extremely angry about the reported rise in child abuse? Does he agree that Parliament has made adequate sentencing provisions and that our judges are doing a sloppy job in some cases? May I ask him to be cautious about the advice that he receives from the Lord Chief Justice when he shapes the Criminal Justice Bill, because that man has not distinguished himself recently in some of his judgments?

Mr. Speaker: Order. The hon. Gentleman must not criticise a judge in this manner.

Mr. Dickens: My criticism was of his judgment, not of the man himself.

Mr. Speaker: Order. That is not good enough.

Mr. Dickens: Do you wish me to give the House the reason why I said what I did, Mr. Speaker?

Mr. Speaker: Order. The hon. Gentleman should not waste time. Will he please withdraw his criticism of that judge?

Mr. Dickens: Yes, I withdraw the statement.

Mr. Hurd: May I deal with the less controversial part of my hon. Friend's question? I think that he is being a little too timid. I do not think that Parliament has completed its job in this regard, and that is why we propose to increase the maximum penalty for neglect.

Mr. Kirkwood: If the Home Secretary is really seeking a framework and apparatus to prevent child sex abuse in future, will he, in the course of his continuing child care

review, look very carefully at the model in Scotland? The children's panel there allows all the statutory authorities to come together in casework conferences, which really do prevent problems from reaching a stage at which children are sexually abused.

Mr. Hurd: I am sure that the inquiry will take that into account.

Sound and Television Broadcasting

9. **Mr. Gale** asked the Secretary of State for the Home Department what plans he has for the future financing of sound and television broadcasting, of direct broadcasting by satellite and of cable television in, or received by, the United Kingdom; and if he will make a statement.

The Minister of State, Home Office (Mr. Tim Renton): We accept the judgment of the Peacock committee that the BBC should not be financed through advertising and that for the time being the licence fee should remain the principal source of income. Both cable and direct broadcasting by satellite are able to draw on advertising and subscription revenue. We shall consider whether subscription may have a larger part to play in the light of comments on our consultants' report published last week. We shall consider the future of sound broadcasting in the light of responses to our Green Paper.

Mr. Gale: May I congratulate my hon. Friend on the assumption of his new responsibilities for broadcasting?

If subscription payment for broadcast television is to be a realistic possibility, does my hon. Friend agree that that will involve modified television sets? Will his Department therefore take the necessary steps as soon as possible to ensure that all television sets sold in this country after 1990 carry an encription unit?

Mr. Renton: I thank my hon. Friend for his kind remarks. I fully understand his enthusiasm for subscription, but I think that it would be right now for us to await the comments on the lengthy independent consultants' report, which we have just published, and which goes into the technical and economic feasibility of subscription.

My hon. Friend will, I am sure, take comfort from the fact that British Satellite Broadcasting is this very afternoon signing contracts with the IBA for three satellite channels. I think that the whole House will want to wish the company every success in this exciting new venture. It has already announced that one of the possibilities that it will be looking into is designing home receivers to pave the way for pay-as-you-view television.

Mr. Cryer: Will the Minister assure the House that any changes in financing will not be used for further attacks by the Government on the BBC? In considering financing, will he give the House an assurance that he will seek to remove the anomalies whereby pensioners in warden-serviced accommodation receive free television licences, but other pensioners do not? The House seeks a common low-cost television licence for all pensioners, who deserve at least that advantage from the Government, as they receive no others.

Mr. Renton: I do not believe that there is any politician in the House who does not think at times that he is the subject of unfair attacks by one broadcasting channel or another. We have looked into the question of concessionary television licences, and we have expanded them to include the mentally handicapped and the disabled. We took these steps to improve the system that was introduced by the last Labour Government. At the moment, we see no way of improving it further.

Police and Criminal Evidence Act

10. **Mr. John Townend** asked the Secretary of State for the Home Department if he will give an estimate of the additional man hours required to deal with the extra paperwork and administration resulting from the Police and Criminal Evidence Act; and if he will estimate the effect on the number of policemen on the beat.

Mr. Hurd: The first estimate cannot be given because we do not know how much time the police spent on record-keeping before the Act came into force. In many cases where the Act imposes a statutory requirement the police were already keeping records in order to avoid arguments and get convictions. In other cases, new recording requirements act as necessary safeguards on the exercise of additional police powers. How many police officers are available for beat patrolling in any area at a particular time obviously depends on many factors and no one could estimate reliably the effect of any one of them.

Mr. Townend: I thank my right hon. Friend for his reply. At a meeting with local Members of Parliament the chief constable of Humberside said that the requirement to take a verbatim record of all statements was taking up a considerable amount of additional time, that it was putting pressure on police manpower and that it was also making it more difficult to get at the truth, because the cross-questioning of suspects became slower and more tedious, those who were prone to lie had more time to think about what they were saying and therefore it was more difficult to catch them out.

Mr. Hurd: I know of that point, but it is also a fact that in London and Greater Manchester the police forces had already moved to the taking of something like contemporaneous notes, because they had found that, unless they did that, what went on in a police station was afterwards challenged and they were not securing convictions. That was the reasoning that lay behind that provision in the Act. Tape recording is the answer, and as we introduce it steadily throughout the country, as we are doing, it will solve that problem.

Sir Eldon Griffiths: As my right hon. Friend's officials have been unable to provide him with any estimates, why does he not examine the report of Her Majesty's Chief Inspector of Constabulary? His estimate is that 2,400 man years and £45 million of additional expenditure were required to do the training for the introduction of the Police and Criminal Evidence Act and that there has been a significant reduction in arrests and clear-ups, which the Chief Inspector of Constabulary thinks must be connected with the Police and Criminal Evidence Act. I support the Police and Criminal Evidence Act, but when he considers police manpower I hope that my right hon. Friend will take into account the problems that this legislation has created.

Mr. Hurd: Of course I have read the report of Her Majesty's Chief Inspector. It showed that there was a considerable once-for-all training burden on the police. In some rural areas, the need for custody sergeants produces a demand for manpower that I regard as legitimate. I do

not accept that record-keeping in police stations is unnecessary. My hon. Friend will have noticed with pleasure that the clear-up rate after the dip last year has begun to improve. It was 5 per cent. up in the first quarter of this year, compared with the first quarter of last year.

Mr. Corbett: As the Home Secretary does not know how much extra work the Police and Criminal Evidence Act has produced, will he undertake to make inquiries of the police to find out? Does he not recall the Opposition warning predicting that, instead of setting out the responsibilities of the citizen and the powers of the police, the Act would turn into no more than a bureaucratic nightmare?

Mr. Hurd: I do not know how the hon. Gentleman can say that when, day after day and night after night, we faced detailed Opposition amendments to increase the paperwork, to increase the bureaucracy and to load on to the police burdens which their representatives and we decided were quite unreasonable. The general election has given the hon. Gentleman amnesia.

Police (Pensions)

11. **Mr. Stern** asked the Secretary of State for the Home Department if he has any plans to improve the pensions of police widows in cases where such pensions are already in payment.

Mr. Douglas Hogg: In common with all state and public service pensions, police widows' pensions were increased by 2·1 per cent. from 6 April; a further cost of living increase will be due next April.

Mr. Stern: May I gently remind my hon. Friend of the police claim that reserved widows' pensions could not be met because my hon. Friend was fearful of setting a precedent by increasing a pension that was already in payment? I draw his attention to the fact that such increases are now becoming increasingly common in the commercial sector. I hope that he will look again at this matter from the point of view that the public service should not lag behind what is becoming increasingly good practice elsewhere.

Mr. Hogg: I am afraid that I cannot encourage my hon. Friend. My right hon. Friend the Home Secretary was very sympathetic, but I am afraid that it was not possible to agree increases of the kind that were suggested. There were essentially two reasons for that. First, to do so would breach a long-standing convention that public sector pensions should not be enhanced retrospectively. Secondly, because there were other groups in comparable situations, the cost of making the concession would be very great indeed.

Data Protection Act

12. **Mr. Kirkwood** asked the Secretary of State for the Home Department when he expects to produce the regulations necessary to give effect to the Data Protection Act; and if he will make a statement.

Mr. Renton: We intend to lay the necessary orders immediately Parliament returns after the summer recess.

Mr. Kirkwood: Does the Minister not accept that that leaves a very short time for the people who are expected to implement these regulations in November, when the Data Protection Act 1984 provisions take effect? Is he aware that the chairman of the British Medical Association consultants' committee is saying that it might cost as much as £30 for an access fee for people to get access to their medical records? Will he assure the House that the fee levels set by the regulations will not prohibit people from having access to their records because of financial constraints?

Mr. Renton: I do not agree with the hon. Gentleman's first contention. The orders will be laid around about 20 October and there will be plenty of time for them to be debated in the House before they come into force on 11 November. With regard to the hon. Gentleman's question about the fee, my right hon. Friend the Home Secretary told the hon. Member for Leyton (Mr. Cohen) in a written answer on 1 July that we would be announcing the level of the fee very shortly.

PRIME MINISTER

Engagements

Q1. **Mr. Franks** asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, before departing for Washington this evening.

Mr. Franks: May I draw the Prime Minister's attention to the latest unemployment figures released today, which show that for the 12th consecutive month the number of people unemployed is dropping? Is it not the case that in relation to the north-west, which shows the second largest drop, in a free and open economy at last the north is showing what it is capable of doing?

The Prime Minister: Yes, I join my hon. Friend in welcoming that latest reduction in unemployment, which is the 12th successive reduction. The north-west is one of the areas that are reducing the level of unemployment fastest. The north-west is also doing very well under this Government's policies of faster growth, privatisation and Trident, which is being built in my hon. Friend's constituency. It is also benefiting from an excellent new hospital in Furness. The north-west is doing very well.

Mr. Kinnock: The Prime Minister said that she would not support any proposals to impose VAT on food, gas or electricity. Why can she not bring herself to give exactly the same precise undertaking on children's clothing and children's shoes?

The Prime Minister: I made it very clear during the election precisely what undertakings I would give. I also made it very clear that although there were certain people in the House, particularly right hon. and hon. Members on the Opposition Benches who wish to constrain the Chancellor of the Exchequer, it is not part of my duty to constrain him in his annual Budget. That takes place only once a year, unlike what happened under the previous Labour Government, when Budgets took place frequently.

Mr. Kinnock: I am sorry, but on the subject of children's clothing and shoes the Prime Minister was anything but clear during the general election. Why does

she not say now, in exactly the precise terms that she has used when referring to other items, that she would not have such a proposal coming before the House? Or would she, like the Paymaster General, suggest that such proposals would be vetoed? That is precisely what the Paymaster General said this morning.

The Prime Minister: I have already answered the right hon. Gentleman. He will go on raising scares and we will be able to point out how, on a day when the unemployment figures were down, he tried to raise another scare. *[Interruption.]* Of course he did.

With regard to the veto, I think the right hon. Gentleman is referring to proposals that have come forward through the European Commission. They are not out in detail, but, as he knows, partly due to our very vigorous fight on the Single European Act, any tax changes can be made only by a unanimous vote. Not only would this Government vote against Lord Cockfield's proposal, but a number of our European partners would do so as well.

Mr. Kinnock: The problem is the move to impose VAT on what are currently zero rated items of considerable importance to the family budget. Does the right hon. Lady agree with the words of the Paymaster General that the Government would

"in fact veto VAT on food, fuel, children's clothing and shoes"

Yes or no?

The Prime Minister: My hon. Friend the Paymaster General specifically confirmed what I said during the general election campaign, and that was his precise purpose. I am well aware of the words that he used. I am amazed that the right hon. Gentleman does not welcome the fall in unemployment.

Sir Ian Lloyd: My right hon. Friend's chief scientific advisers will doubtless have drawn her attention to the immense significance of the facts reported recently by our embassy in Tokyo, that the Japanese are marketing a 1 megabit semiconductor, are about to market a 4 megabit semi conductor, are designing a 16 megabit semi-conductor and are reaching out to 64. As the issue has now moved into the public domain with the publication in the United States of the defence science task force report on semiconductor dependency, will my right hon. Friend seek to place this issue on the agenda for her discussions with the President of the United States so that the joint response in the West — the Alvey programme and American efforts—can be co-ordinated?

The Prime Minister: I must confess to my hon. Friend that I do not think that that issue will be at the top of my agenda for this visit to the United States, which will be a short one. Other matters will be at the top. My hon. Friend is well aware of the substantial research and development budget that is paid for by the taxpayer, and I know that he is anxious to encourage more research and development expenditure from the private sector.

Q2. **Mr. Cohen** asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Cohen: Will the Prime Minister reconsider the introduction of a poll tax? Is she aware that in my consituency two adults will pay £1 a week more if it is introduced, that three adults will pay £8 a week more, that four adults will pay £15 a week more and that a single pensioner on supplementary benefit will have to find £1·50 a week more from his pension? For these people and millions of others is it not so much a poll tax as a pole axe?

The Prime Minister: The majority of widows, single people and single parents will pay a good deal less under a community charge. There will be an 80 per cent. rebate and an addition to supplementary benefit to help people pay. Those who will suffer most are those who are suffering most now under the rating system in areas where there are high-spending Labour councils, or those who are living in the London area.

York

Q3. **Mr. Gregory** asked the Prime Minister when she next intends to make an official visit to York.

The Prime Minister: I have at present no plans to do so.

Mr. Gregory: While the citizens of York will be disappointed that my right hon. Friend has not yet decided on a date for a return visit, may I ask her to comment on the possibility of further profit-related pay, bearing in mind that in York and the rest of the country about 21,000 companies have decided already to obtain information from the Inland Revenue on how they can implement profit-related pay?

The Prime Minister: I believe that the innovations of my right hon. Friend the Chancellor of the Exchequer in the Finance Bill have been widely welcomed. As my hon. Friend has said, many companies are making inquiries about profit-related pay, realising that their work people could benefit substantially if they introduced the system. I hope that advantage will be taken of it.

Mr. Nellist *rose*——

Mr. Speaker: Does the supplementary question of the hon. Member for Coventry, South-East (Mr. Nellist) relate to York?

Mr. Nellist: Yes, Mr. Speaker. Had the Prime Minister been making a trip to York, would she have taken the opportunity to explain to low-paid workers there and in other cities how it is that she has now withdrawn her opposition to a 20 per cent. rise in hon. Members' salaries that will take them from £370 a week to £450, while she maintains her opposition to the claim of hundreds of thousands of low-paid Government workers whose average take-home pay is only £3 a week more than the rise that she is prepared to accept for Members of Parliament?

The Prime Minister: The hon. Gentleman does not seem to be getting universal support from all those who heard his question.

Mr. David Shaw: As I returned from the United States last weekend I was wondering whether my right hon. Friend——

Mr. Speaker: Order. Did the hon. Gentleman return via York?

Engagements

Q4. **Mr. Andrew F. Bennett** asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Bennett: Will the Prime Minister confirm that some families on supplementary benefit will be worse off as a result of the introduction of the poll tax, which replaces rates and water charges?

The Prime Minister: Because the amount that will be added to supplementary benefit or family income support is an average amount, some will be worse off and some will be considerably better off. That is inevitable in an average —some worse, some better.

Sir John Farr: Will my right hon. Friend accept the congratulations of the House on the splendid unemployment figures announced today—*[Interruption.]*—which have already been referred to? However, will she also consult her colleagues as to the ways in which job creation can be improved in our manufacturing industries? New jobs are very important, but we also want to make a big impact in creating more new jobs in manufacturing industry.

The Prime Minister: I am grateful for my hon. Friend's remarks. Most of the new jobs are coming from economic growth, thanks to the policies of my right hon. Friend the Chancellor of the Exchequer. They are proving extremely good. Manufacturing industry is highly competitive. Its productivity is going up and investment is good. We get more jobs in manufacturing and in small businesses only by turning out goods at prices and with designs that people will buy, and by having highly competitive and efficient industries. Our policies are producing that.

Rev. Martin Smyth: Has the Prime Minister had time to consider the reply given by the Leader of the House to my hon. Friend the Member for Upper Bann (Mr. McCusker) last Thursday? If so, could she make a statement and, particularly, could she confirm that there is forensic evidence to suggest that the same weapon has been used, allegedly, in Loyalist and Republican paramilitary terrorism?

The Prime Minister: I do not think that it is for me to say anything about that kind of evidence. It is not within my responsibility.

Mr. Higgins: Does my right hon. Friend agree that the VAT structure, introduced when we abolished purchase tax and selective employment tax with a single positive rate and zero rating for essential items is better than anything else in Europe, and that if we are to harmonise at all it should be on our basis? As I steered the original legislation through the House, with some advice at official level from a Mr. Cockfield, does my right hon. Friend agree with me that the abolition of zero rating would not be acceptable to the House?

The Prime Minister: We have made that clear. We must be able to determine our own structure of VAT. A number of other countries also take the view that they must be free to determine their own structure, and they are just as much against the proposal as we are. The possibility of this going through is negligible.

Q5. **Mr. Redmond** asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Redman: Will the Prime Minister explain why families who look after elderly parents, thus saving the state money, in line with the Victorian values that the Prime Minister supports, should be penalised by the poll tax?

The Prime Minister: As the hon. Member is aware, the poorest will be protected—*[Interruption.]* Oh, yes. The poorest will be protected by an 80 per cent. rebate and by an addition to supplementary benefit to enable them to pay the remaining 20 per cent. We believe that rates are levied on far too narrow a base. They are a grossly unfair tax. We believe that the services that are provided by local authorities are provided on a personal basis and that all people, save the poorest, should make a contribution to them. Most people accept that.

Q6. **Mr. Stanbrook** asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Stanbrook: Although we should retain local control over the rates of VAT and, indeed, on whether something should be VAT rated at all, does my right hon. Friend agree that the ultimate objective of the EEC Commission — the free internal market — is highly desirable and was probably the big prize that we expected to gain when we joined the Common Market?

The Prime Minister: Yes, the completion of the internal market is extremely important. There is a great deal to do in standardising and getting safety regulations across the Common Market with things such as television, electrical goods and services, which would genuinely enable us to get a full and complete internal market. We have never accepted the view that we need approximation of taxation to complete the internal market and we do not accept it now.

Mr. Steel: Does the Prime Minister recall the statement in the Government White Paper on the privatisation of British Airways, where the Government's objective was said to be the creation of a multi-choice system of airlines? Does that not sound a bit hollow in the light of today's takeover?

The Prime Minister: As the right hon. Gentleman will be aware, there is a private notice question on the matter later, which will be answered by my right hon. and learned Friend the Chancellor of the Duchy of Lancaster.

British Airways/British Caledonian (Merger)

3.31 pm

Mr. Tony Blair (Sedgefield) *(by private notice)* asked the Chancellor of the Duchy of Lancaster what advice he has received from the Director General of Fair Trading regarding a reference to the Monopolies and Mergers Commission of the proposed merger of British Airways and British Caledonian Airways.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): None, Sir. The offer was announced only this morning. The Director General of Fair Trading will advise my right hon. and noble Friend the Secretary of State on the question of a reference to the Monopolies and Mergers Commission as soon as reasonably practicable.

Mr. Blair: Will the right hon. and learned Gentleman confirm that the proposed merger unquestionably satisfies the criteria for investigation by the commission and that he can impose the time limit that he wants? Is he aware that the first the unions knew of this merger was hearing about it on their car radios this morning on their way to a meeting called late last night? What guarantees will he give on job losses in this industry and the other industries that depend upon it?

Most important of all, what has happened to the Government's policy of efficiency through competition? Is it not right that, in 1984, the Civil Aviation Authority specifically called for a multi-airline industry and warned that

"otherwise this country might willy nilly find itself with one privately owned but less than efficient monolith at the end of the day"?

Is he also aware that, in their response to that, the Government specifically agreed with the CAA and said that there must be a multi-airline industry? Is he further aware that, as late as April this year, the Secretary of State for Transport said that the Government were committed "to a sound and competitive multi-airline industry"?

Is it not a conspicuous irony that after years of public ownership, when merger was resisted and competition promoted, privatisation should within months lead to merger embraced and competition stifled? What will be the protection for consumers in this private monopoly? Is it not the case that, as with British Telecom, faced with a choice between private profit and the public's rights as consumers, the Government choose private profit every time?

Mr. Clarke: None of that follows from the present position or from my answer to the hon. Gentleman's question. The legal position is that the Director General of Fair Trading has a duty to advise my right hon. and noble Friend the Secretary of State whether this matter should be referred to the Monopolies and Mergers Commission. That is the strict position and we must wait for that advice. It would be improper for me at this stage, before we have that advice, to give my opinion as to whether it satisfies the criteria for a reference. We must wait and see.

I am sure that the unions, in common with the rest of the public, heard about this proposed offer this morning. The correct steps for the trade unions or anyone else interested is to make representations to the director general as quickly as possible, who will, as quickly as possible, give his reaction to them. He will then give his opinion and advice to my right hon. and noble Friend the Secretary of State for Trade and Industry. Something to which the director general will obviously address himself is the effect of this proposed merger upon the competitive position in the airline industry. That is one of the matters upon which we now await his opinion. As the law provides, we must wait for that opinion.

I believe that the hon. Member is getting very hot under the collar and jumping the gun. We will have the advice of the director general as soon as he can reasonably provide it. Then my right hon. and noble Friend will decide whether to refer this offer to the Monopolies and Mergers Commission.

Mr. Nicholas Soames (Crawley): Will my right hon. and learned Friend take it from me that I believe that a decision to refer this offer would be a mistake and against the interests of British aviation? However, will he assure me that, whatever decisions are taken, they are taken speedily so that the many thousands of my constituents who work not only for British Caledonian but for British Airways may take advantage of the splendid opportunity that this merger represents?

Mr. Clarke: No decisions will be taken by the Government until we have the advice of the Director General of Fair Trading. My hon. Friend's submission is the type of submission that should now be made to the director general so that he can give his advice to the Secretary of State as quickly as possible and as quickly as practicable in this rather complex case.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): How on earth can the Minister square what he has said with the 1984 Government White Paper? The hon. Member for Sedgefield (Mr. Blair) quoted part of that White Paper, but the full quotation reads that the Government's objective was

"to encourage a sound and competitive multi-airline industry with a variety of airlines of different characteristics"

Surely the proposed merger is inconsistent with that statement. Indeed, that statement was repeated in the prospectus for the British Airways privatisation.

Mr. Clarke: It was a sound policy in 1984 and it may be that—*[Interruption.]*—and it may be a sound policy now. The fact is that an offer has been made by British Airways upon which we have taken no decisions and have given no reaction. It is being assumed that a decision has been taken about whether or not to refer this merger. That is not so. That decision cannot be taken by the Secretary of State until he has the advice of the Director General of Fair Trading. Therefore, all that is happening is that hon. Members are beginning to ask hypothetical questions about events which may or may not arise when my right hon. and noble Friend is in a position to make a decision.

Mr. Michael Grylls (Surrey, North-West): If the Government have to consider this case later on, will my right hon. and learned Friend bear in mind that British Airways is not all that large in international terms? It has to compete with sizeable airlines overseas, many of which are much bigger than British Airways. Although we want to see as much competition as possible in Britain, probably on the domestic routes, an airline must be large to compete

overseas. Perhaps British Caledonian is not big enough to compete on the international routes and that may be a very good reason for allowing this merger to go ahead. Presumably those factors will be taken into account.

Mr. Clarke: My hon. Friend's arguments are extremely relevant. It is obvious that there will be a variety of opinions and submissions on this matter. Those opinions and submissions are best made, at this stage, to the Director General of Fair Trading. He will give his advice upon a bid by one private company to suggest a merger with another private company. My right hon. Friend the Secretary of State will take his decision about whether to refer this proposed merger to the Monopolies and Mergers Commission when he has had a chance to reflect upon the advice of the director general, who will listen to all the competing arguments. That is the only stage we have reached to date.

Mr. Doug Hoyle (Warrington, North): Does the Minister agree that the chaotic and anarchic situation in the industry is entirely due to the Government and the United States Government pressing for deregulation? That has led to the formation of mega airlines in the United States, six of which are bigger than British Airways. Does the Minister also agree that it is very bad industrial relations practice to announce this proposal on the same day that the unions got to know about it at 9.30 am? Surely the Minister cannot dodge his responsibilities by trying to skirt around that. Does the Minister also agree that, whatever happens, if the merger is referred, an early decision should be made because many jobs in the industry are at stake?

Mr. Clarke: It sounds as though the director general will hear some conflicting opinions from Opposition as well as Conservative Members. The hon. Member for Sedgefield (Mr. Blair) sounded fairly passionate on the subject of competition. It is my opinion that deregulation and increased competition on the transatlantic routes in particular have been of great benefit to the industry, especially its passengers. This exchange is already revealing that this is a complex issue which ought to be dealt with, as it has to be dealt with by law, by the proper process of waiting for the advice of the Director General of Fair Trading. I suggest that hon. Members make their representations to the director general, stop getting so excited on the first day we have heard that the bid has been made and wait in due course for a considered decision by my right hon. and noble Friend the Secretary of State when he has the director general's advice on the public interest involved in this matter.

Mr. Anthony Steen (South Hams): Can my right hon. and learned Friend say whether the Government were also caught by surprise this morning or whether discussions were going on behind the scenes? Will he say one other thing to the director general when the time comes? Will he say that, if this merger goes ahead, some 90 per cent. of all airline licences will be in the hands of one company, that it will have further licences which belong to airlines in which it has an interest and that, therefore, the death knell will soon be heard for the future of independent airlines?

Mr. Clarke: We have known within the Government about the possibility of this bid for about a week, but obviously we could not reveal that fact until the merger was announced at 8 o'clock this morning. That has enabled all these representations, including my hon. Friend's, to be made to the director general. He will weigh up all the competing considerations which have already been tumbling out within a few hours of the news going public. It will take perhaps a few weeks before he comes back with his advice to my right hon. and noble Friend the Secretary of State.

Mr. Alex Salmond (Banff and Buchan): I am interested in the right hon. and learned Gentleman's concept of the Government having no policy. Can he tell us exactly when the Government started to have no policy on competition in the airline industry and, when they last had a policy, what it was?

Mr. Clarke: I said nothing of the kind — [HON. MEMBERS: "Answer."] If I got up at the Dispatch Box and began, on the Government's behalf, to give instructions to the director general about what his opinion should be on this bid which he is now considering, the whole House would rightly be outraged. It is now the statutory duty of the director general to consider this bid. My right hon. and noble Friend the Secretary of State has no power to decide whether to refer this matter to the Monopolies and Mergers Commission until he has the director general's opinion. Certain sections of the House have reacted to what has been said in this moring's newspapers or on the radio and are already sounding off about a complex takeover bid which we have to consider in the correct way, which is the way laid down by statute. It would be improper for me to anticipate what my right hon. and noble Friend's decision might be.

Mr. John Wilkinson (Ruislip-Northwood): Does my right hon. and learned Friend agree that this worrying episode makes it absolutely clear that there is a need for harmonised company law within Europe and deregulation in air transport to allow the emergence of transnational airlines? As that is not the case, will my right hon. and learned Friend make it clear that a policy will be instituted which will permit genuine competition, at least on the domestic side, or the scheduled domestic carriers will soon be gobbled up?

Mr. Clarke: My hon. Friend raises interesting points about transport and airline policy on which I am tempted to comment, but I suggest that he take the first suitable opportunity to raise them in the House with my right hon. Friend the Secretary of State for Transport, who takes a proper interest in this matter and, I think, shares many of my hon. Friend's views.

Business of the House

3.43 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): The business for next week will be as follows:

MONDAY 20 JULY—Remaining stages of the Finance Bill.

Motion on the Rate Support Grant (Scotland) (No. 2) Order.

Motions on the Rate Reduction (Lothian Region) 1987-88 Report and the Rate Reduction (City of Edinburgh District) 1987-88 Report.

TUESDAY 21 JULY—Motion on the Channel Tunnel Bill (Procedure).

Consideration of Lords amendments to the Channel Tunnel Bill.

Motions on Ministerial salaries and Members' pay and allowance.

WEDNESDAY 22 JULY—Motions on the Pensioners' Lump Sum Payments Order and the Supplementary Benefit (Requirements and Resources) Amendment Regulations.

Afterwards motion on the Hovercraft (Civil Liability) (Amendment) Order.

Followed by Motion on EC documents relating to research and development in telecommunications. Details of the EC documents concerned will be given in the *Official Report*.

THURSDAY 23 JULY—Motions on Northern Ireland orders relating to water fluoridation, charities, latent damage and enduring powers of attorney. Details will be given in the *Official Report*.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

FRIDAY 24 JULY—Debates on the motion for the Adjournment.

[Debate on Wednesday 22 July
Relevant European documents:
(a) 5876/85 + ADD 1
Research and Development in Advanced Communications Technologies for Europe ("RACE")
(b) 10277/86
Relevant reports of European Legislation Committee:
(a) HC 5-xxi (1984-85) para 6 and
HC 5-xxx (1984-85) para 6
(b) HC 21-xxix (1985-86) para 3

Thursday 23 July:
Water (Fluoridation) (Northern Ireland) Order 1987
Charities (Northern Ireland) Order 1987
Limitation (Amendment) (Northern Ireland) Order 1987
Enduring Powers of Attorney (Northern Ireland) Order 1987
Enduring Powers of Attorney (Northern Ireland Consequential Amendment) Order 1987]

Mr. Kinnock: I thank the right hon. Gentleman for his statement.

Before we rise for the recess may we have a debate on the Government's non-interventionist economic policy, with particular reference to the complete absence of Government responsibility for change when unemployment goes up by millions and the claim that credit is due to them when unemployment goes down by thousands?

In view of the fact that we shall probably rise before the Government have reached a decision on references with regard to the merger between British Airways and British Caledonian Airways, could we also have a further statement next week about the Government's attitude to references relating to the merger, so that we do not go into recess without a more precise definition of the Government's attitude than we have been able to obtain this afternoon?

Could we have a statement next week on the future of the European collaborative programme on advanced communications technologies? Will the Leader of the House ensure that, in such a statement, the Secretary of State for Trade and Industry explains the Government's reasons for delaying the announcement of funding for information technology—the Alvey programme?

Before the House rises could the Leader of the House make arrangements for statements to be made by the Secretaries of State for Scotland and for the Environment, which will give the former an opportunity to explain why the Government took the phasing-in of poll tax out of their legislation for Scotland earlier this year, and give the Secretary of State for the Environment the opportunity to explain why the Government want to put phasing into the English and Welsh legislation, whenever that appears? I am certain that that slight lack of consistency will have occurred already to the Leader of the House, if not to the Prime Minister.

Given that the Government's own advisers, the Social Security Advisory Committee, and many other bodies, cannot support the Government's proposals for the social fund under the social security legislation, will the Leader of the House also arrange next week for a statement, before we rise for the recess, from the Secretary of State for Social Services, to tell the House how he intends to modify his proposals in the light of the criticisms from the Government's own advisory body and many other professional and involved bodies?

May I repeat my request of last week that reports of Her Majesty's inspectors of schools be published before the House rises? Will the Leader of the House give us an assurance, in view of the possibility of those reports being published, that time will be allowed next week for the Secretary of State for Education and Science to make a statement on the findings of those reports?

Finally, will the Leader of the House confirm that the Government have now agreed that there should be a Scottish Minister on the Standing Committee considering the Local Government Bill, in recognition of the considerable significance that that Bill has for Scotland and the people of Scotland?

Mr. Wakeham: The right hon. Gentleman has raised eight points. He wanted a debate on economic policy. I cannot promise a specific debate next week, but I would have thought that, with a certain amount of ingenuity, some of the points that he raised could well be dealt with on Third Reading of the Finance Bill on Monday.

I shall refer the matter of whether it would be appropriate to make a further statement on British Airways to my right hon. and noble Friend the Secretary of State for Trade and Industry. I shall also refer the right hon. Gentleman's point about advance technology to my

right hon. and noble Friend. It seems to me that the debate on Wednesday night might well cover some of the aspects of that.

The right hon. Gentleman asked me whether I could arrange for a statement on what he sees as a difference in policy between the community charge as enacted for Scotland in the last Parliament and what he believes to be the view of the Department of the Environment now. All that I would say to the right hon. Gentleman is that I would not necessarily believe everything that I read in the newspapers. I shall refer his points to my right hon. Friends. The right hon. Gentleman asked about the DHSS and the social fund. I shall refer those matters to my right hon. Friend the Secretary of State for Social Services. The right hon. Gentleman asked me about the reports on schools by Her Majesty's Inspectorate. I can give him the undertaking that they will be published before the House rises next week. I shall refer the question about what statements should be made to my right hon. Friend the Secretary of State for Education and Science.

The right hon. Gentleman asked about Scottish Ministers. Following the points of order that were raised last week, I undertook to have the question of a Scottish Minister being appointed to this Local Government Bill Committee discussed through the usual channels. In the light of these discussions, I have agreed that my hon. Friend the Parliamentary Under-Secretary of State for Scotland, my hon. Friend the Member for Edinburgh, West (Lord James Douglas-Hamilton), should be a Member of the Committee to deal specifically with Scottish aspects of the legislation. As I told the House last week, there are of course, ample precedents for Committees on Bills relating to Scotland not having a Scottish Minister as a member. While I have acceded to the Opposition's request in this case, my agreement is without prejudice to the composition of any other Standing Committee that may be set up in future.

Mr. Michael Latham (Rutland and Melton): Will my right hon. Friend take this parliamentary opportunity to deny categorically on behalf of the Government the report in *The Independent* this morning that a nuclear weapons test took place at North Luffenham in 1974 using radioactive material with a half-life of 25 years? Will he confirm that any such test would have involved a low-level material with a life of three to four months as described yesterday by the Under-Secretary of State for the Armed Forces?

Mr. Wakeham: I have been in touch with my hon. Friend the Under-Secretary of State for the Armed Forces and I can confirm that no such material was used and that the allegations in the article in *The Independent* to which my hon. Friend refers are completely untrue.

Mr. Bob Cryer (Bradford, South): As a matter of urgency, will the Minister arrange for a statement, and preferably a debate, next week about the European Commission's decision to harmonise value added tax? The Leader of the House will be aware that the Prime Minister appointed Lord Cockfield, a former Secretary of State for Trade and Industry in her Cabinet, for the prime purpose of harmonising the internal market, of which harmonising VAT and excise duties is a vital part. The Prime Minister has not given any assurance about using the veto against VAT increases on clothing, books and newspapers. A debate or at the very least a statement is important so that we can pinpoint the areas in which the Government will use the veto. A deal should not be stitched up after the House rises on Friday of next week so that when we come back the whole thing has been shuffled off between the Prime Minister and Lord Cockfield.

Mr. Wakeham: I cannot add anything to what my right hon. Friend the Prime Minister said on the substance of the matter. I regret that I cannot find time next week for a debate on the matter.

Sir David Price (Eastleigh): Is it my right hon. Friend's intention that the departmental Select Committees should be re-established before the House rises for the summer recess; and if not, why not?

Mr. Wakeham: I recognise that my hon. Friend and other hon. Members, including my right hon. Friend the Member for Worthing (Mr. Higgins), are anxious that these Committees should be set up promptly. However, necessary preliminaries, including membership, have to be agreed first. The House appreciate that Select Committees proceed best with all-party agreement, and we should not lightly depart from that basis. We hope to make progress on further Select Committees later today.

Mr. David Alton (Liverpool, Mossley Hill): Does the Leader of the House agree that the four Northern Ireland orders which are unamendable and which the House will consider on Thursday are exactly the sort of orders that ought to be referred to the Northern Ireland Committee under Standing Order No. 99? Has he been able to find time to consider the representations I made to him about this matter? Does he accept that the decision not to re-establish the Select Committees before the summer recess is entirely that of the Government?

Mr. Wakeham: As to the second part of the hon. Gentleman's question, the decision was made by the Government, but it was done to seek all-party support for the Select Committees, which is the best way to proceed. I know that the hon. Gentleman is interested in making further use of the Northern Ireland Committee under our Standing Orders, as are other hon. Members, and I am willing to consider that.

Mr. Ian Gow (Eastbourne): Will my right hon. Friend reconsider his last answer? Does he think that the present procedures for dealing with proposed Northern Ireland legislation are satisfactory? Does he think it right that we should not be able to amend the greater part of the Northern Ireland legislation that comes before the House? Will he give further consideration to that point?

Mr. Wakeham: I am happy to confirm that I did not say that I would do other than consider those matters.

Mr. James Molyneaux (Lagan Valley): As to Thursday's business, is it not an affront that the House should be expected virtually to rubber stamp Orders in Council for Northern Ireland without any opportunity to amend? Is the Leader of the House prepared to give an assurance that he will seek to remedy that position before we return after the recess?

Mr. Wakeham: I appreciate the right hon. Gentleman's concern about the inadequacy, as he sees it, of the manner in which Northern Ireland business is dealt with in the House. I am happy to talk to him about that to see what can be done, but I cannot give him an undertaking that an agreement can be reached.

Sir Peter Hordern (Horsham): Will my right hon. Friend accept that the Director General of Fair Trading will be severely handicapped by being unable to study the wise advice that would have come his way about the British Caledonian bid had questions been allowed to continue? Therefore, will he say when he expects to see the director general's report, and will he undertake that in the next Session we shall have a debate on aviation and competition policy in general?

Mr. Wakeham: The length of questions is not a matter for me. The report of the Director General of Fair Trading is made not to me but directly to my right hon. and noble Friend the Secretary of State for Trade and Industry. I have taken note of what my hon. Friend said, and I shall consider it.

Mr. Michael Foot (Blaenau Gwent): Does the right hon. Gentleman think that the latest developments concerning the Peter Wright memoirs intensify the dangers of an infringement of the freedom of the press in this country? It would be monstrous for the House to adjourn and leave the matter unresolved. Therefore, if the right hon. Gentleman cannot provide an opportunity for a debate, will he ensure that the Attorney-General makes a statement to the House next week?

Mr. Wakeham: I appreciate that these are important matters, in which the Government have an important interest. The Government are upholding what they consider to be an important principle. I shall refer the right hon. Gentleman's point to my right hon. and learned Friend the Attorney-General.

Mr. Jonathan Aitken (Thanet, South): Does my hon. Friend's announcement of yet another procedure motion on the Channel Tunnel Bill mean that the Government intend to ask their supporters to overthrow this morning's important ruling by the impartial Standing Orders Committee that progress on the Bill should be halted because of the violations of fair play and petitioners' rights? If that is the Government's intention, is this not the most shameful episode in a long history of dubious practices and downright cheating on the Bill with regard to individual petitioners, and does my right hon. Friend understand that there will be ferocious opposition to this alteration of Parliament's will?

Mr. Wakeham: I appreciate that my hon. Friend feels very strongly about this issue, as do a number of right hon. and hon. Gentlemen. I understand that the Standing Orders Committee met this morning and recommended that Standing Orders should not be dispensed with in relation to amendments made to the Bill in another place. In the view of the Government, it is essential that the Bill reaches the statute book before the House rises for the summer recess. Therefore, I propose to invite the House to reconsider the matter.

Mr. Seamus Mallon (Newry and Armagh): The Leader of the House will be aware that, arising out of the Sampson report, Her Majesty's Inspectorate of Constabulary has this week ordered an inquiry into police procedure and organisation in Northern Ireland. In view of that, and as inquests have not yet been held on six people who were shot dead by that same police service in County Armagh in 1982, will the Leader of the House arrange for a debate on this important matter, which some of us may feel is more important than the debate on the fluoridation of water in Northern Ireland, which is scheduled to take place next week? Will he try to ensure that the Sampson-Stalker report is laid before the House for detailed debate and scrutiny because that is the only thing that will dispel the suspicion in relation to this whole sorry incident?

Mr. Wakeham: I am sorry to disappoint the hon. Gentleman, but I cannot promise him a debate next week. However, I will certainly refer the points he has raised to my right hon. Friend the Secretary of State for Northern Ireland.

Mr. John Marshall (Hendon, South): It is now 13 years since Turkish troops invaded Cyprus. In view of the hardship that that has caused, and in view of the interest of the United Kingdom in seeing an early solution to the problem, may we have an early debate on the report of the Select Committee on Foreign Affairs dealing with Cyprus.?

Mr. Wakeham: I realise that it is an important matter and I will refer my hon. Friend's comments to my right hon. and learned Friend the Foreign Secretary. However, I cannot promise a debate next week.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House give further consideration to the reply he gave to my right hon. Friend the Leader of the Opposition in relation to the poll tax? He suggested that we should not believe what we read in the newspapers, but the fact is that we know that Scotland is to be a guinea pig for this tax. Will he bring his right hon. and hon. Friends together to ensure that we are treated equitably in relation to the whole of the United Kingdom? Is it true that the formation of the Select Committee on Scottish Affairs is being held up because of the Government's difficulty in finding sufficient Back Benchers for it?

Mr. Wakeham: I do not have anything to add to what I said to the Leader of the Opposition. It is not true that the only thing holding up the formation of the Select Committee is an insufficient number of Back Benchers.

Mr. Michael Colvin (Romsey and Waterside): My right hon. Friend has received two requests today for further information with regard to the British Caledonian and British Airways proposed merger. He received one from the Leader of the Opposition for a full statement before the House rises for the summer recess, and one from my hon. Friend the Member for Horsham (Sir P. Hordern) for a full debate when the House returns. I do not think that the first suggestion is adequate, and I think that the second suggestion will be too late.

Surely the House requires an adequate opportunity for hon. Members who did not get an opportunity to express a view today, to express it fully before the Secretary of State for Trade and Industry reaches a decision on whether to refer the matter to the Monopolies and Mergers Commission. Will he give consideration to a short debate, even though it may be for only one and a half hours, before the summer recess so that we can make clear to the Secretary of State for Trade and Industry that we do not want the matter to be referred to the Monopolies and Mergers Commission?

Mr. Wakeham: I recognise my hon. Friend's strong views on this matter, but I cannot add anything to what I have already said.

Mrs. Maria Fyfe (Glasgow, Maryhill): Will the Leader of the House enlighten us about the conduct of the

Standing Committee on the Local Government Bill that met for the first time this morning? The Parliamentary Under-Secretary of State for Scotland did attend, but he did not respond to any points made by no fewer than four Scottish Members. We were given an assurance by the Minister for Local Government that Scottish questions would be replied to from time to time as was seen fit, or words to that effect. Does the right hon. Gentleman feel that that is an adequate response to the Scottish aspect of the Bill?

Mr. Wakeham: I do not think that during business questions I should answer detailed questions about proceedings on Standing Committees upstairs. However, I am certain that my right hon. and hon. Friends who represent the Government on that Committee will give adequate and excellent answers to the points raised.

Sir Ian Lloyd (Havant): In the context of my right hon. Friend's reply to my hon. Friend the Member for Eastleigh (Sir D. Price), he will be aware that the Secretary of State for Energy has announced within the past fortnight that he proposes to have major legislation on the denationalisation of the electricity supply industry on the statute book in November. If the Select Committee on Energy is not reappointed, and since it is virtually the major vehicle of inquiry into such matters on behalf of Parliament, we will have a vehicle that is sitting without wheels and tyres until November and the opportunity of examining this major piece of legislation will not exist. Is this not a case of constitutional sack cloth and ashes?

Mr. Wakeham: My hon. Friend courteously wrote to me about these points and I appreciate that. I want to proceed as fast as I can, but I do not believe that I should proceed other than with all-party agreement as to the way we should proceed.

Mr. Terry Davis (Birmingham, Hodge Hill): Has the Leader of the House noticed the publication of the report by the Select Committee on Trade and Industry about the United Kingdom motor components industry? Will he arrange for an urgent debate on the report in view of the apparent decision by Lucas Electrical to sell its automotive division to Fiat Motor company and other Italian companies on a piecemeal basis with a risk of further redundancies in Birmingham and the rest of the west midlands?

Mr. Wakeham: I cannot arrange a debate next week. In any event, it would be better to proceed when the Government have had a chance to study the report and make their response.

Mr. Peter Rost (Erewash): May I press my right hon. Friend further on re-establishing the Select Committees before the summer recess? Will he accept that it is an urgent House of Commons matter since the Select Committees have an obligation to report and work on behalf of the House? Some of them are anxious to get on with some urgent work, particularly the Select Committee on Energy in view of the pending legislation.

Mr. Wakeham: I agree with my hon. Friend. It is a House of Commons matter and that is why I am seeking to proceed as fast as I can, but obtaining agreement from both sides of the House.

Mr. Alistair Darling (Edinburgh, Central): Has the Leader of the House noticed early-day motion 111 which was tabled yesterday and signed by myself and 18 other hon. Members?

[That this House expresses its concern at the announcement that 9,000 staff are to be made redundant by British Rail over the next three years; recognises that British Rail receives a lower level of support both per head of population and as a percentage of gross national product compared with other European railways; in addition, believes that the Government does not sufficiently acknowledge the benefits offered by rail as a national asset; calls on the Government to ensure additional and adequate funding for British Rail; and further calls on British Rail to look carefully at its staffing policies in the light of possible revenue generation.]

Does he recognise that there is concern on both sides of the House that British Rail may be forced, because of the reduction in the amount of grant coming from central Government, to concentrate only on its profit-making services, leaving many thousands, if not millions, of people without a rail service that they can afford either in terms of availability or of the price charged? Does the Leader of the House consider that, given the status of British Rail as a national asset, the House ought to have an opportunity to discuss its future, especially in view of the recently published report of the Select Committee on Transport? We ought to have an opportunity to discuss this before the recess, and I ask that time be made available to debate this important matter next week.

Mr. Wakeham: I should like to be helpful to the hon. Gentleman, but I am afraid that I cannot offer him time next week. I understand that job reductions will affect managerial and clerical support and not jobs giving direct service to rail users. British Rail aims to make the reductions through natural wasteage and internal transfers. Nevertheless, I recognise that it is an important matter, and I shall refer it to my right hon. Friend the Secretary of State for Transport.

Sir Eldon Griffiths (Bury St. Edmunds): In view of the obvious importance of the subject that she will be discussing and of the admirable leadership that she is giving, will the Leader of the House make it possible for the Prime Minister to make a statement to the House next week on her return from Washington?

Mr. Wakeham: I shall refer that matter to my right hon. Friend the Prime Minister. I have no doubt that, if she wants to make a statement, I will make it possible.

Mr. Peter Snape (West Bromwich, East): May I support my hon. Friend the Member for Edinburgh, Central (Mr. Darling) and ask the Leader of the House when he will find time to debate the latest report from the Select Committee on Transport into the Alice-in-Wonderland situation within British Rail? Trains that arrive 10 minutes late are deemed to be on time, fare increases at six monthly intervals are deemed to be adjustments, reductions in PSO grant to the most under-funded railway network in Europe are described as tough but achievable, and the latest round of job losses will apparently include many grades except those of the chairman and members of the British Railways Board, which, together with incompetent Ministers, are responsible for this tragic and absurd situation.

Mr. Wakeham: I regret that I cannot offer the hon. Gentleman time for a debate next week. However, I know that he will use the opportunity on Monday to question the Secretary of State for Transport during transport questions.

Mr. Bowen Wells (Hertford and Stortford): May I press my right hon. Friend the Leader of the House further on the question of the establishment of the Select Committees? He said that he is endeavouring to proceed with the agreement of both sides of the House, which I understand he has. The Chief Whip on the Liberal Benches is indicating his assent, and I understand that the Labour party also wishes to move ahead. May I remind my right hon. Friend that, without the establishment of the Select Committee before we leave this place for the summer, the Clerk's Department will be idle and will be spending a great deal of money? I am sure that that would offend my right hon. Friend's natural inclination to save money or use it effectively.

Mr. Wakeham: I am glad that my hon. Friend accepts that I am doing all that I can to set up the Select Committees. I shall continue to do so as best I can.

Mr. Paul Flynn (Newport, West): When will the House have time to discuss the serious and important evidence presented yesterday by the Committee of Public Accounts, condemning in remarkably candid language mismanagement and financial anarchy involving millions of pounds of taxpayers' money? Is the right hon. Gentleman aware that the Welsh Office is condemned for showing no serious concern about the breakdown of management and control at the National Museum of Wales which has been going on year after year? How can we consider the possibility of giving the Welsh Office greater powers over efficient local authorities in Wales when it has been condemned in that document as being grossly inefficient?

Mr. Wakeham: I am sure that the hon. Gentleman will agree that a debate on these important matters will be the more useful when the Government have had a chance to study the report and to make a response.

Mr. John Townend (Bridlington): As the Member representing the eastern suburbs of the once great port of Hull, may I tell my right hon. Friend that the priority given by the Government to the regeneration of cities such as Hull has been warmly welcomed? Is he aware, however, that the biggest boost to the economy of areas such as Liverpool, Hull and Goole would be provided by abolition of the national dock labour scheme, which has played a significant part in the decline of Hull as a port? Is he aware that abolition would enable Hull and other northern ports to compete with Felixstowe and other non-scheme ports and private ports? Will he discuss legislation on those lines with his colleagues and at least provide time for a debate on a subject on which there is great feeling in the north of England?

Mr. Wakeham: These are very important matters and I will certainly refer them to my right hon. Friend the Secretary of State for Transport.

Dr. Jeremy Bray (Motherwell, South): Will the Leader of the House arrange for the Chancellor of the Duchy to make a statement in the House about the future of information technology research in this country? The right hon. Gentleman is right in saying that it will be possible next Wednesday to discuss research and development in the European Community, but is he aware that the remarks of the Chancellor of the Duchy in Manchester this week mean that there will be no matching programme of United Kingdom research and that we shall lose control of the United Kingdom element in any European programme?

Mr. Wakeham: I will certainly refer the matter to my right hon. and learned Friend the Chancellor of the Duchy. As I understand it, one of the most important aspects is to encourage the amount of private sector resources going into research as the Government are already putting in very substantial sums.

Mr. Michael Fallon (Darlington): Will my right hon. Friend confirm that, whether or not it is decided to phase in the community charge, the introduction of the national non-domestic rate will proceed on schedule as the north stands to gain substantially from rate reductions for business?

Mr. Wakeham: I recognise the validity of my hon. Friend's comments, but I cannot anticipate details of the Bill before it is published.

Mr. Graham Allen (Nottingham, North): Given the difficulty experienced by the usual channels in setting up the departmental Select Committees, will the right hon. Gentleman consider removing any further embarrassment by allowing Back-Bench Members on both sides to elect Members of Select Committees directly, enabling them to be far more independent of Government and shadow Government and thus to carry out their role of scrutiny better than at present?

Mr. Wakeham: The Select Committees are appointed by the Committee of Selection. So far as I know, there are no Ministers or Opposition Front Bench spokesmen on that Committee.

Mr. Spencer Batiste (Elmet): Is my right hon. Friend aware of the concern in industry that the British space plans should be published as early as possible so that the many important projects that are under way can continue with some measure of certainty? Can he make any statement as to when the publication date will be announced?

Mr. Wakeham: I am not in a position to make any announcement, but I will see that my right hon. and noble Friend the Secretary of State for Trade and Industry lets my hon. Friend know as soon as possible.

Mr. Peter Pike (Burnley): In view of the wide public concern about the Government's plans to privatise the water authorities, will the Leader of the House give an assurance that the Select Committee report on pollution of rivers and estuaries will be discussed by the Government and debated by the House before there is any further move towards privatisation?

Mr. Wakeham: I recognise the importance of the report. I cannot undertake here and now to give the hon. Gentleman the assurance that he seeks, but I will look into the matter.

Mr. Eric Forth (Mid-Worcestershire): May I echo the request for an early debate on the membership of Select Committees? In view of the privileged position in which Scotland finds itself in terms of very high public expenditure and of greater per capita expenditure on the

Health Service, does my right hon. Friend agree that there should always be English representation on Committees dealing with Scotland so as to keep an eye on the amount of taxpayers' money going to Scotland from the general Exchequer?

Mr. Wakeham: My hon. Friend makes his point and tempts me to try to organise a debate, but I regret that I must give him the same answer as I gave earlier.

Mr. Dennis Skinner (Bolsover): Is the Leader of the House aware that in the past couple of weeks there have been calls from Tory Members such as those from Bournemouth for a six-day week for miners? Will he arrange a debate on that subject between 24 July and 21 October? I am sure that people in the mining industry will be pleased to fill the public gallery if Members of Parliament are prepared to return to work during their three-month recess. Will the Government also accept a paper to read from Mr. Christopher Benson, chairman of the London Docklands Development Corporation — a man who is supposed to be super-efficient and receives £27,096 per year for working a two-day week — as it may help Tory Members who think that miners should work six days a week while some of those Members are moonlighting all the time?

Mr. Wakeham: If I organised such a debate during that period, I should certainly be here and I imagine that the hon. Member for Bolsover (Mr. Skinner) would be here, but I wonder how many of the hon. Gentleman's hon. Friends would come along. I do not believe that the hon. Gentleman's comments about Mr. Christopher Benson are in any way justified.

Mr. Skinner: It is in *Hansard.*

Mr. Wakeham: That gentleman has done a great deal to turn around the situation in the London docklands and snide remarks of the kind made by the hon. Member for Bolsover are not appreciated.

Mr. Skinner: On a point of order, Mr. Speaker.

Mr. Speaker: No. We often receive answers that we do not like.

Mr. Skinner: The Minister did not give any answer. One of his friends——

Mr. Speaker: Order. I order the hon. Member for Bolsover (Mr. Skinner) to resume his seat.

Mr. William Cash (Stafford): In view of my right hon. Friend the Prime Minister's visit to Washington tomorrow, will my right hon. Friend the Leader of the House consider arranging a debate in the immediate or near future on the dangers of a trade war between this country and the European Community, on the one hand, and Japan and the United States, on the other, as the matter is becoming of ever grave concern?

Mr. Wakeham: Trade matters are very important and we shall have to find opportunities to debate them before too long, but I cannot go any further than that today.

Mr. Bill Michie (Sheffield, Heeley): The Leader of the House has announced that on Tuesday we shall have the opportunity to debate the ludicrously high salary increases proposed for Members of Parliament.Will he give an assurance that in dealing with allowances we can discuss the allowances paid for secretarial and research staff, and so on, as that is far more important than whether Members of Parliament get a rise?

Mr. Wakeham: The hon. Gentleman is absolutely right. Allowances are paid so that Members of Parliament can carry out their work efficiently. Those matters can, of course, be raised in the debate on Tuesday.

Mr. John Wilkinson (Ruislip-Northwood): May I remind my right hon. Friend that the Easter recess came and went and the general election intervened and that if the statement requested by my hon. Friend the Member for Elmet (Mr. Batiste) on the national space plan is not made before the summer recess it will be a grave dereliction of duty on the part of the Government? Does my right hon. Friend agree that the Select Committee on Trade and Industry, whenever it is established, should consider as a matter of urgency the decision-making process in relation to the United Kingdom space plans as there are clear signs that the Government either do not care or do not attach to these matters the priority that they deserve?

Mr. Wakeham: I do not accept what my hon. Friend says. I believe that this is an important matter and I shall certainly refer it to my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Greville Janner (Leicester, West): Is there any prospect of an urgent statement by the Parliamentary Under-Secretary of State for Corporate and Consumer Affairs regarding the measures necessary to protect tourists against blatant exploitation because the law appears to be inadequate? If the Leader of the House would agree to walk through Parliament square, he would find that a vehicle is habitually abusing the law by selling goods at extortionate prices. Both the police and the local authority claim that they have no power to prevent this from happening. Surely the law should be strengthened and measures taken to protect tourists who are so welcome in this city and in this area of it.

Mr. Wakeham: Obviously, I shall refer that to my right hon. Friend, but, as he is answering questions on Tuesday, that seems to be an opportunity for the hon. and learned Gentleman to raise the matter with him directly.

Mr. Alex Salmond (Banff and Buchan): Before the House rises for the recess, will the Leader of the House allow time for a debate and division on the question of the Government's lack of a democratic mandate in the nations of Scotland and Wales? Will he comment on rumours circulating in the House that both Front Benches are united in wanting to avoid a debate and division on this important topic facing the Scottish and Welsh peoples?

Mr. Wakeham: As far as I am aware, this is not a matter on which there is any agreement between the two Front Benches. It seems that the matter has arisen several times since we have returned from the general election and that the hon. Gentleman is most concerned that his view is not finding a great deal of favour.

Mr. Richard Holt (Langbaurgh): Will my right hon. Friend find time for a debate on the coal industry in the light of the comment of the Leader of the Opposition that he is now in favour of a six-day working week for the mining industry?

Mr. Wakeham: I note my hon. Friend's request, but I cannot promise a debate next week.

Summer Adjournment

Mr. Speaker: I remind the House that on the motion for the Adjournment on Friday 24 July up to eight hon. Members may raise with Ministers the subject of their choice. Applications should reach my office by 10 pm on Monday next; a ballot will be held on Tuesday morning and the result made known as soon as possible thereafter.

Prisons

4.22 pm

The Secretary of State for the Home Department (Mr. Douglas Hurd): With permission, Mr. Speaker, I should like to make a statement.

The House has from time to time been warned of the dramatic rise in the prison population. Last Friday that population stood at 51,029, nearly 4,000 more than a year ago and over 9,300 above the certified normal accommodation, which is the uncrowded capacity of the prison system. Six hundred and forty-eight of those prisoners were being held in wholly unsuitable conditions in police cells, so diverting police officers from operational duties.

The main reason for the latest growth in the population is the substantial increase in the number of offenders being dealt with by the Crown court and an increase in the average length of custodial sentences passed by the Crown court. Moreover, despite our efforts to reduce court delays, the number of prisoners held on remand has increased by about a further 1,000 over the last year to 11,000.

Those who commit serious offences should receive severe sentences. The Government have legislated to increase the sentencing powers of the courts where necessary, and the courts in their decisions have reflected public concern by passing longer sentences, for example, for rape and armed robbery. At the same time, we have made clear, most recently in our election manifesto, the need to strike a balance between tough sentences for those who pose a threat to society and lesser sentences for those who pose no such threat. Hence the emphasis which we have placed on tough and challenging alternatives to custody, to which the courts have responded with a substantial increase in the proportionate use of community service orders.

Sentencing decisions are for the courts, and the responsibility of the Government is to make sure that the decisions of the courts are not frustrated by a lack of prison accommodation. Prisons have to be places with the right levels of security in which prisoners can live, and prison staff can work, in tolerable conditions. The problem of overcrowding, and what it means in practice, is well known to any hon. Member who has visited one of our local prisons. We have 5,000 prisoners crammed three to a cell designed for one. A further 14,000 are doubled up. Virtually all these people are in their cells for most of the day, relying on pots and periodic slopping out for sanitation. Such overcrowded prisons are hard to control and, I would argue, more likely to result in re-offending.

This Government have invested record sums in the prison service. Expenditure on the service has increased by 34 per cent. in real terms since 1979 and the capital budget has more than doubled. The building programme already known to the House involves the opening of 20 new prisons as well as the refurbishment of existing prisons, and this will have delivered a total of 17,500 more prison places by 1995. The programme has been expanded in each of the last two public expenditure rounds. Immediately, the programme will produce some 3,000 new places in the 12 months from September. We are making every effort to maximise the use of the existing prison estate and I should like to pay tribute to the efforts of the prison service in doing so. They are hard pressed and they deserve our

thanks. However, in recent months the rise in the population has outstripped the supply of new places, as I warned in the debate on the Loyal Address and the gap between supply and demand looks set to grow wider still. The report by Sir James Hennessy on last year's prison disturbances, which I am publishing today, reminds us all of the delicate balance between order and disorder in our prisons.

Further action now is essential. That action must be enough to deal with the immediate problem and to prevent it from recurring. We must also preserve the momentum of our restructuring of working practices under the fresh start initiative.

I have therefore taken the following decisions. First, immediate steps are being authorised to secure the opening on a temporary basis of a camp for prisoners — Rollestone in Wiltshire — which will hold 360 inmates. This will be managed and staffed by prison service personnel. I shall keep the need for further camps or other additional temporary accommodation under close review.

Secondly, we shall also need a substantial expansion and acceleration of our plans to provide more prison places in the long term. We propose to set this in hand and I shall make a further announcement in due course.

Thirdly, I am sure that the skills and knowledge of the private sector have a bigger part to play in ensuring the speedy delivery of this accelerated programme. It takes too long to build a prison. I am, therefore, setting up a new prison buildings board within the Home Office, but with a strong outsider element to supervise the building programme and to exploit to the full private-sector techniques in bringing new prisons on stream. My noble Friend Lord Caithness will report immediately to me on further possibilities for using the private sector, following his forthcoming visit to the United States, in the light of the Select Committee's recent report.

Fourthly, I have considered, but rejected, using the power of executive release to ease the pressure of the prison population. Rather, I propose to lay amendments to the rules for prison department establishments, increasing the amount of remission dependent on good behaviour by those serving sentences of up to and including 12 months from one third to one half of sentence length. This is an interim measure, applying only to less serious offenders serving short custodial sentences and the period of remission is, of course, dependent on good conduct. It will remove the anomaly, criticised by the courts, that those on sentences too short to qualify for parole serve a higher proportion of their sentences than more serious offenders who are selected for parole. As it takes effect over the coming weeks it will help the present problem of overcrowding, to the extent of about 3,500 places, by relieving pressure, particularly on local prisons, and it will enable prisoners to be removed from police cells, thereby returning police officers to their proper duties of dealing with crime and preserving public order on the streets.

Fifthly, this measure is an interim one, pending a wide-ranging review of parole and remission arrangements. The operation of the parole scheme in relation to shorter sentences has, as I have said, been criticised, not least by members of the judiciary. In our manifesto we untertook to set up a thorough review of the workings of the parole system and of the arrangements for post-custodial supervision. I can announce today the setting up of that review, which will also look at remission, under the chairmanship of a distinguished former Member of the House, Mr. Mark Carlisle QC, with terms of reference which I shall publish in full in the *Official Report*.

The Government have consistently shown in deeds over the last eight years their commitment to the prison service and to resolving the long neglected problems of the prison system, including the lack of capital investment and the reform of working practices. The immediate pressure of the rise in the prison population means that we must amplify and extend that strategy. The measures that I have announced today on prison building, parole and remission, and the opening of Rollestone, are designed to achieve that.

Following are the terms of reference for parole review:

To examine the operation of the parole scheme in England and Wales, its relationship with the current arrangements for remission, time spent in custody on remand, and partly and fully suspended sentences and their effect on the time which offenders sentenced to imprisonment spend in custody after sentence; and to make recommendations on —

(a) whether a parole scheme should be retained as a feature of the penal system;

and, if so,

(b) its objectives

(c) any changes which should be made in law or practice affecting either eligibility or criteria;

or, alternatively,

(d) any different scheme which might be introduced to provide for release befor expiry of sentence, either generally or for particular categories of prisoners;

and, in any case,

(e) the possibility of prisoners released before expiry of sentence being required to perform work of value to the community, having regard to the relative cost and effectiveness of custodial and non-custodial disposals;

having regard to the need for—

(i) fairness and consistency in the treatment of prisoners;

(ii) a clear understanding of the relationship between determination of the original sentence by judicial decision and the proper limits of executive discretion in giving effect to it;

(iii) public and judicial confidence in any new arrangements that might be proposed;

(iv) the resource implications of any changes proposed.

Mr. Roy Hattersley (Birmingham, Sparkbrook): First, let me thank the Home Secretary for the courteous welcome that he gave me earlier today and say how much I look forward to working with and sometimes against him in the years to come.

I should make it clear at once that the Opposition support the central proposal in the right hon. Gentleman's statement, namely, to increase remission for prisoners of good behaviour serving short sentences for minor offences. The right hon. Gentleman will recall that a month ago several of my hon. Friends warned him that some such action would have to be taken after the law and order rhetoric of the general election campaign was over.

Can the right hon. Gentleman give an estimate of how many police officers are today being used, or I might say misused, in the supervision of prisoners, and how many of those officers will be released to go about their proper duties as a result of his statement? On a more fundamental note, does he agree that it would have been far better if, instead of being forced to take action now to avoid a summer prison explosion, he and, more important, his two predecessors had taken more considered action to reduce the prison population in the past?

The right hon. Gentleman will recall — although, apparently, some of his hon. Friends do not — that the

[Mr. Roy Hattersley]

Opposition supported Government proposals both for Executive and for supervised release. Does he not now regret that Lord Whitelaw's unhappy experiences at the 1981 Conservative party conference made him back-pedal so desperately on at least one of those sensible proposals? I assure the Home Secretary that we very much welcome the inquiry into the parole scheme and hope that it will examine supervised, Executive and conditional release. We wish him well in implementing what may and, I hope, will be sensible conclusions arising from the report.

We know from the Home Secretary's speech at Grantham that he, too, believes that we send too many people to prison and keep too many trivial offenders in prison for too long, and we wish him well in his attempts to educate his colleagues to the same enlightened and practical view.

Mr. Hurd: The right hon. Gentleman's technique is very different from that of his predecessor. He is trying to kiss me into oblivion, whereas his predecessor never made such an attempt.

In answer to the right hon. Gentleman's first question, the Metropolitan police tell me that about 625 London police officers are being deployed on day-to-day duties connected with accommodating London prisoners, and that over 200 provincial officers are engaged in similar duties. Some other provincial officers, particularly in the north, are engaged in looking after provincial prisons. When my right hon. and hon. Friends consider the present strain on the police and on police manpower, they will understand that we cannot go on expecting the police to carry that extra burden.

The right hon. Gentleman, albeit courteously, displayed a good deal of cheek in the latter part of his intervention. What my noble Friend Lord Whitelaw and my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) had to do was to take courageous action to remedy the neglect that they had inherited. The Government in which the right hon. Gentleman served presided over a system under which crime was rising fast and the overcrowding of the prisons was already evident, but they did nothing about it. If a prison building programme of some substance had been started in the mid-1970s, when signs of the need for it were clear, we would not be facing the problems that we face today.

What my right hon. and learned Friend and his predecessor Lord Whitelaw did was courageously to set about remedying that neglect. My right hon. and learned Friend actually accelerated the programme that he had inherited, and thank heavens he did, because we are now beginning to get some relief from the problem. We now have to accelerate the programme again, as well as expanding it.

It is not my job to say whether, in general, too many people are in prison in this country; that is a matter for the courts. What I do say—what we said in our manifesto, and have constantly said — is that the courts, taking account of the realities of the position, need to pay attention to a distinction which I am sure the public perceive very clearly. This is the distinction between those who deserve long sentences because of the severity of their offences or the danger that they represent to the public, and those who the courts may decide, in accordance with the circumstances of the case, could be properly punished by tough and challenging alternatives to custody.

Mr. Menzies Campbell (Fife, North-East): Does the Home Secretary feel any concern about the number of prisoners on remand, who represent more than 20 per cent. of the total in prison? Is that not unacceptable in the light of the presumption of innocence, and is it not time that we in England adopted the 110-day rule, which has served Scotland so effectively for 100 years?

Mr. Hurd: One should always be a bit sceptical when the Scots urge us to accept all their institutions. There is usually a link between one Scottish arrangement and another, and one cannot be accepted without the other.

The hon. and learned Gentleman will know from the discussions on what is now the Police and Criminal Evidence Act 1984 that the Home Secretary has power by order to introduce provisions for time limits in England and Wales comparable to those in Scotland. He will also know that, after a period of trial, I have begun to operate different time limits in different parts of the country. I believe that that can contribute, although there will be no magic results, to accelerating the speed of the flow of justice, and so bring down the number of people held in our prisons unconvicted, which I agree is too high—about one-fifth.

Mr. Leon Brittan (Richmond, Yorks): I fully recognise the serious problem that my right hon. Friend faces, and warmly welcome the opening of Rollestone Camp to house prisoners. However, does he not agree that it is wrong in principle, and quite contrary to the rule of law and to everything that we stand for, to release convicted criminals prematurely — by whatever procedural means — not on the basis of an individual consideration of their cases, or because of the application of some new and more liberal penal policy, but simply because there is no room to house them? Does he accept that there will be considerable public disquiet at the prospect of some 3,500 prisoners being released prematurely, 630 of whom have been convicted of offences of violence or of sexual offences? Would it not be better to open more camps now than to hold out the prospect of doing so, as my right hon. Friend has done? Would it not also be preferable to make it clear now that what has been done is a one-off crisis measure,, which will not be repeated?

Mr. Hurd: The part of the package that deals with remission is certainly interim, as I said, and for the reason that I gave. May I take up the two specific issues raised by my right hon. and learned Friend, with which he obviously wrestled in his time as well? First, as he correctly observed, I did not rule out the use of additional camps or other temporary accommodation. In considering whether there should be further camps, I had to take into account a number of matters. First, as my statement and one of the exchanges that followed it showed, much of the problem is a result of the growth in the remand population. Camps are not a great deal of use in most circumstances, because unconvicted prisoners need to be held reasonably close to the courts where they are likely to have to be produced.

Secondly, I have to take into account the fact that camps are not a great deal of use, or can only be used, at great risk, for prisoners who could be a danger to the public. My right hon. and learned Friend will have read

Sir James Hennessy's report on the disturbances last year, and he will have seen the dangers that were encountered at Northeye when people were in dormitory or similar accommodation and the situation got out of hand. I do not want to replicate that by opening camps and putting into them people who are unsuitable for camps.

Thirdly, I have to consider staffing. The prison service is stretched to its utmost. The facilities for recruitment and training are at full stretch. I believe that the House and the public expect the job of guarding prisoners in Her Majesty's prisons to be done by prison service officers. Therefore staffing, as well as the choice of sites, is a consideration.

Those are three factors that I, like any other Home Secretary, have to weigh up when deciding on the further use of camps.

I understand entirely my right hon. and learned Friend's point about remission, but it already exists. Unlike Executive release, we are not introducing a new principle. We are altering a principle that already exists in different forms in different parts of this kingdom. Remission is awarded only on the strength of good conduct. The fact is that 82 per cent. of those who might qualify for early remission under the proposal that I have announced are in prison for non-violent offences. As for the remainder, whatever the offence—for example, the pub fight or the street brawl—the courts thought that they did not deserve long sentences.

My right hon. and learned Friend will immediately have grasped that the greatest possible difference in the length of an individual sentence as a result of my announcement will be two months—no more.

Mr. John Wheeler (Westminster, North): I support and understand the reason for my right hon. Friend's statement, but may I ask him to assist me over two points? First, will he confirm that the 630 prisoners whom he anticipates will be released sooner are offenders who committed very minor offences? I hope that we are not talking about rapists or serious offenders. Secondly, my right hon. Friend mentioned the improvement in and the expansion of the prison building programme and referred to the involvement of the private sector. Is he able to say how he thinks that will be carried forward?

Mr. Hurd: The relief that I expect as a result of the remission element in the package is 3,500. One cannot give an exact figure, because it depends on good conduct. I said earlier that 82 per cent. of those who might qualify for early remission have been found guilty of non-violent offences, and that the courts did not think that the remainder deserved a long sentence.

As for the introduction of new private techniques into prison building, I have announced the organisational change. We have already been in touch with a number of private companies which we think might be able to help. We are in touch with American experience, which has been triggered to some extent by the report of the Select Committee to which my hon. Friend contributed. After identifying a design, I hope that we shall stick with it and not nibble away at it in an effort to improve it. That is what I mean by acceleration of the programme. There is plenty of scope for acceleration, while preserving the required standards

Mr. Clive Soley (Hammersmith): Does the Home Secretary accept that confession is good for the soul, that now is the time to say that everything that the Opposition told him was right and that the only reason why the Government did not sanction the release of large numbers of prisoners before the election was that they knew that it would be the final nail in the coffin of the most disastrous law and order policy that has ever been imposed on this country by any Government?

Why does the right hon. Gentleman not follow through his own logic, ignore the more rabid voices behind him and introduce a conditional release scheme that is fairer and contains an element of control, which the increased use of remission does not contain? Why does the right hon. Gentleman continue to peddle the fiction that he will not interfere with the sentencing policy of the courts when he, the Home Secretary, has a Bill before the House that gives power to hon. Members to refer lenient sentences? That means Members of this House, in response to public demand, will call for tougher sentences. Why does the Home Secretary not follow his logic home and abolish that proposal too?

Mr. Hurd: The hon. Gentleman is referring to our proposal for lenient sentences, which, so far from removing, we are proposing to strengthen. There was an exchange about that this afternoon at Question Time. I said to his hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) that the general election seems to have brought about a loss of memory. That is perfectly true in his case, too.

The policy that the right hon. Member for Manchester, Gorton (Mr. Kaufman) revealed in March to *The Independent* is entirely different from anything that could possibly find favour on this side of the House. He proposed the stopping of the present building programme. I cannot imagine anything more destructive or irresponsible. He also said that, as a matter of policy, a Labour Government would bring about a reduction of the prison population by 20,000 in the lifetime of a Parliament. That seems to be a wholly unreal and destructive approach.

Mr. Ivan Lawrence (Burton): Is my right hon. Friend aware that Conservative Members consider that his proposals are both necessary and timely, but they will mean the early release of people to whom judges have given appropriate sentences for crimes of violence? Will he explain to the House why he cannot exempt from his proposals all offenders who fall within this category, but who have been sentenced for crimes of violence?

Mr. Hurd: I have considered that question, because my hon. and learned Friend was kind enough to put that point to me privately early today. I am not inventing remission. My hon. and learned Friend accepts that, and I think that the public would accept it, too. The law gives me no discretion to distinguish between different types of offender on the basis of the offence. Remission exists on the basis of good conduct and on the basis of the sentence passed, not on the nature of the offence. Therefore, I do not have the discretion to discriminate as my hon. and learned Friend wishes. In practice, even if I had the power, to do so would be very difficult. I repeat that a small minority of people who have been sentenced for offences of violence to 12 months or under might qualify for earlier remission. These are cases which the courts thought did not deserve longer sentences. I gave the example of the pub

[Mr. Hurd]

fight or the street brawl. The greatest possible difference in the length of individual sentences would be two months, no more.

Mr. Bob Cryer (Bradford, South): Does the Home Secretary not see a link between the economic policies that have produced so much unemployment and the greedy, atavistic policies espoused by his Government for this prison crisis? Will he elaborate on the private sector proposal, about which he has been very vague? He says that he has been in contact with some American area of activity. Does that mean that he will hand over the prisons to private contractors, or does it mean that he will use the industrialised building techniques that were recommended by his friend Geoffrey Rippon, which produced Ronan Point and all the other magnificent examples of private enterprise techniques?

Mr. Hurd: The hon. Gentleman's first point was the platitude of the previous Parliament. He did not serve in that Parliament, so he does not know how platitudinous and often rejected that was. However, he did fight the election and he knows that the awful "crimeometer" was one of the flops and duds of the election. Therefore, I am surprised that he should rehearse that idea again today.

The hon. Gentleman has got it wrong about privatisation. We are faced with a dangerous situation, which my right hon. Friends and I have been trying to remedy after a period of disastrous neglect, using the conventional methods of design, arguing with hon. Members in the House where a prison should be, taking into account the planning and the comings and goings, getting on with the design, renewing a design and interfering with a design. We have continued to improve as best we can all the conventional ways of proceeding. As I said in my statement, the procedure is too slow.

I do not think that there is a case, and I do not believe that the House would accept a case, for auctioning or privatising the prisons or handing over the business of keeping prisoners safe to anyone other than Government servants. However, I do not think that we can afford to sit back and say that the way in which we have been doing things in the prison building programme is absolute and cannot be improved.

I was impressed by the Select Committee report. The accounts cited about the United States vary, and I do not say that we should be slavish followers of what happens there. However, it is our clear job in this dangerous situation to look around the world to see whether in this area, as in others, bringing private sector techniques to bear earlier and more vigorously can improve a very serious public sector situation.

Mr. Robert Key (Salisbury): With regard to the establishment of a prison camp at Rollestone in my constituency, will my right hon. Friend confirm that it will be staffed by prison officers and that there will be no predictable effect on the requirements of the Wiltshire constabulary? What category of prisoners will be housed there?

Mr. Hurd: Rollestone will be equipped and designed as a category C prison, and that bears on the reply that I gave to my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan). Obviously there will have to be discussions with the chief constable of Wiltshire as a matter of practical arrangements. However, I do not envisage asking the Wiltshire police to contribute to the manning of the camp. If I did that, I am sure that the police authority, the chief constable and my hon. Friend the Member for Salisbury (Mr. Key) would be on to me for more men at the drop of a hat.

Rev. Martin Smyth (Belfast, South): Does the Secretary of State accept that those of us who demand a high standard of protection for our people welcome the modernisation of our prisons, both for the morale of the staff and for the care of those who have suffered—quite justifiably in most cases—the deprivation of liberty?

The Secretary of State will be aware of a movement to transfer people to Northern Ireland. When speaking of remission, will he accept that there is something unfair in transferring people to complete sentences in Northern Ireland, where they receive a better approach to remission, while those who may be sentenced under Diplock courts and sent to prisons in England do not get the same facility? Does he accept that that kind of approach in dealing with remission causes unrest?

Mr. Hurd: The hon. Gentleman represents a part of the United Kingdom where there is 50 per cent. remission at the moment, although there are no arrangements for parole. That is the kind of variation of experience that I would expect the committee of inquiry that I have announced to consider to see whether any lessons can be drawn. I can certainly send the hon. Gentleman the rules that apply to the applications that we receive from time to time, as he rightly said, for people to be transferred to prisons in the Province. He will know that the rules and criteria are strict. Most of the letters that I write on this subject explain why we cannot do that. I shall certainly write to the hon. Gentleman and set that out in greater detail. He can come back to me on that if he wishes to do so.

Mr. Richard Alexander (Newark): Will my right hon. Friend resist pressure for lesser sentences as a means of solving the problem? Is he aware that many of our constituents are deeply concerned about some of the lenient sentences that come out day by day from the courts? I congratulate him on the more robust prison building programme that he has announced and I commend that to him. I hope that in addition there will be considerably better pay and conditions for the prison officers who will man the new buildings.

Mr. Hurd: My hon. Friend is right on his first point. The occasional what we might call "wayward" lenient sentence shakes public confidence in the criminal justice system, in particular at the upper or violent end of the scale. I believe that we need to strengthen the proposals in the Criminal Justice Bill in that respect.

My hon. Friend will also be aware that we are in the middle of the biggest single reform of the prison service system for many years. We are trying to do away with the ruinous appalling over-dependence on overtime and get decent arrangements for basic salary and working conditions, and to settle the tasks in the prisons and how they are to be carried out. There was always a difficulty in introducing the fresh start reform at a time of overcrowding. However, if we had waited, we would have lost the opportunity. It would not have gone ahead. We

now find that the prison officers are still worried about the limitations, but they have balloted overwhelmingly to support the reform. There is a great prize and we must press on, for the reasons that my hon. Friend gave.

Mr. Tom Cox (Tooting): In view of the reply that the Home Secretary has just given, is he aware that the morale of prison officers is now at an all-time low? Sadly, at all major prisons they are reading the small print in fresh start and they feel that they have no confidence in it. What will the Home Secretary do to build up the confidence of prison officers who at the end of the day will be responsible for running any establishment for which his Department has the overall responsibility?

If the Home Secretary is thinking only of privatisation for the building of new prisons, will the people who are to run the establishments be brought in at a very early stage of the planning and designing of those establishments? Very often the people who build those establishments never have to run them.

The Home Secretary referred to people being kept in police cells. His right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan), the former Home Secretary, said in 1983 that that system would be ended. It has not been ended. Has the Home Secretary visited any of the police cells in London where men and women are now being kept?

Mr. Hurd: In response to the hon. Gentleman's last question, my answer is yes.

My right hon. and learned Friend the Member for Richmond, Yorks gave an undertaking and carried it out. He undertook that the use of police cells would be ended, and it was. It has now resumed in my time, and I accept responsibility for that. It is thoroughly undesirable and has acted as a safety valve. However, there comes a time when the safety valve becomes dangerous, and that point has been reached in the use of police cells.

With regard to design, we must certainly consult the users. I went to what used to be RAF Lindholme, which my right hon. and learned Friend the former Home Secretary brought into the prison system several years ago. The users were consulted on the design for refurbishing that camp to turn it into a prison. The design there is admirable. Having made a decision, we must carry it out. We should not nibble away at it.

I disagree with the hon. Gentleman's point about morale. There was an all-time low. However, when people realised that the opportunity for fresh start was substantial, they rallied round to it. I acknowledge that there are problems of implementation and timing and those are particularly serious in London, as the hon. Gentleman knows. If he follows these matters closely, he will be aware that we are in close discussions with the unions involved about how to overcome those problems and the useful progress that we have made in the past few days will, I hope, be underlined and reinforced by what I have had to say today.

Sir Eldon Griffiths (Bury St. Edmunds): Taking the five points in the statement as a whole, I congratulate and thank my right hon. Friend on making some important proposals and on taking what must for him have been a very difficult and uncomfortable decision on remission. Is he aware that he inevitably places some of his friends and admirers in something of a quandary, insofar as we are bound to welcome the relief that the decision will bring to the police service and the prison service, while at the same time we are apprehensive about the consequences of releasing earlier than the courts have judged right a proportion of the offenders—perhaps 18 per cent.—who will have been convicted for crimes of violence or sex crimes?

Will my right hon. Friend reassure the House, the police service and the public that this is an interim solution to a genuine crisis and that he does not intend to continue with it, without the authority of the House, beyond three or four years? Finally, will he reconsider the possibility of taking powers within the Criminal Justice Bill to enable examinations to be made of individual cases of violent crime so that he can overcome the problem of release that he has mentioned?

Mr. Hurd: I am grateful to my hon. Friend for the spirit behind his question. I do not believe that what I said about remission will exist in isolation for as long as three or four years. I shall be discussing with my former right hon. and learned Friend, Mr. Mark Carlisle, the speed with which his inquiry will proceed. I hope that it will be concluded long before three or four years. As my hon. Friend said, this is an interim measure, but I think that the time scale will be rather tighter than he thought might be acceptable.

I understand exactly—my hon. Friend put it well—the reservations that must be felt about some parts of the package. The right hon. Member for Gorton and others say that we should not press ahead with prison building, and there are others who have understandable reservations about remission. It would have been possible to continue hoping that without taking action the immediate crisis would pass. It might do so, but I am not sure about that.

My colleagues and I came to the conclusion that we had to tackle the problem by finding a solution that would have a lasting effect. I believe that there must be a package. I do not think that supply side measures only, or measures directed only to the demand side of prison places, would produce an adequate answer. I hope that on balance, and with reservations that are understandable, the House will agree that the balance is right.

Several Hon. Members *rose*—

Mr. Speaker: Order. I am bound to have regard to the business that will follow this statement, and we are likely to have a long night. I shall allow questions to continue for a further 10 minutes. I ask for questions and not statements.

Mr. Dennis Skinner (Bolsover): The right hon. Gentleman has given long replies.

Ms. Clare Short (Birmingham, Ladywood): I am sure that the Home Secretary's statement will be extremely welcome to the staff of Winson Green prison in my constituency. The conditions there are foul, and the conditions for the prisoners are the conditions for the prison officers. Is the right hon. Gentleman aware that most of the prisoners who will be released under the conditions that he has set out were convicted of trivial offences and that many of them have mental health and literacy problems? The real way to restrict crime is to apprehend those who are guilty, and that is not achieved by a substitute for a law-and-order policy that results in inadequate people being locked up for ever-increasing periods. That substitute policy does not help prison offices or prisoners, and it does not enforce law and order either.

Mr. Hurd: The hon. Lady is not correct. The prisoners who might benefit from remission are those who have been awarded relatively light sentences by the courts. That is the basis on which remission is calculated and awarded, and the only basis on which it can be considered by law. I shall not comment on the remainder of the hon. Lady's comments, because I have already been accused by some of her hon. Friends of going on for too long. We have had our exchanges on this "balance" often enough in the past and the hon. Lady knows why I do not agree with her.

Mrs. Elaine Kellett-Bowman (Lancaster): I am delighted that my right hon. Friend is to visit Lancaster castle prison a week on Friday. He will find that over many years the governor and his staff have pressed into use every square inch of prison, but it is still overcrowded. Therefore, prison officers will welcome a reduction in prison numbers. However, neither they nor my constituents would want sex offenders, many of whom have been too lightly sentenced, to share in the scheme that he proposes.

Mr. Hurd: I look forward to visiting Lancaster prison. As I always try to do on such occasions, I shall set aside time to talk to members of the prison service unions, including the Prison Officers Association. They will make their points to me about overcrowding, as they always do. I have already responded to questions about the nature of offences and the nature of the powers that are open to me in altering the rules governing remission.

Mr. Derek Fatchett (Leeds, Central): Does the Home Secretary recognise that the major cause of overcrowding at Leeds prison is the many prisoners who are on remand? Will he say whether he intends to take any steps to reduce their number? It has been clear for a long time that Leeds is probably the most overcrowded prison, and I ask him to explain why we must wait until the 1990s for any new building projects at the prison.

Mr. Hurd: One of the most encouraging visits that I made shortly before the general election was to Leeds prison. I am aware of the high state of morale of those of the hon. Gentleman's constituents who run the prison, and that, on the eve of fresh start, was extremely impressive.

It is for the courts to decide whether an individual should be given bail. It is reasonable to encourage the probation service to provide the greatest possible information so that the courts can make the right decisions. It is right to establish reasonable time limits where we can so that the process of justice is accelerated. It is reasonable to ask magistrates throughout the country to consider the reasons for the wide variation in the granting of bail. There may be good reasons for local decisions because of local circumstances, and that is a matter for local magistrates, but they need to establish to their own satisfaction that decisions are made on that basis.

Mr. Nicholas Budgen (Wolverhampton, South-West): Is my right hon. Friend aware that a high proportion of my right hon. and hon. Friends regret his decision to release 3,500 prisoners early? First, early release trespasses upon the independence of the judiciary. Secondly, it reduces the deterrent effect of sentences that increasingly do not mean what they say. Thirdly, the form of the order reduces the opportunities for discussion in the House and for voting against the proposition.

Mr. Hurd: I did not expect to carry my hon. Friend with me on this occasion. It would have been possible for me to proceed only on the supply side and to announce more camps here, there and everywhere. I do not think that my hon. Friend has addressed himself to the realities, including what I have said about camps, which are not sensible on the whole for remand prisoners. Nor are they sensible on the whole for those who might be a danger to the public. The problem of staffing camps properly when the prison service is severely stretched, as my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) said, and securely, which the public would expect, is a difficult one. I am not excluding the further use of camps, but those are the sorts of considerations that I must bear in mind.

Mr. Barry Field (Isle of Wight): Given the considerable increase in the prison population, will my right hon. Friend consider as a matter of priority bringing back into service A and D wings at Parkhurst prison? Will he consider also making an early change to the law to allow compulsory screening for AIDS in our maximum security and long-term prisons? As the Isle of Wight has one of the largest prison populations of any constituency, will my right hon. Friend consider making an early visit to my constituency to meet prison officers?

Mr. Hurd: I am much obliged to my hon. Friend. I congratulate him on his arrival at this place. Even before the glad news of his election reached me I had arranged —I trust with his approval—to visit the prisons in his constituency during the summer recess. My hon. Friend is right to drew attention to the fact that it has taken too long to make the necessary security changes in a couple of wings at Parkhurst. That has been drawn to my attention, and we are getting on with the changes. I entirely accept what my hon. Friend said about that. Perhaps I could write to him about screening for AIDS. The issue does not arise immediately from my statement. I could give an answer off the cuff, but I might get the detail of it slightly wrong. As it is an important subject, that would be a mistake.

Sir Nicholas Bonsor (Upminster): My right hon. Friend will be aware of the sympathy that is felt for him by my right hon. and hon. Friends and myself in his predicament over prison accommodation. He will be aware also of the support that he has had from the Opposition over having to release about 3,000 prisoners prematurely. I hope that he will be aware further of the deep feeling of Conservative Members about a system whereby people are sentenced to appropriate sentences by judges, only to serve a small proportion of them. I hope that in the long term my right hon. Friend will make adequate provision to ensure that violent and sex offenders serve their full sentence, not a proportion of it.

Mr. Hurd: My hon. Friend puts that clearly, and he will know the thinking on the proposals that are in hand on lenient sentencing and maximum sentences and on several of the offences that he mentioned. Of course, there is a problem, which, as he rightly says, goes wider than the statement about remission and parole. Both of them offend against the principle that he proclaims, but both have been here for a long time. My right hon. and learned Friend the Member for Richmond, Yorks lowered the minimum qualifying period for parole, in a move that I strongly supported. The House knows that there continue to be problems and criticisms, which will not be removed

by my statement, but will not be created by it. That is why, in our election manifesto, we proposed an inquiry, and that is why we are now getting on with it.

Mr. Teddy Taylor (Southend, East): Might not an inquiry on this be counter-productive, when judges can look at all the circumstances of the case and simply increase sentences to take account of additional remission? Could not the splendid abilities of Mr. Mark Carlisle be better put to considering ways by which we might more effectively deter potential criminals from getting engaged in crime in the first place?

Mr. Hurd: The splendid abilities of the Government Front Bench, and particularly of my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten), are devoted to that second subject. There is a clear need to study the first subject, which is what I have asked Mr. Carlisle to do. My hon. Friend makes a fair point about the judges, but it is the judiciary who have been complaining about the present relationship between parole and remission. Their criticisms, expressed to me courteously but forcefully for more than a year, led me, some time ago, to favour an inquiry, which will cover this whole subject.

Mr. Ivor Stanbrook (Orpington): Is my right hon. Friend aware that the general public will not understand how it is that a Conservative Government, faced with overcrowded prisons, are about to release on to the streets thousands of convicted criminals and hundreds of violent criminals before their time is up? Is there not a strong argument for providing additional prison accommodation rather than doing what my right hon. Friend proposes? Is this not an error of political judgment?

Mr. Hurd: My hon. Friend is putting a point to which I have already replied. It would have been possible, although unrealistic and unproductive in the long run, or even in the medium run, simply to come forward with the part of the package of plans for expanding and accelerating provision for the prisons. For the reasons that I have given about timing, staffing and the limitations of camps, I would have had an easier afternoon if I had done that, but I would not have tackled the problem seriously.

As regards remission, my hon. Friend spoke about letting people out on to the streets before their time, but already the upper range beyond that about which I am talking has a system of parole and of remission of one third. I am making an adjustment at the lower end, for those whom the courts have not thought fit to award serious and heavy sentences. The maximum difference in an individual sentence as a result of this proposal is two months.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall bear carefully in mind those hon. Members whom I have not been able to call when this matter is next discussed.

Business Questions

5.13 pm

Mr. Frank Cook (Stockton, North): On a point of order, Mr. Speaker. I do not consider myself a journeyman in the ways of this Chamber, so I must seek your guidance. Is it in order for an hon. Member during business questions to pose a carefully prepared question to the Leader of the House that elicits an equally carefully prepared answer? Neither question nor answer referred to the business of the House; it simply enabled the Leader of the House to make a governmental statement on a newspaper article on the day in question and to make a denial. Is this not a disorderly use of the proceedings of the Chamber? Is it not a practice similar to that which obliged you, Sir, only recently to admonish the Government for an abuse of the proceedings of the House? Would not a similar admonishment be proper in this instance?

Mr. Speaker: Business questions are traditionally wide. I have no foreknowledge of a question that an hon. Member may ask, nor of the answer that may be given to him. I cannot help the hon. Gentleman on that.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. You will recall that during business questions I referred to the call by some Members of Parliament for a six-day week for the miners and to the need for a debate on the issue, especially when Tory Members of Parliament are just off on three months' holidays. During the course of my question I referred——

Mr. Speaker: Order. The hon. Gentleman must not continue business questions.

Mr. Skinner: I want to refer to *Hansard.*

Mr. Speaker: The hon. Gentleman cannot do that. We cannot have a continuation of business questions. The hon. Gentleman asked his question and got his answer. I accept that it may be an answer that he did not like, but——

Mr. Skinner: It is not that.

Mr. Speaker: Order. This is not a point of order for me.

Mr. Skinner: Yes, it is.

Mr. Speaker: Unless the hon. Gentleman can make this a point of order for me, I will have to stop him.

Mr. Skinner: Mr. Speaker, everybody knows that you have some responsibility for the *Official Report.* In my statement, I quoted the fact that the chairman of the London Docklands Development Corporation received £27,096 a year for a two-day week. I said no more and no less than that. In his response, the Leader of the House said that I had said things that were not true about this chairman. I quoted from *Hansard,* column 135, on 7 July and I have made——

Mr. Speaker: Order. Does the Leader of the House wish to clear this matter up?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Wakeham): Further to that point of order, Mr. Speaker. This is a simple matter. The hon. Gentleman will know, when he reads *Hansard,* that I did not question the fact of the salary paid to Mr. Christopher Benson. I disagreed with the hon. Gentleman when he said

[Mr. John Wakeham]

that the salary paid was not justifiable. Mr. Benson is worth every penny of his salary and he has done a great deal for the London docklands.

Mr. Speaker: I hope that this will not be a precedent for carrying on.

Sound Broadcasting

5.18 pm

Mr. Chris Mullin (Sunderland, South): On a point of order, Mr. Speaker. I seek your help. I understand that the sound recording of the Home Secretary's reply to the first question and all subsequent exchanges were not forwarded to the BBC as is normal practice. Would you inquire how this came about and report back to the House? I understand this to be unusual, if not unprecedented.

Mr. Speaker: I will look into that, but I am not responsible for what the BBC transmits, thank goodness.

Mr. Mullin: Further to that point of order, Mr. Speaker. The House is responsible for feeding the sound downstairs to the BBC. Therefore, it is not a matter for the BBC.

Mr. Speaker: I will look into the matter.

BILL PRESENTED

PUBLIC UTILITY TRANSFERS AND WATER CHARGES

Mr. Secretary Ridley, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Walker, Mr. Kenneth Clarke, Mr. John MacGregor, Mr. Secretary Rifkind, Mr. Secretary Parkinson, Mr. Colin Moynihan and Mr. Michael Spicer, presented a Bill to confer powers on water authorities, electricity boards and the Electricity Council to act in relation to proposals for the transfer of any of the property or functions of water authorities or electricity boards to other bodies corporate; and to make provision for and in connection with the fixing of charges by water undertakers: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 10.]

DUCHY OF LANCASTER BILL

Resolved,

That the Duchy of Lancaster Bill be referred to a Second Reading Committee.—*[Mr. Lightbown.]*

Orders of the Day

Finance Bill

Further considered in Committee

[SIR PAUL DEAN *in the Chair*.]

Clause 80

ROLL-OVER RELIEF NOT AVAILABLE FOR GAINS ON OIL LICENCES

5.19 pm

Sir William Clark (Croydon, South): I beg to move amendment No. 48, in page 45, line 40, leave out from 'not' to 'an' in line 41.

The First Deputy Chairman of Ways and Means (Sir Paul Dean): With this it will be convenient to discuss the following amendments: No. 63, in page 45, line 45, leave out subsection (2) and insert—

'(2) This section has effect in respect of gains or disposals made on or after 14th May 1987.'.

No. 49, in page 45, line 45, leave out subsection (2).

Sir William Clark: This amendment relates to roll-over relief. It is available to most industries in our fiscal system. Rio Tinto-Zinc challenged the Inland Revenue over whether it could deny roll-over relief, and took it before the special commissioners. The case related to the oil industry. The special commissioners ruled that RTZ was entitled to roll-over relief. The Inland Revenue then said, "All right, we will alter the law." If the Inland Revenue wishes to do that, it is fine, but I regret the fact that the Bill states that roll-over relief was never available to the oil industry. This is retrospective legislation.

If a Labour Government had introduced retrospective legislation, we would be screaming blue murder. Ministers should alter this clause, preferably as I have suggested in amendments Nos. 48 and 49. Roll-over relief is available to other industries, and I do not understand why the oil industry should be singled out for this penal treatment.

It is said that, since the Government grant licences to oil companies, they are entitled not to allow them some fiscal advantage which is available to other industries. That cannot be correct. Although the Government issue licences to the oil companies, private enterprise exploits those licences. Had it not been for private money, North sea oil would not have been developed as quickly as it has been developed over the years. If the clause remains as it is, it will have an inhibiting effect on oil exploration in the future, which would be detrimental to our economy. The retrospective element is bad.

I am heartened that one hon. Member said:

"In my view, it is a most unsatisfactory principle"

he was talking about retrospection

"because of the degree of uncertainty it introduces into the affairs of the business men of this country which we legislators so constantly exacerbate. If we establish this principle of retrospection, we are on a slippery slope down which we shall be heading like Gadarene lemmings, and I am delighted to be on this side of the Committee in opposing the principle."

[*Official Report, Standing Committee A*, 6 June 1978, c. 747.]

That was said by my hon. Friend the Paymaster-General. I know that he will not have changed his mind. Nor will my right hon. Friend the Financial Secretary to the Treasury, who said yesterday in a debate on another clause that he was diametrically opposed to retrospection. At least two Treasury Ministers are on record as saying that they oppose retrospection.

Mr. Neil Hamilton (Tatton): Does my hon. Friend recall the debates on the Finance Act 1975, which introduced capital transfer tax, and the complaints from Conservative Members that the tax would apply from the date of its announcement but the details of which would not be revealed until 18 months later?

Sir William Clark: My hon. Friend reinforces the point that I am trying to make, and I am grateful to him for jogging my memory and that of other members of the Committee. The Conservative party has always turned its face against retrospection. Perhaps the Government will say that the clause will not affect any company which has appealed before the date of Royal Assent, but only one company would be involved in that—Rio Tinto-Zinc—and the judgment was in its favour.

What has happened to the other oil companies? When there is some disagreement between the taxpayer and the Inland Revenue, it is a well-known practice to send the case to the commissioners as a test case. Other taxpayers wait until the result of that test case is known before doing anything about it. Indeed, when a case is pending, the Inland Revenue—it might be too brutal to say that it drags its feet—is in no hurry to settle the disagreement between it and the taxpayer. I hope that my hon. Friend will not argue that the oil companies had the opportunity to appeal. This is the test case principle.

This matter is fundamental to the philosophy of the Conservative party and the Government. I agree with my hon. Friend the Paymaster-General and my right hon. Friend the Financial Secretary that in no circumstances should we have an element of retrospection. If the Government or the Inland Revenue wish to change their minds, they should change the law, but they should not make the law retrospective. I urge my right hon. and hon. Friends to remove the element of retrospection. I appreciate that time is short. Report stage of the Bill will be on Monday and Royal Assent must be obtained before the House rises next Friday. There may not be time to do as I suggest in this Finance Bill. But I hope that my hon. Friends will assure me that the Government will take the matter seriously and include it in next year's Budget. If they do that, it must cover past and future roll-over relief.

I have kept my speech brief because we started late. I hope that the brevity of my speech will not militate against the seriousness with which my hon. Friend treats the matter.

Mr. Tony Blair (Sedgefield): There is general agreement that clause 80 raises some important questions in relation to the oil industry and retrospection and the principles that should govern the House of Commons when considering whether to pass retrospective legislation.

We debated the principle of retrospection on an Opposition amendment to clause 62, but it is right to debate the matter again because there are significant differences between the considerations that affect clause 62 and those that affect clause 80. This case relates to the availability of roll-over relief for oil companies on the disposal of their business assets. In normal terms, the capital gains tax liability on the disposal of assets can be deferred or rolled over if the proceeds are used to acquire

[Mr. Tony Blair]

replacement assets. If a company sells its buildings, land or fixed plant or machinery, and uses the proceeds to purchase new land, buildings or fixed plant or machinery, roll-over relief is available. Deferral can usually be obtained until the replacement asset is disposed of.

The difficulty in relation to oil companies arises on what happens to their licences, especially the process that is called farming out licences. I am far from being an expert on the oil industry, but I understand that farming out operates as follows. The Department of Energy awards a licence to an oil company. That company will complete its initial working obligations, which might include the drilling of one or more exploration wells. It might not make an immediate commercial discovery, so, to share the risk of continuing exploration and discovery, it farms out a share of the licence to another company in return for the further drilling expenditure being paid by that "farmingee"—if I can use that ugly word. I did not coin that word. It was used by the United Kingdom Offshore Operators Association.

5.30 pm

Company A may spend a certain amount of money on exploration, then decide to sell 50 per cent. of its licence to company B in return for company B spending a certain amount of money on further exploration work. The Revenue is insisting that company A, the original licensee, should pay immediate capital gains tax on the expenditure contributed by company B, the company to which the licence has been farmed out. That farm-out is considered to be a capital gain.

Sir Trevor Skeet (Bedfordshire, North): Surely there is no capital gain. If a third company is brought in, that company will take over the obligations of the initial company that obtained the licence. At the development stage I can understand that profit will accrue, but such profit will not accrue at the exploration stage.

Mr. Blair: The hon. Gentleman may have misunderstood my argument. The Revenue considers that there is a capital gain, but the oil companies do not. That is the issue between them.

When company A farms out 50 per cent. of its licence, it does not get any cash. Therefore, the oil companies believe that there is no capital gain and that it is perfectly right to defer liability. We are aware that the Revenue takes a different view. However, I believe that a test case was referred to the special commissioners by RTZ and judgment was given in favour of the company.

Sir William Clark: I have already said that.

Mr. Blair: I was listening, but it is important that the issues are made clear.

It is not the case, as it was when we debated clause 62, that everyone had always agreed that a particular tax relief was not available, but then the special commissioners suddenly found a loophole so that that tax relief became available. The Financial Secretary argued for retrospection in clause 62 on that basis.

I understand that the oil companies have never accepted that they were not entitled to this relief. The oil companies' understanding puts this matter in a critically different position from other areas of retrospection. It is not as though the test case in front of the special commissioners suddenly discovered a loophole that no one believed existed before. The oil companies have always taken issue on this matter.

I welcome the Economic Secretary to this Finance Bill debate. If the oil companies have always argued that they should be entitled to this roll-over relief, the Minister cannot advance the same argument as was used in favour of clause 62. Many cases are pending, awaiting the outcome of the test case. The Revenue's position is curious because it takes a particular view. It will allow a case to go to a hearing. If it wins the case, it is perfectly happy, but, if it loses the case, it immediately introduces legislation to reverse the effect of that decision. What is the purpose of allowing the matter to go to court if the Revenue intends to introduce legislation reversing the effect of the decision, should it go against the Revenue? Many people are waiting to take their cases to court on the basis of the outcome of the test case. It is unfair that they should be prejudiced as a result of waiting for the test case to be heard.

Can the Minister give us an idea of the sums of money involved? I have always made it clear that we do not regard the principle of retrospection as absolute in the sense that we are prepared to support the principle if the sums of money involved are large or there are extenuating circumstances. There must be a balance between the principle of retrospection and the funds that are involved in a particular case. We want to know whether such extenuating circumstances exist in this particular case. Is this retrospection in clause 80 simply in accordance with what the law has always been perceived to be, or does it directly affect the interests of a group of people and make the law retrospective contrary to their understanding of the law over a period of 22 years? Those important points require an answer.

Sir Trevor Skeet: I believe that my hon. Friend the Member for Croydon, South (Sir W. Clark) has revealed an important point of principle. It is not clear which side of the Committee is responsible for the initial error. I remember that many years ago the Burmah Oil company took its case to the House of Lords and succeeded. The result was that legislation was passed to reverse that decision. A decision on RTZ was taken by special commissioner Judge Patrick Medd in April 1987, but now that decision has been reversed.

Clause 80 has established an extremely bad principle for the international oil companies. Let us consider the case of Enterprise Oil, set up by the Government. In the countries where it operates licences abroad, whether it be Indonesia, the Netherlands, France, Italy, the United States or Canada, the farm-out of licences is not subject to tax. Therefore, it is not wise to establish a principle in the United Kingdom that can be avoided.

This is a difficult period for small operators in the North sea and elsewhere as a result of cumulative tax levels. The tax on revenues at marginal rates works out at about 86 per cent. The notional capital gains tax under clause 80 will be a deterrent to exploration.

The effect of a combination of falling prices, varying exchange rates and the escalating cost of equipment and services in the North sea has led to serious difficulties. In the past 12 months the price of crude oil has risen from $8 to $20 a barrel, but in sterling terms it has risen from £4·96 to £13. The smaller oil operators in the North sea have come out of the deal extremely badly. This is not the time

to consider using capital gains tax in the way outlined in clause 80. The roll-over procedure, which was advocated many years ago, should be used.

The retrospective element has been adequately dealt with in previous debates. I do not believe that there has been any tax avoidance. A case was brought before the special commissioners, and I believe that the judgment reached was realistic and equitable. Since the mid-1970s there have been roughly 200 farm-outs, of which only about 12 cases have been settled. There will be appalling difficulties for the industry and for the Revenue if all those farm-outs have to be settled in the next two years. Indeed, cases can refer back to 1965 with subsequent complications.

I believe that the Treasury has failed to distinguish between farm-outs made during the exploration and appraisal period — that practice has accelerated the fullest exploitation of the North sea — and those made after the grant of annex B approvals at the beginning of development. If, for example, a company wants to sell an interest in the Forties field or wants to sell an interest in a production capacity to the Japanese it is right that it should fall for assessment for capital gains.

Mr. Dick Douglas (Dunfermline, West): I apologise to the Chairman and the Committee for not being present earlier. As we deal with the vexed question of annex Bs, can the hon. Gentleman, given his knowledge of the industry, tell us how many annex Bs are not applied for or are held up because of fears in relation to this clause?

Sir Trevor Skeet: I do not have the figures, and that fact can be put down to the Department of Energy. I should have thought that some had been held up, but not a great number. The Inland Revenue says that enormous profits can be made, but I believe that all this can be rendered nugatory.

The risks and the uncertainties inherent in making an assessment today on future problems are shown in the RTZ case. The Inland Revenue had calculated a profit of £18·46 million which would be shared by the consortium, RTZ's share being £7·1 million, based on 35 per cent. interest. Those are fantastic figures and I dare say were matters of negotiation between the parties. On further assessment, the revised figures were £150,000, RTZ's share being £48,000. The arrangement that the Inland Revenue uses for its computations may impress hon. Members, civil servants and others, but it is pure guesswork. If it is pure guesswork, there is no reason why the exploratory elements operating in the North sea should be affected by it.

I should like to emphasise some further points. There is no real gain at the exploratory stage if a licence is farmed out from A to B, because B will have to put in the money to develop the field. In many cases, there will be no discovery. If, as in one in 10 cases, there is a good discovery, it may mean that the field will be productive for the benefit of all. With roll-over, when earnings begin to materialise, the company will be in a position to pay. Front-end loading or commitment is totally unrealistic in respect of legislation. Front-end loading affects the cash flow of the smaller firms much more than the bigger ones. It is much more equitable for demands for CGT projections to be carried forward to the time when the fields come into operation. I hope that my right hon. Friend the Financial Secretary will consider my remarks carefully and bring about changes next year.

Mr. Alex Salmond (Banff and Buchan): I shall make a brief contribution because many of the points have been made. There are two issues at stake. The first concerns retrospective legislation. During last night's debate on clause 62, the Financial Secretary made it clear that the Government did not like retrospective legislation and that only in certain circumstances would it be a good idea. One of his key points was about the fact that the taxation commissioners had overturned what he described as the "generally understood" position. The Financial Secretary made that point no fewer than seven times in his contribution on clause 62. He used "generally understood" twice, "widely accepted" four times and "accepted" once.

As I said yesterday evening, I do not understand how the Government can possibly maintain their position on clause 80 if they follow the arguments used on clause 62. Whatever the rights and wrongs of this clause, there is no question but that there was substantial controversy about whether farm-ins were eligible for roll-over relief on capital gains taxation. It was not a "generally understood" position. If there were such a position, the industry would have felt that roll-over relief was available at least for certain types of farm-ins. If there is consistency in the Government's position on clauses 62 and 80, they will have the grace to withdraw or amend clause 80.

The second issue is whether this is the right moment to tighten oil taxation. We have heard some oil price figures, but we should also consider the number of exploration and appraisal wells drilled. At the end of last month 22 exploration and appraisal wells were being drilled, substantially more than in the spring this year, when there were only 13. The number is much less than at the end of 1985, when the total was 50.

5.45 pm

The industry is in a severe state. Part of the responsibility must lie with the Government's headlong and unwise pursuit of low international oil prices. *[Interruption.]* The Government encouraged and welcomed the decline in world oil prices. That was a mistaken policy for a major oil producer.

At this time it is unwise further to tighten oil taxation and further to restrict the necessary flexibility of people farming in to oil licences. In a previous incarnation the Economic Secretary knew something about this industry, so surely he accepts that it is a good idea to have this flexibility. If a company has fulfilled its obligation and been encouraged by the wells drilled, although no definite discovery has been made, it is a good thing for another company to be allowed to introduce new capital for further exploration wells. Surely the Government do not want to reduce flexibility and lessen the ability of other companies, especially small ones, to have particular licences, discover new fields and therefore secure the industry's future. I very much hope that, given those arguments, the Government will revise their position.

Mr. Michael Morris (Northampton, South): I support the submission of my hon. Friend the Member for Croydon, South (Sir W. Clark). My right hon. Friend the Financial Secretary should be under no illusion that the oil industry believes that this is a not a very cumulative tax. Add to that the retrospective element, which goes back 22 years — it has not just happened in the past year or 18 months — and there is a double problem. I think that my right hon. Friend the Chancellor will recall, if he is prompted by my right hon. Friend the Financial Secretary,

[Mr. Michael Morris]

that when he was Secretary of State for Energy he commented to the Treasury that the implementation of the advance petroleum revenue tax was wrong in terms of its timing and measures. The Treasury did not listen but, 12 months later, it changed the law because it found that the oil industry was right and that the effects were detrimental to the industry.

We are interested in further exploration in the North sea. Farming out has been a practice in some parts of the world, especially in the North sea, for years. The practice is not only well proven but helps small companies and British companies. If clause 80 remains as it is, the major companies will not be adversely affected. The Shells, BPs and Amocos of this world will be able to shrug it aside and carry on, but the British companies and small companies —the very ones that we want to develop—will lose. I very much hope that my right hon. Friend the Financial Secretary has listened to the comments of my hon. Friend the Member for Croydon, South.

Mr. Peter Hardy (Wentworth): I can be relatively brief because many of the arguments have already been deployed.

The Committee is indebted to the hon. Member for Croydon, South (Sir W. Clark) for tabling these amendments, although I did not think that it was entirely gracious of him to seek to take the credit for the development of our offshore industry purely for private enterprise. He may well be more interested in taxation than in energy, but he should recognise that the public sector has been involved substantially. This is not an amendment or a cause that should be approached in quite so partisan a fashion, but it is right that we should consider the matter seriously.

The fact that the response appears to have been rushed is serious. It is a rather spiteful and swift response, not made at a gracious speed, to a decision by the special commissioners that the Government find discomfiting. It certainly does not seem entirely reasonable that the measure should have been rushed through in this way without, apparently, adequate consultation with the industry. I am beginning to wonder—perhaps the hon. Member for Bedfordshire, North (Sir T. Skeet) shares my concern, to judge from his comments — whether the Treasury consulted the Department of Energy at all. The effect of the measure would surely run contrary to the interest and policy that have long been adopted by that Department. Its effect has already been described by the hon. Member for Banff and Buchan (Mr. Salmond) and other hon. Members, who recognise that the effect of the clause, if unchanged, will be to reduce the level of offshore activity.

My concern is not really a fiscal one, but has to do with energy policy. The Government have an obligation to ensure that we maximise the levels of extractions from each field in the North sea. That requires substantial investment. A tax policy that deters investment will mean that the amount of oil that we extract will fall. While oil prices have risen, though not, perhaps, on the significant scale that some hon. Members may have expected, the Minister cannot deny—he has experience of this—that oil prices in the 1990s will rise more substantially than they have in the past year or two. If that is the case, the Government should try to ensure that such a level of investment is maintained offshore as guarantees the encouragement of tertiary extraction, orders for British industry and technology and the opportunity for British companies to which hon. Members have referred.

All those aims will be embarrassed if the Government go ahead with this rather draconian step of retrospection. The hon. Member for Croydon, South (Sir W. Clark) may be much more opposed to the principle of taxation than I am; perhaps I take a more austere view of the cause of taxation than he does. While I accept that retrospection seems harsh and, accompanied by inadequate consultation, it is even more severe, I believe that the Government may well be giving my hon. Friends and me some ideas. The prospect of retrospection is obviously alien to a civilised society. On the other hand, I suppose that a new approach to the wealth tax, accompanied by some retrospective arrangement, might have some attractions, although I do not suggest that the Minister withdraw his clause for fear of that prospect.

However, I suggest that the Minister does not go ahead with the proposals until there has been adequate consultation with the oil industry and the Department of Energy to establish what the estimated effect of the measure is in terms of long-term energy policy and of maintaining a viable offshore industry. If the Minister examines the matter from that standpoint, he will make significant changes to the clause. If not, the Government will stand accused—with justification—of acting in a high-handed and draconian manner that is contrary to the best interests of sensible energy planning and development in the United Kingdom.

Mr. Peter Rost (Erewash): I support the amendment moved by my hon. Friend the Member for Croydon, South (Sir W. Clark). Indeed, I could hardly fail to do so, having been a member of the Energy Select Committee in the last Parliament that spent the six months in the run-up to the election on a detailed and intensive study of the North sea oil industry, the effects of the lower oil price on declining activity in the industry and the problems facing it. We made a great many detailed proposals and recommendations and we are still waiting for a response from the Government. Naturally, we hope that the response in the Budget is not their only one.

One thing emerged clearly from that detailed report. We took a great deal of evidence, including evidence from the Treasury and the Department of Energy. Although the fiscal regime was, in our view, reasonably fair at that time, we made one specific recommendation that relates closely to the amendment. The report was published during the general election and has probably not been fully noticed yet by the House, but it certainly will have been noticed by my right hon. and hon. Friends on the Front Bench, even if the Treasury has not taken much notice of it. Our report is certainly relevant to the amendment:

> "Although the system of North Sea taxation is not the one which, with hindsight, might be most desirable, we have no fundamental criticisms to make except to emphasise the need for the Treasury constantly to watch developments in the rest of the world and to ensure that North Sea taxation is never a disincentive to activity. During the present critical period, the government, if anything, should err on the side of the taxpayers rather than the Revenue. We broadly welcome the two concessions contained in the 1987 Budget, though we believe that it is arguable that both should have been somewhat more generous in the broad national interest."

We now find that, at the last moment, the Treasury appears to have thrown in, not only retrospectively, but in

a rather penny-pinching manner, a proposal that will undoubtedly have a damaging effect on continuing exploration activity. In view of the long lead times required and the slow-down in investment in the North sea that has already taken place, what is needed now, if anything, is a little pump priming by the Treasury rather than disincentives.

The retrospective nature of the measure is bad enough. My right hon. and hon. Friends in the Treasury are well aware of the detailed workings of the oil industry; they understand what farm-outs are about, and that they are as much a part of the oil industry structure as, for example, reinsurance and some underwriting are at Lloyds, or partnerships or consortia are in the rest of industry. However, the Revenue does not seem to understand that. To propose to tax farm-outs for capital gains before the true nature of the reserves of oil have been proved as economic seems ludicrous. The proposal is unacceptable not only because it is retrospective, but because it would undoubtedly hinder further development in the North sea.

The whole of clause 80 should be deleted until there has been more meaningful discussion with the oil industry to find a compromise. There are certainly plenty of precedents for proper negotiation, and the oil industry has always been prepared to come up with a compromise solution. In this case, it appears that the industry has not been properly consulted. Without amending or deleting clause 80, we shall be imposing a tax on the transfer of licences in cases in which no commercial discovery has yet been made in a way that will undoubtedly provide a major disincentive to further development. If there is not a major concession on this point, drilling activity will decline in precisely those critical years when we should be accelerating development in order to maintain self-sufficiency for the United Kingdom. If there is not a major rethink by the Treasury, the proposal will be not only counter-productive, but a penny-pinching, badly timed measure that is contrary to the best national interest.

Mr. Douglas: I shall be extremely brief and I apologise again to the Committee for my lack of attendance.

The Financial Secretary to the Treasury should know better, because he has had deep experience of the Department of Energy, and he knows that there are distinct differences between exploration and appraisal and the development stage. What would one be trying to do, either from the point of view of the nation's industrial and commercial interests or from that of future tax revenue? The measure would tie the oil companies at the exploration and appraisal stage. This clause is a backward step and would restrict exploration.

I am not saying that the oil companies are not slick chicks and know how to manipulate taxation. On occasion the Government have been too generous in their taxation policy; I have made that plain. We are talking about trying to entice companies to specific licences in cases where either the consortium as a whole or one or two members on the licence have said, "We have carried out our exploration drilling, but we are in some difficulty and cannot go forward because of cash flow." They then look round to see if they can find someone who will come in. The company that comes in will not necessarily invest cash but may do something in kind. It will drill a couple of holes and get a share of the licence. That is totally in the national interest and seems a sensible way to proceed.

6 pm

I take it that all hon. Members received a note from the United Kingdom Offshore Operators Association. It talks about companies A and B and says:

"'A' should pay immediate capital gains tax on the £10m expenditure contributed by 'B', which is considered to be a gain by 'A' on 50 per cent. licence disposal to 'B'."

Does the company pay on the total £10 million? We must be clear about that.

There is another vexatious problem about which one of the Ministers in the Department certainly ought to know better. Annex Bs are not given away like Omo gift coupons. They have to be analysed in great detail by the Department and the operator or the consortium that is operating the licence. It surprises me that apparently there have been no discussions on this matter between the Department of Energy and the Treasury. I plead with the Government, in the interests not only of the oil companies but of ensuring a much more even development of the North sea, to examine these matters and to have discussions with the oil companies. There is ample precedent for this.

The original Bill on oil taxation was moved by Edmund Dell and envisaged that tax procedures did not start immediately. If my memory serves me right, they started at clause 10 which gave more time for discussion with the oil companies. That was under a Labour Government.

These are delicate and difficult matters and the Minister will not cave in all at once under the pressure of the points that have been made. There are good technical and national reasons and long-term taxation advantages for not inhibiting the oil companies. If they are inhibited, it will inhibit the eventual tax flow from the development of the fields. The Government ought to know better and ought to behave much more sensibly.

The Economic Secretary to the Treasury (Mr. Peter Lilley): I join other hon. Members in thanking my hon. Friend the Member for Croydon, South (Sir W. Clark) for giving the Committee the chance to debate the two most crucial aspects that are raised by the clause. They are obviously matters of concern to hon. Members in all parts of the Committee. They are the issue of retrospection and the question whether the refusal of roll-over relief inhibits exploration activity. I shall begin by discussing retrospection.

Both the Inland Revenue and the oil industry have proceeded for a number of years on the basis that oil licences did not qualify for capital gains roll-over relief. The industry did not like this situation. Indeed, it lobbied annually for the law to be changed to make gains on oil licences eligible for such relief. However, the very fact that such lobbying efforts were made illustrates that there was broad agreement about what the law was – if not about what it ought to be. For example, before the 1983 Budget the United Kingdom Offshore Oil Industry Tax Committee wrote to my right hon. Friend the Chancellor saying:

"CG rollover relief is not available under Sections 115-121 CGTA 1979 for a capital gain accruing on disposal of an interest in a petroleum licence . . . UKOITC propose therefore that the law be amended."

Similar representations have been made by either Brindex or UKOITC before almost every Budget since then. In previous Finance Bills, my hon. Friend the Member for Croydon, South has put down amendments to change the law on these lines, as have my hon. Friends the Members

[Mr. Peter Lilley]

for Havant, (Sir I. Lloyd), for Devon, North (Mr. Speller), for Wansdyke (Mr. Aspinwall), and for Bedford, North (Sir T. Skeet).

There has been broad agreement about what the law is. The hon. Members for Sedgefield (Mr. Blair) and for Banff and Buchan (Mr. Salmond) said that there was considerable uncertainty about the law. I think that they were referring to another aspect of the capital gains law as it applies to oil licences. It is whether a gain arises on the transfer of an interest in an oil licence when no cash changes hands. That was in dispute until fairly recently, but a settlement was reached and the parties to the settlement agreed that a gain did arise and settled with the Revenue.

Only one company continued to pursue a case with the special commissioners and, as has been recognised, that was Rio Tinto-Zinc. It pursued the separate point about whether such a gain was eligible for roll-over relief. The resultant decision by the special commissioners casts doubt on this long-established application of the law. In that case, the special commissioners determined that an oil licence could qualiy for roll-over relief. Of course, a ruling by the special commissioners applies only to the specific case from which it arose and could be reversed in a higher court. To allow the matter to proceed through the courts would mean a long period of uncertainty and litigation until the courts had determined whether, and if so in what circumstances, gains on oil licence transfers are eligible for roll-over relief. Therefore, the Government announced on 14 May their intention to introduce clause 80 to establish the legal situation beyond doubt.

I well understand the odium that attaches to the word "retrospection". Changes in the law which retrospectively upset the established and accepted legal basis on which people have planned their lives clearly are odious. However, the clause has no such disruptive effect. On the contrary, it reaffirms the legal validity of the established and accepted understanding on which the industry and the Revenue have planned their affairs up to now.

About £150 million of tax on past gains is at stake. The bulk of this arose from a comparatively small number of sales of interests in developed fields. If these amendments were accepted, they could possibly give rise to an unexpected windfall gain to the companies that sold their interests in a field, and a corresponding windfall loss to the Exchequer and taxpayers. That is not right.

Mr. Douglas: The Economic Secretary should look carefully at the words that he is using. He spoke about "interests in developed fields." A cash flow could be available. It seems that the Minister is asking for tax to be paid at the exploration and appraisal stage and not at the development stage. There is a substantial difference.

Mr. Lilley: That is an important point, and it is an important distinction that has arisen in the debate. As I recall, no hon. Member, nor the industry, has ever argued that there would be any economic benefit or industrial gain from allowing roll-over relief on developed fields. The practical consequences of capital gains tax roll-over relief on oil exploration are restricted to exploration licences.

My hon. Friends the Members for Croydon, South, for Bedfordshire, North, for Northampton, South (Mr. Morris) and many other hon. Members have drawn this distinction, as has the industry, and they have argued that the lack of roll-over relief may inhibit transfers of interest during the exploration stage. I agree that such transfers can be beneficial. It is in the public interest that licences be in the hands of those who are most enthusiastic to develop them and who have the cash to do so.

Sir Trevor Skeet: My hon. Friend has used a very blunt instrument — the Finance Bill — to bring about the change. What happens to the other 50 or 70 prospective claimants who feel that they have a case but who are not as lucky as RTZ? Will they lose out?

Mr. Lilley: If my hon. Friend will contain himself, he may find that there is good news in store for them.

It is desirable that there is no unnatural inhibition of transfers at the exploration stage, not only because we want licences to be in the hands of those who have the greatest interest in developing them and the greatest ability so to do, but so that companies can spread the risk where appropriate.

My hon. Friends pointed out that, typically in these cases, no cash gain arises when a company farms-out in return for the farmer-in agreeing to undertake a programme of work on the block.

Having listened carefully to what hon. Members and the industry have said in the consultations that we have had recently, I am persuaded that a distinction could be made. However, it is not one that can sensibly be sorted out in the compass of this Finance Bill. Accordingly, while we believe that clause 80 should be enacted unamended, I propose to discuss further with the industry over the coming months the possibility of introducing some form of roll-over relief for gains, past and present, on work programme farm-outs at the exploration phase where no cash profit is realised. If those discussions are fruitful, and I cannot guarantee that they will be, the legislation could not be introduced until the spring 1988 Finance Bill.

I hope that my hon. Friends the Members for Croydon, South, Bedfordshire, North, Northampton, South and Erewash (Mr. Rost), as well as Opposition Members, will find that this goes some way towards meeting the points that they have made, and that it will reflect not only the work that they have done on the clause this year, but the efforts that they have made in previous years to obtain such relief. I hope that in the light of that my two hon. Friends who have tabled amendments will feel inclined not to press them.

Before I sit down I shall respond to some of the points that have arisen in the debate. It was suggested that the oil industry is not entitled to roll-over relief, but that is not the case. Roll-over relief is available for plant and equipment in the North sea. It is only in regard to oil licences that there has been a general understanding that it was not available.

Another point was whether the RTZ case that was before the special commissioners was a test case. It was not in any sense a test case. The other parties that had been involved in the earlier case as to whether a gain arose had settled, accepted that it did and had not pursued the question whether they were entitled to roll-over relief. As far as I know, there are no outstanding claims for roll-over relief from any company in the North sea, other than the company that is protected by a subsection of the clause.

My hon. Friend the Member for Bedfordshire, North suggested that as a result of the main provisions of clause 80 the law would be affected as far back as 1965. Because

there is normally only a six-year period during which back claims can be made, it merely alters the situation for the past six years. If the potential concession that I have announced is satisfactorily agreed, that would apply only to roll-over relief on developed fields.

My hon. Friend the Member for Bedfordshire, North also mentioned that gains at the exploration stage were guesswork. There is an element of estimation, but, as a result of the change in the process of estimating gains that has recently been announced by the Inland Revenue, partly following the settlement relating to whether gains arose, the measured gain will be smaller than was previously thought to be the case.

6.15 pm

The hon. Member for Dunfermline, West (Mr. Douglas) asked whether UKOOA's statement that oil companies would have to pay the full £10 million was correct. Under the recently revised method of valuing farm-out concessions, that is not correct. It may become hypothetical or academic, but they will be liable only for a fraction of the £10 million, which reflects the probability of success.

My hon. Friend the Member for Erewash mentioned the Select Committee report, in which he played a distinguished part. The Treasury has found that valuable and we have read it with care. He will note that the representations that were made to him confirm the general point that I was making, that the industry did not have any doubts about the existence of the law on roll-over relief and that it did not express any doubts about the uncertainty attached to it. That reinforces the general point that I was making with regard to retrospection.

I hope that that covers most of the specific points that have been made.

Mr. Michael Grylls (Surrey, North-West): The concession that my hon. Friend has given is helpful and practical. In view of that, I do not intend to pursue my amendment. It has been a useful debate and the House is grateful to my hon. Friend for what he has said.

Sir William Clark: We have had an interesting debate and it has shown the advantage and value of such debates.

As the House knows, I am a consultant to Texaco. These debates are valuable because they demonstrate how the implications, technicalities and fiscal changes that harm the industry are sometimes overlooked by the Inland Revenue. I say that with the greatest respect to the Revenue and I am not trying to denigrate it in any way.

With regard to retrospection, the assurances that my hon. Friend the Economic Secretary has given go a long way. In view of the unequivocal assurance that in next year's Budget we will have a clause that gives roll-over relief to the exploration element of the industry and that it will not only apply from 1988, I beg to ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause 80 ordered to stand part of the Bill.

Clause 81

COMMODITY AND FINANCIAL FUTURES AND OPTIONS

Question proposed, That the clause stand part of the Bill.

Mr. Blair: I have a brief question on clause 81. It concerns the gains that are made on over-the-counter options and on the futures exchange. As I understand it, over-the-counter options mean the grey market in these options or in futures. The Economic Secretary will tell me whether that is right or wrong. Whereas these were previously taxed as income under case VI of schedule D, they will now be taxed as capital gains, which is a more beneficial tax treatment for the investor. Is the Economic Secretary aware of the cost of that tax change? Will he tell us why this has been brought forward now, bringing the over-the-counter options in line with the law on other options, and why it was not done before?

Mr. Lilley: I am sure that the hon. Member for Sedgefield (Mr. Blair) was not intending to cast aspersions on the over-the-counter market by suggesting that it was grey. The distinction is between options carried out on a recognised exchange and those that are usually tailor-made and not regularly traded on an exchange but worked out for particular customers. There has been a distinction in the tax treatment between the two, partly because the tax treatment of traded options was related to the fact that they were traded on an exchange.

The hon. Gentleman asked about the cost. I understand that the cost of the change will be negligible. None the less, it will be beneficial to those who produce the tailor-made options. The reason for introducing this clause now is that it is possible to follow the provisions of the Financial Services Act 1986 in regulating these sorts of options and to use that framework to extend the tax treatment presently accorded only to those on exchanges to the tailor-made options as well. For that reason, the clause will not come into effect until the Financial Services Act regulatory framework is in force.

Question put and agreed to.

Clause 81 ordered to stand part of the Bill.

Clause 82 ordered to stand part of the Bill.

Clause 83

FAILURE TO MAKE RETURN FOR CORPORATION TAX

Question proposed, That the clause stand part of the Bill.

Mr. Blair: It may be helpful if I say one or two words about this part of the Bill, which will introduce a system of automatic penalties in relation to corporation tax and the pay-and-file system in an attempt to introduce some of the recommendations of the Keith committee. In essence, we support the structure of the scheme and have no objection to it. It will mean that the payment of corporation tax is speeded up and, therefore, that the tax system will work more efficiently.

I want to return to something that we raised on several occasions when we were debating value added tax and the proposals of the Keith committee in relation to that, the absence of any power of mitigation in relation to the fines that will be imposed. There may be amendments to clause 84 that raise a similar point, so perhaps I can speak about that later.

One of the great dangers of introducing a system of automatic penalties without mitigation is that the justice that we are introducing is a little rough. We have had the experience of the value added tax system of automatic penalties being applied without any process of mitigation being allowed. It is fair to say that that has caused widespread concern. The Opposition have made several

[Mr. Blair]

attempts to secure some provision for mitigation of those penalties. Our pleas have fallen on deaf ears so far. I should be grateful if the Minister can tell us whether similar representations have been made in relation to the penalties to be introduced for corporation tax. Will he explain exactly why we cannot allow some system of mitigation when, especially with corporation tax, we could be dealing with large sums of money? There is a basic principle that if penalties are to be imposed there should be some attempt to allow a board of commissioners to consider mitigation in circumstances where it is clear that the offence was the result of inadvertence. The difficulty now is that businesses may be subject to considerable fines without mitigation being available. That cannot be in the interests of anybody. I would be grateful if the Minister would respond to that.

As I said, we are generally in favour of the structure of the implementation of the proposals, but the absence of a power of mitigation is a grave drawback to the corporation tax proposals in the same way as it was for value added tax.

Mr. Bruce Millan (Glasgow, Govan): I support my hon. Friend the Member for Sedgefield (Mr. Blair) in all that he said. It is convenient for the Revenue or, in the case of VAT the Customs and Excise, to have these standard penalties inserted into the legislation. However, as my hon. Friend has said, they can sometimes operate unfairly where there is no demonstrable offence or negligence on the part of the taxpayer but where there may simply be inadvertent neglect, if one can use that expression.

The absence of mitigation is a fault in the legislation. What my hon. Friend the Member for Sedgefield said about VAT is true. The fixed penalties have given rise to considerable concern. I hope that we shall have some indication from the Minister this evening that the question will be looked at again and not only in relation to this clause.

Mr. Lilley: I welcome the support from the hon. Member for Sedgefield (Mr. Blair) for the general structure of pay and file which will be a considerable advance for taxpayers when it is introduced, although that will not be until April 1992. It is intended to overcome the incredibly complex problems in the existing system where there is no direct obligation on companies to file their accounts. About two thirds of companies go to appeal before accounts are extracted from them by the Inland Revenue. It is possible to make an assessment only then.

We have decided to simplify that by introducing pay and file, the essential principles of which are that companies will have an obligation to file their accounts within 12 months of the end of the accounting period. After nine months they will have an obligation to pay their self-assessment of tax due. Interest will be earned if they overpay when the final assessment is made and interest will be incurred if they have underpaid in their original assessment.

It is important that we move to automatic filing of accounts so that the Revenue can reach an agreed assessment of the tax due. To achieve that, it is necessary to have fixed penalties. A phased system of penalties is proposed. After a delay of between 12 and 15 months the penalty will be £100 flat rate. After a delay of between 15 and 18 months the penalty will be £200, after 18 months and up to two years it will be £200, plus 10 per cent. of the underpayment of tax when eventually worked out, and after two years it is 20 per cent. of the underpayment of tax.

We have avoided mitigation for three reasons.

Mr. Blair: Is it not the case that there can be automatic filing and automatic penalties and that that can still lie easily with a system of mitigation? Is it not the case that, if a small company were to make a tax return incorrectly, it could still be subject to stringent and draconian penalties?

Mr. Lilley: These clauses deal solely with the filing, not the payment. Any penalties that arise out of the clauses are due to late filing. The system of penalties relates to that. There is not so much of a problem with over and under assessment because that is dealt with by the automatic interest payments. In any case, that is dealt with in later clauses of the Bill. Therefore, we are dealing with penalties for late filing of accounts to the Revenue.

Powers of mitigation have been avoided for three reasons. First, companies have the right to plead reasonable excuse for not filing their accounts. If that is proved, there will be no penalty, assuming that they eventually get round to filing accounts. Secondly, we have set the maximum penalty below that suggested by the Keith committee. Thirdly, the penalty is lower than that which is theoretically available under the present system, which could be as high as 100 per cent. of the tax underpaid.

6.30 pm

Because we wish to avoid a situation in which everyone goes to appeal, we cannot have a system of mitigation. If it were open to the special commissioners to mitigate the penalty, there would be nothing to stop everyone lodging an appeal on the offchance and we should be back in the present situation in which 430,000 appeals are lodged every year.

Mr. Blair: The argument that if mitigation is allowed everyone will wish to mitigate is the classic argument of bureaucracy, and we should be extremely cautious about accepting it without challenge. The same could be applied to the "reasonable excuse" get-out. On the whole, people do not seek to use such provisions if they have no argument to put. It is argued that the way to deter appeals is to have a system of automatic penalties without the power of mitigation, but one must balance the interests of the Exchequer in getting the tax in properly with those of the taxpayer.

In relation to VAT, there have undoubtedly been cases of real and substantial injustice, to the extent that the president of the VAT tribunal has said that the law should be changed to allow for a power of mitigation. That tribunal does not expect to be flooded with unnecessary appeals as a result. I wish to put down a marker about this as we have raised the matter many times before and will doubtless do so many times again. We must be careful of moving to a situation in which bodies have power to levy substantial penalties but in which there is no power to graduate the amount of penalty according to the turpitude to the offence.

Mr. Lilley: As I said, the penalty is automatically graduated in terms of the delay in filing the accounts. As delay is the essence of the offence, there is an element of automatic graduation.

The experience with VAT has given rise to the hon. Gentleman's concern. He will know that a review of that system has been promised in advance of the 1988 Finance Bill. Doubtless any lessons which come out of that review will be taken into account in a wider context.

Mr. Millan: The Minister says that the taxpayer could plead reasonable excuse, but I do not see that in the clause. Could the Minister say where it appears?

Mr. Lilley: It is a feature of the Taxes Management Act and is automatically incorporated in this.

Mr. Blair: The Minister referred to the review in relation to VAT. Was he implying that the lessons of that review would be applied to automatic penalties in relation to corporation tax?

Mr. Lilley: They would not be applied unless there were a logical relationship leading us to do so, but clearly we take all reasonable matters into account all the time.

Sir William Clark: The taxpayer may plead reasonable excuse, but the Inland Revenue will be judge and jury in deciding whether the excuse is reasonable. I shall deal with mitigation on a subsequent amendment. Under this clause the penalty is imposed for failure to file accounts, but there is no pressure on the Inland Revenue to agree the computation within a certain period. Given the current backlog of work, is my hon. Friend satisfied that when these provisions become operative the Inland Revenue will be able to deal expeditiously with the accounts?

Mr. Lilley: My hon. Friend is correct. In the first instance, the Inland Revenue will decide whether an excuse is reasonable. However, if a company objects to that ruling, it can appeal to the commissioners. It can take the matter to appeal on the question of reasonable excuse.

Under the pay-and-file system, there will be an incentive for the Inland Revenue to deal with matters expeditiously because if a company has overpaid the Inland Revenue will have to pay interest on the money that turns out to have been paid in excess of the due assessment.

Question put and agreed to.

Clause 83 ordered to stand part of the Bill.

Clause 84

ASSESSMENT OF AMOUNTS DUE BY WAY OF PENALTY

Sir William Clark: I beg to move amendment No. 60, in page 53, line 1, leave out from 'assessment' to the end of line 7 and insert—

'or may reduce it to such an amount as they consider appropriate having regard to the provisions of that section and all the circumstances of the case; and

(b) if it appears to them having regard to all the circumstances of the case that no penalty ought to be awarded, may set the assessment aside.'.

The Temporary Chairman (Mr. James Lamond): With this it will convenient to take amendment No. 61, in page 53, line 7, at end insert—

'(6A) In any appeal against an assessment by way of penalty under section 94 of the Management Act unless the Commissioners are satisfied on the basis of lawful evidence provided by the inspector or any representative of the Board and by or on behalf of the taxpayer that a penalty has been incurred they shall set the assessment aside.'.

Sir William Clark: The amendments need not delay us for long, because much of the ground was covered by the hon. Member for Sedgefield (Mr. Blair) in the previous debate.

There is no power for anyone to mitigate the various fines, although I appreciate that there is some scaling of the fines in relation to the delay in filing accounts. In the recent VAT tribunal case of Gailey, Jackson and Pook, the chairman of the tribunal described section 15 of the Finance Act 1985, which contains the automatic penalty provisions, as follows:

"The section is draconian in that it imposes a penalty of 30 per cent. without power to any authority to mitigate, without reference to the amount of tax lost to the state and, indeed, without reference to the justice of the matter".

That is a severe indictment of fixed penalties, because all cases are not the same. I accept that interest will be payable in the event of overpayment or underpayment, but I do not accept the argument that thousands of people would appeal if mitigation were possible. They do not do so in the normal course of events when assessments are made under the present system. People do not automatically appeal in relation to ordinary computations. They may appeal to protect their position, but very few cases go to the special commissioners or to the general commissioners. The matter is settled before the appeal comes up. A case goes to the commissioners only if the taxpayer appeals against an assessment but does not provide accounts and cannot prove that the assessment is wrong.

In all justice, it is a bit much for my hon. Friend the Minister to say that there is to be no mitigation of penalties simply because the Government or the Revenue believe that everyone would appeal. That has not happened in practice, and I see no reason why it should now.

On amendment No. 61, if one appeals against an assessment in the normal course of events, it is up to the taxpayer to prove why that assessment is wrong. If the Revenue, under the penalty procedure, says that there is a penalty and makes an assessment of that penalty, does the Revenue have to prove it, or does the taxpayer have to disprove it?

Mr. Lilley: My hon. Friend referred to a criticism that applied to the original Keith committee recommendations, rather than to the modified version incorporated in these provisions. We have responded to that criticism by reducing the maximum proposed penalty from 30 to 20 per cent. of outstanding tax and by increasing the time before it becomes applicable. Therefore, a longer delay is allowed before any penalty comes into force for the non-filing of accounts, and the penalty is less than it was. Theoretically, the present maximum penalty is up to 100 per cent. of tax and obviously that is much more liable to require some degree of mitigation.

Sir William Clark: The chairman of the tribunal said that 30 per cent. was draconian. My hon. Friend says that it has been reduced to 20 per cent., but that is still draconian.

Mr. Lilley: Clearly it is less so, and it becomes applicable much later. This problem of appeal which my hon. Friend suggests is unlikely to be serious could become important and there could be widespread appeals. The practice of going to appeal already stands at about 400,000 cases a year, so we are not talking about small numbers

[Mr. Lilley]

of people who are in the habit of appealing. We cannot be sure that they would not continue this habit even under a regime where it was less appropriate.

Mr. Blair: We must be a little careful. The Economic Secretary talks about people in the unfortunate habit of appealing, but they are perfectly entitled to appeal if they feel that their interests have not been properly considered. We should not necessarily think that everyone who appeals is attempting to abuse the procedures.

The two amendments deal with the question of litigation and we have substantially dealt with that, but I wish to pursue a matter arising from amendment No. 61. I thought that in effect the commissioners, on appeal, would have to be satisfied that a penalty should have been incurred. I should be grateful if the Minister could tell me whether that is the case. Or is it the case that at present the duty is on the taxpayer to show that a penalty should not be incurred?

Mr. Lilley: When the hon. Gentleman said "at present", did he mean in the clause as it stands, or under the present regime?

Mr. Blair: Under the amendment.

Mr. Lilley: I am not criticising the practice of appealing. It is almost built into the present structure of corporation tax and it has become established practice. However, I would regret its continuing under the new system, because it is partly to avoid the necessity of that that we are introducing pay and file. It would be sad to create a new system under which appealing was legitimate and so people did it. If mitigation was built in, obviously it would be open to people to lodge an appeal, because they would stand some chance of having their penalty mitigated. They stand to lose nothing, except in trivial cases where the cost of lodging an appeal may not be worth it.

In answer to the question about the onus of proof, the Revenue must prove that a penalty is applicable. It must demonstrate that the filing had not been made by the relevant time. In that regard, the amendment probably has no effect. I can reassure my hon. Friend the Member for Croydon, South (Sir W. Clark) that the onus of proof remains where it is now and the Inland Revenue will have to prove that it has gone through the relevant processes of showing that a penalty is applicable.

The amendment could require the Inland Revenue—it would depend on how the amendments were interpreted by the courts—to prove, for example in the event of a plea of reasonable excuse, that the company had no reasonable excuse: that is, not that a specific excuse was not reasonable, but that it had gone through all reasonable conceivable excuses and could prove that the company did not have one. Obviously, that would be extremely unsatisfactory, and I am sure that it is not the intended consequence of my hon. Friend's amendment.

6.45 pm

Sir William Clark: In view of the current investigation and review, which will be completed before the next Budget, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 84 ordered to stand part of the Bill.

Clauses 85 and 86 ordered to stand part of the Bill.

Clause 87

INTEREST ON TAX OVERPAID

Sir William Clark: I beg to move amendment No. 25, in page 56, line 1, leave out subsection (3) and insert—

'In relation to a repayment of income tax falling within subsection (1)*(b)* above the material date is the 15th day following the end of the period specified in paragraph 2(2) of Schedule 20 Finance Act 1972 in which the corresponding payments referred to in subsection (1)*(b)* above fell to be received.'.

The Temporary Chairman: With this it will be convenient to take the following amendments: No. 26, in page 56, line 49, at end add—

'(9) For the purposes of subsection (1) above, where income tax is set-off against corporation tax under section 240(5) Taxes Act 1970, it shall be treated as a repayment of income tax made on the material date for payment of that corporation tax'.

No. 27, in clause 90, page 60, line 6, after 'assessment' insert

'For the purpose of this subsection, income tax deducted at source from income received shall be deemed to be corporation tax paid on the material date in section 87(3)'.

No. 28, in clause 90, page 60, line 17, at end insert

'this subsection shall take precedence over section 240(5) Taxes Act 1970'.

No. 29, in clause 95, page 62, line 25, leave out subsection 3 and insert—

'(3) Except in relation to sections 87 and 90(5) for which the appointed day shall be 6th April 1988, no day may be appointed by virtue of subsection (2) above which falls earlier than 31st March 1992'.

Sir William Clark: These are probing amendments. The effect of amendment No. 25 is to ensure that the early payment of tax by companies through the deduction of income tax at source from the receipts of interest is fully recognised by the new interest on tax overpaid regime. Amendment No. 26 is necessary to give effect to that.

Amendment No. 27 is to give corporate taxpayers the same right to recover an excess of tax paid by deducation of tax at source as they would enjoy if that pre-payment had arisen through an excess of corporation tax paid. Amendment No. 29 accelerates the date to after 1 April 1987 instead of the existing words.

If my hon. Friend the Economic Secretary can answer those points, I am sure that we can proceed with the rest of the Bill without further delay.

Mr. Lilley: These amendments would fundamentally alter the structure of the existing tax system, virtually abolishing the system of deducation of tax at source for companies. This would have serious effects. In the first year it would cost the Exchequer more than £1,500 million, more than £1,000 million of which would go to the chief beneficiary—the insurance industry. Naturally, this is a cash flow effect and I am not suggesting that it would permanently increase the cost to the Revenue by that amount.

I can see the analogy that my hon. Friend the Member for Croydon, South (Sir W. Clark) draws between the interest charges on pay and file and the delays in payment inherent in the position particularly of the life insurance industry which can claim back tax paid at source on income that it has received. However, I do not think that the analogy is sufficiently close. Certainly it would not be appropriate to pursue the change in this Bill.

Our proposed interest charge under pay and file is viewed as a commercial restitution in the circumstances where a company accidentally overpays tax against what is eventually assessed. Likewise, if it underpays tax, it will have to pay a measure of restitution for underpayment. That is different from the sort of timing difference which is inherent in taxation at source, which my hon. Friend wants to seek compensation for or alter altogether. I understand his point, but I do not think that it would be appropriate in this Bill to consider changes that would affect the Revenue so substantially.

Sir William Clark: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 87 ordered to stand part of the Bill.

Clause 88 ordered to stand part of the Bill.

Clause 89

PRESCRIBED RATE OF INTEREST

Question proposed, That the clause stand part of the Bill.

Mr. Blair: Clause 89 enables the Treasury to fix the rate of interest from time to time as it wishes. I should be grateful if the Economic Secretary would tell me what practice the Treasury intends to pursue. Will it be the same as it is at present?

Mr. Lilley: The hon. Gentleman has raised an important point. We intend to consult widely on the appropriate structure of interest rates within pay and file, and that consultation will begin shortly. The Government have no fixed view. It will, of course, be important to ensure that the system is both workable and fair, and is as widely agreed within the industry as possible, while at the same time meeting the needs of the Revenue, but we do not approach it with a fixed idea in our mind.

Sir William Clark: After consultation, let us suppose that it is agreed that the interest chargeable is one, two or three points above base rate, or whatever is thought reasonable. If we hypothesise a charge of two points above base rate, which today would give a rate of 11 per cent, would it not be unfair to keep the rate at the previous level —particularly if the base rate came down? I think that a month or two after the base rate comes down the interest charge should come down by the same amount.

Mr. Lilley: I shall certainly bear that in mind. If there were too great a difference between the rate applied and that prevailing in the market, problems would indeed arise. We should have to take such considerations into account when reaching a decision.

Mr. Blair: I should like to pursue the point a little further. Presumably at present interest is simply loaded on to whatever corporation tax is unpaid, and that is fixed by the commissioners in some way. How is it done? I am a little concerned about the Treasury fixing the interest rate. We are told that there will be consultation on the proper basis on which that is to be done. However, the whole structure of the provisions in the Bill is to put considerable power into the hands of the Inland Revenue or the Treasury, which will be making the assessments. There will be automatic penalties, and the prescribed rate of interest will be fixed by the Treasury from time to time.

What concerns me is that there will probably be very little opportunity for us to debate the outcome of the change in structure. When the Treasury decides the prescribed rate of interest, will we have an opportunity to decide whether it is correct? The hon. Member for Croydon, South (Sir W. Clark) has raised a fair point. Will the rate be one, two or three points above the base rate? The difference between those figures could be millions or even hundreds of millions of pounds. It is important that we obtain clarification and are given some assurance that any Treasury decision on the prescribed rate of interest will be made only after the widest possible consultation, and that we shall have an opportunity to comment after that decision.

Mr. Lilley: At present the interest rate is determined by statutory instrument placed by the Treasury. In theory, the House could object every time that the interest rate is changed. I understand—although I will correct this if I am wrong—that we will be able to establish a system that must be agreed by the House rather than the present pattern in which rates are altered by statutory instrument. However, that point may have to be clarified.

Mr. Blair: It would be helpful and worthwhile if we were given some opportunity to assess the mechanism that the Treasury intends to use. The Economic Secretary has put his finger on a significant change. At present, through statutory instrument, we can vote against the Treasury's decisions. Presumably that will change when we have agreed to the new method of assessment. The Treasury will then be able simply to change the rate of interest, and there will be no opportunity to dispute it after we have agreed that method.

Mr. Lilley: One option that will have to be considered is a differential between interest rates. At present the differential relates to the time when interest becomes payable. It is payable after six months if the company underpays, and after 12 months if it overpays. Although there is currently the same rate of interest, there is no symmetry between the two. If there were symmetry, there might be a possibility of round tripping, and so forth. I do not wish to mislead the Committee by suggesting that just one rate of interest will necessarily result.

Question put and agreed to.

Clause 89 ordered to stand part of the Bill.

Clauses 90 to 95 ordered to stand part of the Bill.

Schedule 6 agreed to.

Clause 96

INTERESTS IN POSSESSION

Question proposed, That the clause stand part of the Bill.

Mr. Blair: We have debated the principle of inheritance tax and the Government's reduction in it before, and I do not wish to rehearse old arguments. Last year the Government abolished inheritance tax on lifetime gifts between individuals. Clause 96 will extend that abolition to lifetime transfers into and out of interest in possession trusts—effectively, any trust that is not discretionary. I should be obliged if the Financial Secretary would tell me how much the abolition will cost, and whether I am right in thinking that it is primarily the better off who will gain.

The Financial Secretary to the Treasury (Mr. Norman Lamont): The cost of the new relief is negligible. Although it may be affected by behavioural changes, we do not believe that it would be significant.

Mr. Blair: Am I right in thinking that when the Treasury says "negligible" it is referring to the same principle as it uses in the Red Book, which is less than £5 million on an annual basis?

Mr. Lamont: I am not sure that that is the same principle as that which is used in the Red Book, but it would fall within the definition of "negligible". If I can add to the definition of "negligible", I shall let the hon. Gentleman know. I do not know whether he wants me to confirm his understanding of the clause. As always, he interpreted it perfectly correctly.

7 pm

We are extending to transfers into interest in possession trusts the principle of potentially exempt transfers. That is because we recognise that many businesses and a great deal of the heritage are held in interest in possession trusts. This change was urged on us by various professional bodies. Having looked at it, I came to the conclusion that it was justified. I know that my hon. Friends are very much in favour of it, too. However, it is necessary for the change to be carefully buttressed with anti-avoidance provisions. It is emphatically not our intention to extend the principle of the exempt transfer to other trusts, such as discretionary trusts. We have stopped here. We were subjected to a great deal of pressure to extend exempt transfers into all sorts of trusts, but we have said that there are special features about interest in possession trusts. We have included the anti-avoidance provisions in the schedule so that it stops here.

Mr. Blair: I suppose that we should be grateful for small mercies. I am happy to have the assurance that the abolition of inheritance tax will stop here. If the Treasury were to exempt transfers into discretionary trusts it would open up a huge loophole for avoidance.

Question put and agreed to.

Clause 96 ordered to stand part of the Bill.

SCHEDULE 7

INHERITANCE TAX: INTERESTS IN POSSESSION

Mr. Neil Hamilton: I beg to move amendment No. 91, in page 93, line 14, at end insert

'and

(d) that, within six months of the coming to an end of the relevant interest, any of the property in which that interest subsisted has neither—

(i) become settled property in which a qualifying interest in possession subsists or to which section 71 below applies, nor

(ii) become property to which an individual is beneficially entitled.'.

As my right hon. Friend the Financial Secretary pointed out a moment ago, clause 96 and schedule 7 seek to restore the parity of treatment between life interest trusts and outright gifts made by individuals — an essential element of the old capital transfer tax legislation that was lost on the introduction of inheritance tax in 1984.

I warmly welcome the changes that the Government have introduced in the Finance Bill. My right hon. Friend pointed out that had he gone further there would have been the prospect of considerable avoidance, and schedule 7 seeks, in a complex way, to prevent that from taking place. Were it not for schedule 7, property could be routed through life interest trusts to discretionary trusts. That could be misused in a variety of ways, two of which I shall mention by way of example and for the edification of the Opposition. The first is the so-called Chelsea pensioner scheme, whereby property is settled on somebody who is not expected to live for very long. The second example is the so-called man of straw scheme, under which property is settled on a person for life; but the trustees are given wide powers to appoint the property into a discretionary trust and thereby get around the limitations of life interest schemes.

Schedule 7 is targeted accurately at these avoidance devices. My small amendment does not seek to disturb the safeguards against abuse in schedule 7. Many people, however, have come to the conclusion that, as drafted, schedule 7 is too wide and does not conform with the practice of trusts, particularly in relation to heritage property where life interests in possession are the normal way of passing on such property and of safeguarding it for the future.

When property is settled on somebody for life, the terms of the trust often allow for some flexibility for appointment in the trustees, in case the life tenant dies prematurely. The trustees are allowed a short period—conventionally six months—in which to decide whether to appoint to a further life interest or to transfer property into absolute ownership.

My amendment would allow the trustees a short breathing space before making the appointment without fear of being caught by the complexities of schedule 7. If my right hon. Friend wants a precedent, there is one in the Inheritance Tax Act 1984. Section 92 provides for the case where property is not treated as transferred on death until the beneficiary has survived for a given period that cannot exceed six months. The costs involved for the section and the schedule are negligible. If my small amendment were to be accepted, the cost would be even less. I commend it to my right hon. Friend and hope that he will accept it.

Mr. Norman Lamont: My hon. Friend referred to the principle of parity between lifetime giving and giving to trusts that existed under the previous regime before the introduction of inheritance tax. He has called in aid that principle for this amendment. I am prepared to respond favourably to it.

Although the principle of parity applied under the old regime, we do not feel that that principle should be incorporated into all trusts. We have made lifetime giving tax-free, provided the donor survives for seven years. Therefore, we did not feel that it was right to make that provision for all trusts. We have conceded that principle for interest in possession trusts, but we do not intend to extend it to discretionary trusts. Last year we made it possible for accumulation and maintenance trusts to be included in the potentially exempt transfers. The basic reasoning behind this, and my hon. Friend's amendment, is that the trust has a function as an instrument that is independent of any tax advantage. We do not wish to destroy the trust as an instrument. That is very important in relation to interest in possession trusts.

My hon. Friend's amendment provides an opportunity for trustees who are caught by the anti-avoidance provisions in schedule 7 to rearrange matters so as to avoid

the special rate of charge. If an interest in possession that was created by a potentially exempt transfer comes to an end within seven years of the exempted transfer and the property then becomes subject to discretionary trusts, which would be the normal route that might be used for avoidance, the termination may be subject to a special rate of charge instead of the normal rate, if the settlor is still alive. The amendment would prevent the special rate from applying on that termination if, within the following six months, the property is made subject to another interest in possession trust, or passed to outright individual ownership or to an accumulation and maintenance trust that already qualifies for exempt transfers. The normal rate charge will, however, remain.

My hon. Friend's proposal has the merit that it would prevent people who have made perfectly proper trust provisions, with no avoidance motive, from being inadvertently caught by the special rate of charge. Without that a trust which provides for successive interests in possession at the trustees' discretion would be caught if an interest in possession ended prematurely, perhaps on the death of the life tenant, before the trustees appointed a successor. The amendment will allow trustees to make the appointment within six months after the life tenant's death without incurring a penalty.

I am content to accept my hon. Friend's amendment. My hon. Friend alluded to men of straw, bed and breakfasting and other contrivances. We have built substantial anti-avoidance provisions into schedule 7. We will monitor the operation of my hon. Friend's amendment very carefully for signs of abuse. I do not believe that counter-measures will be necessary. However, if they were, we would not hesitate to bring them in.

Amendment agreed to.

Schedule 7, as amended, agreed to.

Clause 97

ACCEPTANCE IN LIEU: CAPITAL TRANSFER TAX AND ESTATE DUTY

Mr. Millan: I beg to move amendment No. 89, in page 63, line 22, leave out 'may' and insert 'shall'.

We are dealing with a case where property is transferred in settlement of capital transfer tax and the property has a value attributed to it at a date earlier than the date that the property is actually accepted. At present, the clause nevertheless provides that interest may be charged from that earlier date. It does not make that mandatory, but it allows the Revenue presumably to determine or argue that the interest should be payable although the value of the property is as determined at the earlier date.

This is a case of the Revenue in certain instances trying to have it both ways. The logical position would be that if the value of the property was determined on a particular date, no interest should be payable from that date. The effect of my amendment would simply make that the position rather than allow what seems to be the present case in the drafting where there is an element of discretion on the part of the Revenue.

Mr. Norman Lamont: In the Budget and the Finance Act 1987, before the election, we enacted provisions whereby property could be offered in lieu of tax — that provision already existed — but we said that the interest calculation could be from the point at which the property was offered or the point at which it was accepted. Previously, it had been from the time when the property was accepted and interest ran to that point.

The right hon. Gentleman will appreciate that we gave the person offering the property the opportunity of having interest stopped at the point when the property was offered and he would have that choice. He would have the choice of a longer period of interest or the benefit of a possible higher value on the property over a longer period of time. That provision was enacted in respect of inheritance tax and it already exists in legislation. That legislation uses the word "may" to which the right hon. Gentleman objects. Clause 97 has only a minor function in that it mirrors the provisions to which I have referred, but in respect of pre-1985 capital transfer tax and estate duty. It has only a very narrow provision. If we simply alter the word "may", the right hon. Gentleman's amendment will not alter the provision with respect to the new tax. That is a minor reason against the amendment.

7.15 pm

I am not violently opposed to the right hon. Gentleman's proposition. It is born of a little distrust of the Revenue which seems to inspire some of these debates. I do not believe that substituting the word "may" for the word "shall" will mean that the Inland Revenue will not operate the policy announced in the statement of practice which was announced to the House. The question is being deliberately left open so that it will be negotiable along with other terms for the acceptance. The acceptance transaction represents a purchase by the Government at a negotiated price, and the interest terms are part of that price.

In general, the offerer's options will remain open until the item is formally accepted, but I agree with those who have said that interest relief should be available only for bona fide offers. I do not think it would be right to allow the "offer date" basis to remain open indefinitely. That might encourage people to procrastinate in order to exploit the new arrangements — for example, by continuing to enjoy income from the property. We envisage that after two years have elapsed from the date of an offer without the terms being settled the Inland Revenue may give the parties six months notice that it will no longer be prepared to accept the item on the "offer date" basis. This was announced in a Revenue press release on 8 April.

However, we do not want to rule out the possibility of a property being accepted on the basis of its value as at a date earlier than that of the acceptance even when waiver of interest is not appropriate because the two-year period has been passed. That is the only reason why the word "may" rather than "shall" has been used. We might seek to negotiate and be generous to the taxpaper who may wish to negotiate on the basis of the "offer date" value because the current value is less. That is why the word "may" has been used. We have a statement of practice. The policy was announced, and that is the only way in which the Revenue intends to exercise its discretion. I hope that my words in this debate will have some effect. I am not violently opposed to the right hon. Gentleman's suggestion.

Mr. Millan: I am grateful to the Minister for what he has said. I appreciate the points that he has made about this being a matter for negotiation. On the basis of what

[Mr. Millan]

the Minister has said and in the hope that the Inland Revenue will in practice apply the provisions in that spirit, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 97 ordered to stand part of the Bill.

Clauses 98 to 101 ordered to stand part of the Bill.

Schedule 8 agreed to.

Clauses 102 to 104 ordered to stand part of the Bill.

New Clause 18

Option to Commute Annuity Rights for a Lump Sum

'It shall be permissible for the trustees or managers of a scheme which is an approved scheme under the provisions of Section 18 of this Act or which is an exempt approved scheme under the provisions of Section 21 of the Finance Act 1970 to amend the rules of the scheme so that a member of the scheme may after the completion of not fewer than ten years as a member commute up to one-quarter of his rights under the provisions of the scheme for the immediate payment of a lump sum which shall be liable for taxation in the same way and to the same extent as a lump sum payable at the normal date of award of benefit under the scheme.'—*[Sir B. Rhys Williams.]*

Brought up, and read the First time.

Sir Brandon Rhys Williams (Kensington): I beg to move, That the clause be read a Second time.

Some time ago when the concept of personal pension schemes was under general discussion it was suggested in some quarters that it would be a good idea if this facility could be made available as a build-up of a personal identifiable asset available for discretionary use at any time during the beneficiary's lifetime. The idea did not find favour because it was not thought acceptable that the beneficiary could perhaps lose what was intended primarily as a retirement benefit through taking advantage of the right to draw the capital out at any time. The Bill does not, as I understand it, give any facility for the lump sum in a personal pension scheme to be drawn out before the normal age of retirement.

The object of my new clause is to give a partial option —a one quarter option—to the member if he requires his capital after a period of 10 years in the scheme. I think that it would be quite appropriate to allow this in the case of personal pension schemes and I can see no particular reason why it should not be permissible in all occupational pension schemes where the amount of money standing to the account of the member can be identified.

The clause would permit the extension of the facility to make a part commutation of the entitlement to annuity at the time of retirement so that the ability to draw a lump sum becomes available to the member after 10 years' membership of the scheme. If the lump sum is taken early in this way, it will reduce the amount of the eventual retirement annuity, but no more than if the lump sum were taken at the normal date. The clause partially changes the nature of a pension scheme so as to turn it into a savings scheme with a potential somewhat wider objective than a pure retirement benefit scheme. I can see no objection to that.

It is right to encourage savings and provision for emergencies as well as for retirement. If a man in middle life sees an opportunity to embark on a new venture or needs to have access to capital because of some emergency, is it not natural that he should be permitted to withdraw the money immediately from the fund which is accumulating for his benefit? My 10-year limit would prevent the abuse of the tax-haven status that we are offering to the schemes, which is founded on the principle of save now and pay tax later.

I am not suggesting that withdrawing a lump sum in the way that the clause would permit should have any special tax advantage for the beneficiary. I think that my right hon. and hon. Friends know that I personally believe that the withdrawing of a lump sum, in so far as it is acquired through contributions made in future years, should be taxable at the standard rate. The clause does not make any special provision in regard to taxation. The object is to widen the facilities available to savers through occupational pension schemes, and I believe that it should commend itself to the Committee.

Mr. Norman Lamont: As has happened on many other occasions during our consideration of the Bill, my hon. Friend the Member for Kensington (Sir B. Rhys Williams) has come forward with a new idea. We have been running hard to keep up with all his other ideas. Although we are digesting many of them and will talk to him about some of them, I cannot accept the new clause. I have no doubt, however, that as with his other ideas the drip, drip process will continue, and that in years to come we shall find ourselves wondering why we did not accept his ideas earlier.

As my hon. Friend has said openly, the new clause would, in essence, convert pension schemes into the form of a tax-sheltered savings medium. My hon. Friend has emphasied that pension arrangements take the form of a tax haven, but the rules governing them, especially when Finance Bill proposals are in place, are designed to ensure that a pension scheme is used for its intended purpose, which is to provide a replacement income in retirement when paid employment ceases.

The objection to the new clause is that it would allow any individual, no matter what his age, to withdraw a lump sum. He could take a part of his benefit at any time after completing 10 years' membership of the scheme. A person who joined a scheme at the age of 20 years could have a sum equal to one quarter of his benefits to date at any time after the age of 30. Although my hon. Friend expressed his reservation about the tax status of the lump sum, as he has done in all our debates, there would be benefit from the tax privileges even if we changed the taxation of the lump sum in the way that my hon. Friend suggests. I do not need to repeat what has been said about that and how that would be a radical change.

The new clause would turn occupational pensions and personal pensions into highly tax efficient savings vehicles that in many ways would compete with other forms of savings and investment. I do not think that that is a role that pension schemes, which benefit from generous tax reliefs, should fill. I always think about my hon. Friend's ideas and, as I have said, we shall have discussions with him about some of them, but I cannot commend this one to the Committee and I do not expect my right hon. and hon. Friends to accept it.

Sir Brandon Rhys Williams: I recognise the force of some of my right hon. Friend's arguments. On the other hand, there is an urgent need to encourage the savings motive as far as we possibly can. The country is not saving

nearly enough, and we should not turn down any opportunity that is likely to be popular of encouraging people to save. Nevertheless, I have not put enough work into the drafting of the new clause to seek to insist that the Committee should accept it. I understand fully the arguments that my right hon. Friend has used. In the circumstances, I am glad that I planted the idea—I do not think that it is a new one—and I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Schedule 9 agreed to.

Bill reported, with amendments; as amended, to be considered.

British Shipbuilders (Borrowing Powers) Bill

Considered in Committee; reported, without amendment. Order for Third Reading read.

7.28 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Robert Atkins): I beg to move, That the Bill be now read the Third time.

As the House will appreciate, we debated the Bill at some length a week ago. I think that it would be inappropriate and unnecessary for me to speak at length now. With the permission of the House and of yourself, Mr. Deputy Speaker, I hope that at the end of the debate I shall be able to answer any comments or contributions that hon. Members may make.

7.29 pm

Mr. Bruce Millan (Glasgow, Govan): I wish to raise one matter that follows on from the contribution which I made to the debate on Second Reading. I had hoped—I think that the Government did as well—that the Brittany Ferries order would come to Govan Shipbuilders. I do not wish to rehearse all that I said on Second Reading, but I wish to emphasise my wish that the Government pursue the matter with the greatest vigour. The Government took the issue to the European Commission on the basis that an unfair subsidy had been granted by the French Government to enable this important order to go to a French yard. On the basis of free and fair competition, it had been the intention of the prospective owner of the vessel, Brittany Ferries, to place an order with Govan Shipbuilders.

There has been a development since Second Reading, so I am intervening to ask for clarification from the Minister. The Commissioner responsible for these matters, Mr. Sutherland, yesterday announced that he had found both the French and British Governments in breach of the sixth directive on the maximum permissible amount of aid. There has been some rather misleading comment about this. It suggests that there was a deliberate intention on the part of British Shipbuilders and Govan Shipbuilders to put in a subsidised tender that was in breach of the directive so recently agreed within the Community, and operative only from the beginning of this year.

The reality is rather different. The tender submitted by Govan Shipbuilders was within the directive's maximum limit, and what has placed it above these limits is the later intervention by the French Government. They offered an additional subsidy of 10 per cent. to the operator of the vessel and the ship owner, Brittany Ferries. It is the addition of the two subsidies that has brought the British tender outside the limits laid down in the directive.

The French tender is an entirely different proposition, because this is a matter between the French ship owner, the French operator and the French Government. The French Government, having intervened in this matter—in my opinion quite improperly—have not only brought the French tender outside the limits, but have coincidentally brought the British tender outside the limits. They made, I suspect, a completely false promise that, no matter where the order went, the 10 per cent. subsidy would be payable. I do not believe that if Brittany

[Mr. Bruce Millan]

Ferries had persisted in putting the order into Govan the 10 per cent. subsidy would have been paid. I would have been astonished if that had happened.

The French Government have behaved deviously and cunningly in this matter, and have put us in the dock alongside them. I hope that the Minister will clear up the matter, because some newspaper reports today have suggested that we have been as much at fault as the French. I do not often defend the British Government, but in this case we are the injured party, not the culprit. I hope that the Minister will take this opportunity to clarify the situation. I think that my understanding of this matter is correct, but it is important that this should be put on the record at this convenient opportunity.

I hope that the Minister will also take on board the point I made on Second Reading, and which I now repeat, that I hope that we will pursue this issue with the utmost vigour. It is my hope that we can start again the whole business of the placing of the order. However, being realistic, I am not hopeful that that can be achieved. The order has been placed with a French yard—I deplore that—but if there is any way to save the order for Govan I hope that the Government will attempt to do it. At the least, the position should be clarified. We should have an undertaking that the Government will continue to pursue this through the Commission in every possible way open to them.

7.33 pm

Mr. Ted Garrett (Wallsend): Because of the pressure of time I was unable to catch your eye, Mr. Deputy Speaker, on Second Reading. As I have said many times, I welcome any amount of public intervention in shipbuilding borrowing facilities. Therefore, I have no shame in saying that I support the Government in their decision to increase British Shipbuilders' borrowing powers.

This is the first time that I have had to speak about Swan Hunter, which is in my constituency, when it will have no opportunity to benefit from such an order, because it has been privatised. However, that is not to say that the people in the north-east of England, particularly those connected with the long tradition of shipbuilding in the region, are not interested in what is happening in British Shipbuilders. Nor would it be true to say that they are not interested in the future of British Shipbuilders. I am pleased in one respect. The Government are still determined to keep this industry alive, in spite of world competition and in spite of the fact that they have faced the criticism of not being interested in this industry.

I notice that my hon. Friend the Member for Gateshead, East (Ms. Quin) is waiting to catch your eye, Mr. Deputy Speaker. I gather that my hon. Friend is still a Member of the European Parliament. As such, she has played an active part in directing attention to what the European Commission is doing to help in the crisis facing the European shipbuilding industry. I am sure that she will have something to say about that.

The people on Tyneside, especially those employed at Swan Hunter, are fully aware that now that the company is privatised they have to face the harsh realities of private and allegedly free competition, but in the big wide world they cannot hope to compete with other nations, particularly those in the far east. I should like the Minister to study the report on the shipbuilding industry produced by the Commission. I ask him to think seriously about how the Government can help in the implementation of the second of the three recommendations, that which concerns the social impact in the less-favoured areas of the EEC where shipbuilding takes place.

I know that successive Governments have made some social contribution to the economic consequences of the decline in the coal industry. However, as far as I am aware, there has been no political decision in the United Kingdom Parliament about the social consequences of the decline of the shipbuilding industry. It would be helpful if the Minister had some influence on, and consultations with, his colleagues to see whether the Commissioner responsible for shipbuilding policies in the EEC can bear in mind that the north-east should be considered a less-favoured area within the Community and therefore have some priority in efforts to meet the crisis in shipbuilding.

7.38 pm

Ms. Joyce Quin (Gateshead, East): The Opposition do not oppose the increase in the borrowing powers of British Shipbuilders. However, traditionally Third Reading debates are used to voice some wider concerns about the shipbuilding industry, and I should like to add my voice to some of those concerns.

I agree with many of those who spoke in the debate last week that a great deal needs to be done to ensure the survival of the shipbuilding industry. As my hon. Friend the Member for Wallsend (Mr. Garrett) said, my main interest in the industry arises from my experience as the representative of Tyne and Wear in the European Parliament. In the past, the area had within its boundaries one third of Britain's shipworkers, and even today it accounts for about one third of the very reduced shipbuilding activities in Britain. I have been struck by two things during our debates in the European Assembly. First—this point was made last week—the British decline in shipbuilding has been more dramatic than the reduction in almost any other European shipbuilding industry. The figures certainly bear that out. Secondly, during the past 10 years, there has been a dramatic collective decline in European shipbuilding compared with the expansion in some areas of the far east. We must act to make sure that shipbuilding has a future in Britain and that our capacity will allow us to respond to the range of designs of ships that will be needed in the future. Some of those ships will be very sophisticated vessels.

The British and the EEC approaches to the industry have been too negative. Our response to the world market seems to have been that, since the market has been contracting, we had better contract twice as fast. Japan and Korea have said, "The market is declining, but we want a larger share of it." The emphasis in EEC policy has been very negative. It simply tries to reduce subsidies to the industry across the board. That was certainly the case in the EEC fifth directive on aids to shipbuilding. The sixth directive which replaced it is better in some respects, and I welcome the improvements, especially the fact that all aids are now included so that the more transparent British aids can be seen more clearly against the hidden aids that have been given in other countries.

However, it remains true that almost the only shipbuilding policy in the EEC is one of controlling subsidies and trying to even out competition among European countries. That does not deal with the main problem, which is the survival of European shipbuilding

in the face of increasingly intense competition from the far east. European shipbuilding policy has not been successful in that sense.

I and some of my colleagues have argued repeatedly for a more positive and comprehensive strategy towards shipbuilding, including measures to stimulate demand in British and European shipyards and measures to scrap some of the older tonnage, which my hon. Friend the Member for Sunderland, North (Mr. Clay) mentioned last week. We must also spend more European money on research and development in shipbuilding. We need a European commitment to a level of capacity below which we will not go and which we will defend strongly in international negotiations, especially with Japan and Korea.

My hon. Friend the Member for Wallsend mentioned the social and regional aspects of shipbuilding. Here again, British and EEC attitudes and approaches have been very dilatory. Perhaps the Minister remembers that, seven or eight years ago, there were proposals in the EEC to provide money for shipbuilding areas from the so-called non-quota section of the European regional development fund. That small programme took more than two years to negotiate, and when it was finally agreed it provided only 17 million ecu, which was about £10 million, for the whole of the United Kingdom shipbuilding industry over five years. That was totally inadequate, given the serious problems of many of our shipbuilding areas.

The European Commission and the member Governments have still not agreed a new programme on the regional and social consequences of the crisis in the shipbuilding industry. The Commission's proposals are more than a year overdue, and they are still not being properly discussed. We have been told that, because of the financial crisis in the EEC, there will not be enough money in the budget for some time to implement such proposals. That is selling our shipbuilding areas very short.

The Government and the EEC have treated the industry with insufficient priority. Britain's case has not been argued sufficiently in the EEC, and the European Community as a whole has not argued strongly enough for shipbuilding in its international trade negotiations. Can the Minister tell us when shipbuilding was last on the agenda in international trade negotiations with Japan and Korea? When will it be on the agenda in the future? I understand that it has been discussed far less often than the other areas about which we express concern when considering our trade balance with the far east—motor cars, video tape recorders or the range of consumer electronic goods. Shipbuilding is an important aspect of the unfavourable trade balance between Britain and the far east and it should be considered with more urgency than has been the case until now.

Looking around the Chamber, one would think that shipbuilding was not a great priority for the majority of hon. Members. But many hon. Members have within their constituencies industries which supply goods and essential parts for shipbuilding. The health or sickness of the industry cannot be seen in isolation. It has serious ramifications for many constituencies in Britain. The industry uses the products of the new technologies. They include CADCAM facilities, which are important to the survival of shipbuilding and to the survival of our new technology industries and the important new technological sector.

I plead with the Government to do all that they can to ensure the survival of shipbuilding for the long term, not just the short term, and to act in such a way as to give our shipbuilding areas and our shipyard workers real hope for the future.

7.48 pm

Mr. Gordon Brown (Dunfermline, East): This has been a short debate, but we have heard wide-ranging and extensive contributions about the problems of shipbuilding. Our willingness to allow the Bill to go through quickly has nothing to do with complacency about the crisis in shipbuilding, but is a measure of our concern about the crisis affecting shipbuilding and our determination that measures should be taken as quickly as possible to allow the existing yards to flourish and maintain a merchant shipbuilding capacity.

I congratulate my hon. Friend the Member for Gateshead, East (Ms. Quin) on her speech. Her eloquence and expertise will be of tremendous benefit in future shipbuilding debates, and I hope that the Minister will answer her main point. If there are problems with the European budget, social fund aid for shipbuilding areas should not be a victim of the disputes that are taking place in Europe. I am grateful to my hon. Friend the Member for Wallsend (Mr. Garrett) for mentioning the problems of Swan Hunter. My hon. Friend the Member for Newcastle upon Tyne, East (Mr. Brown) did the same last week. Although warship orders are not the Minister's direct responsibility, I hope that he will bear in mind the problems of that yard.

My right hon. Friend the Member for Glasgow, Govan (Mr. Millan) mentioned a problem which we read about in the newspapers this week and which arose in last week's debate. Those of us who have followed the amazing saga of the Brittany Ferries order during the past few months will find it extraordinary that the victims in the matter —Govan Shipbuilders and British Shipbuilders generally —have been found guilty by the Commission. I hope that the Minister will carefully consider what appears to be at best sharp practices by the French, and at worst a dangerous deception that caused Govan to lose the order. I hope that he will assure us tonight that, not only he will keep watch on what is happening in the Commission, but that he will press the Commission to a swift conclusion on this matter. This is the first case that has arisen since the new directive. There is no point in having an intervention fund and debating the future of that fund if we are unable to draw on it for major orders that we are capable of winning.

Last week much was said about the British Shipbuilders' order book. I am grateful to the Minister for writing to other hon. Members and myself giving us specific answers to the problems facing North-East Shipbuilders and Govan Shipbuilders as well as some of the other yards outside British Shipbuilders. I trust that the enthusiasm that the Minister has already brought to his job as Minister with responsibility for shipbuilding, evident in the debate of last week and from his written answers of the past few days, will be matched by the enthusiasm of his Department and British Shipbuilders, backed up by his Department, to win the orders necessary to sustain the industry.

My hon. Friends the Members for Gateshead, East and for Wallsend mentioned the draft European Commission report—it was mentioned in the press on 30 June—

[Mr. Gordon Brown]

about the state of the shipbuildng industry in Europe and the world. I know the Minister agrees with me that it makes extremely gloomy reading. It suggests that even after a third cut in production capacity – it is estimated that it is likely to happen over the next two years – the yards in Europe will still run at 70 per cent. capacity for the rest of the 1980s and 80 per cent. capacity in the early 1990s. The report suggests that entire production centres will be shut down. It goes on to suggest that 30,000 jobs will be at risk in the European Commission countries. It paints an extremely gloomy picture.

Mr. Garrett: My hon. Friend is quite correct in saying that 30,000 jobs in the industry will be at risk, but the knock-on effect could run to 100,000 jobs. The Commission has concerned itself directly with the industry, but has failed to take account of the wider impact of the closure of production centres.

Mr. Brown: I am grateful to my hon. Friend for drawing attention to that. Throughout our debates on shipbuilding we should be concerned that, in the north-east and Scotland in particular, for every production worker affected by cuts and closures there are at least two or three others directly dependent on that production worker. When we discuss the number of jobs that have been lost in the past few years and the numbers still at risk, we are also talking about the effects on entire communities.

We have suffered more than most of our European competitors. On 7 July the Minister was good enough to give me figures concerning the losses among shipbuilders and they confirm my belief. During comparable periods since 1979 Belgium has lost 2,000 jobs; France 8,000 jobs; Germany 5,000 jobs; Italy 7,000 jobs; and the Netherlands 4,000 jobs. Up to 1986, according to the Minister's figures, the United Kingdom has lost 18,000 jobs. However, according to my figures, based on a more up-to-date calculation, we have lost at least 25,000 jobs. Therefore, not only did we suffer more than our competitors in the past, but we are suffering more now.

If we consider the current state of order books for the first two months of this year, as they appeared in Lloyd's List a few days ago, it is clear that, given the drastic problems throughout the world, Italy managed to achieve more orders in the first few months of this year than in previous months. West Germany managed to achieve more orders and South Korea has been able to move to the top of the shipbuilders' league. Taiwan has done extremely well, but, despite all the efforts of British Shipbuilders — management and work force — the number of orders that we have won is down on previous months. It is despite the orders won at Govan. Indeed, last week, my right hon. Friend the Member for Govan paid tribute to Mr. Eric Mackie for his efforts that enabled us to win the Chinese order. It is despite the work of North-East Shipbuilders to win Danish orders. Despite all those efforts, our share of the world market has not gone up.

In the previous debate the Minister spoke of the generosity of the Government towards British Shipbuilders. However, he must bear in mind that, not only have our European competitors done more over a longer period, and still do, to support their industries, but privatisation, by selling profitable yards dependent on public sector orders into the private sector, has done enormous damage and harm. That view is confirmed by two former chairmen of British Shipbuilders who talked about acts of political dogma that put the future of the corporation at risk.

The Government are still not doing enough to secure orders to guarantee the future of the yards. High wages are not the problem—we pay our workers less than most of our major competitors in Europe. The problem does not lie in the lack of advances in productivity because between 1979 and 1985 there was a 30 per cent. advance in the productivity of British workers. Indeed, since then there have been major improvements because flexibility agreements have been reached. British Shipbuilders is not technologically backward. A great deal of effort has gone into investing in the most modern computer techniques. The industry may be old, but it is no longer old-fashioned. The yards are not inefficient. A few weeks ago, with the completion of the North sea order at Govan, the chairman of P and O was so satisfied with the work that he has invited the work force to join one of the sailings of the vessel. Industrial relations are not a problem because the new chairman has expressed his satisfaction with the industrial relations record and has complimented the work force on it.

The fact is that, given the difficulties of world demand, not enough is being done to safeguard the industry. The Minister should reconsider what he appeared about to investigate last week — he then rejected it — the establishment of a task force to scour the world for available orders.

The Minister, as one of his first acts as Minister with responsibility for shipbuilding, should conduct a trawl of the various Departments to advance public sector orders. He should take the necessary action to persuade British shipowners to buy British. Large orders have been lost overseas in the opening months of this year.

I share the faith of the work force of British Shipbuilders in the future of shipbuilding in this country. The Government must now show their faith in that future by investing and protecting the industry and by securing orders. They must support the loyal, efficient, dedicated work force who have made every sacrifice to ensure that the industry is able to win world orders. I hope that the Minister will back up the efforts of the management and the work force.

7.58 pm

Mr. Atkins: A number of today's points were dealt with at some length last week. I appreciate the fact that the hon. Members for Gateshead, East (Ms. Quin) and for Wallsend (Mr. Garrett) were not able to be here then and therefore made their points tonight, but if they take the trouble to refer to last week's debate, which they may have done already, they will see that a number of their points were covered then.

The right hon. Member for Glasgow, Govan (Mr. Millan) referred to Brittany Ferries. I should like to take this opportunity to put the current position on the record. I think he recognises—there is not much difference of opinion—that we have tried to deal with the matter.

As I anticipated in last week's debate, the European Commission has now decided to open an article 93 procedure against the French and against ourselves in respect of aid offered for the Brittany Ferries order. There are two reasons for this. First, when British Shipbuilders tendered to Brittany Ferries, the French authorities were

robustly maintaining that aid that they grant for ships flagged in France was not state aid for shipbuilding of the kind to be covered by the new sixth directive. It is evident that, as a result of its investigations, the Commission has satisfied itself both that this is aid that it regards as subject to the limits in the new directive and that the aid would apply to a ship purchased from Govan. As further evidence of the pressure applied to Brittany Ferries, I have to say that Brittany Ferries told British Shipbuilders that the French authorities had let it be known that in their case this aid might not be available. It appears that the French authorities, not perhaps for the first time, have now changed their tune in responding to the Commission

The second reason is that the Commission has confirmed, as a result of its investigations, that the Dutch authorities have offered a lower level of aid than either ourselves or the French and, according to Commission practice, this in itself gives rise to an article 93 procedure in a case where one Community member asks for an investigation under the new directive. We did so, of course, because of the way in which the French have behaved.

As to what happens next, under Commission rules both the French authorities and ourselves will have a set period in which to respond to formal letters from the Commission. We have nothing to fear in this. We indicated to the Commission in advance of its decision that we had no interest in being in breach of the directive and would adjust our offer of aid once it confirmed that French flagging aid was, indeed, to be counted under the sixth directive and the French authorities had confirmed that it would be available for a Govan ship. We shall decide how far we should adjust our aid once the Commission details its reasons for opening the procedure against us.

Whereas I applaud the action that the Commission is taking in ensuring that the aid applied to this order is fair and fully in accord with the new directive, it would be wrong of me to suggest—I suspect that the right hon. Member for Govan recognises this — that I thought there was any significant chance in the order coming to Govan. As I explained last week, the French are in a uniquely strong position to ensure that this order remains in France even if, for instance, Brittany Ferries ends up paying a far higher price than it would had it ordered abroad.

I shall be pleased to let the House know the result of the Commission's procedures in due course. I emphasise again what I said last week. We shall do everything in our power to ensure that the case that needs to be put to the Commission and fought by the Commission on our behalf is made with all the strength that we can muster. I am grateful to the right hon. Member for Govan for raising the matter and giving me the opportunity to put the current position on the record. I hope that he will find it helpful.

The hon. Member for Wallsend speaks with weight and authority on the matters that concern him, and I listened to him with interest, as always. He referred to social consequences, and his hon. Friend the Member for Gateshead, East, who is a Member of the European Assembly, will know of that authority's activities. I shall ensure that the hon. Gentleman's points are considered. He will know that Tyne and Wear is recognised by the Commission as a shipbuilding closure area. None the less, his points are well taken and I shall ensure that those involved listen to them.

The hon. Member for Gateshead, East made some thoughtful points and spoke with authority on the problems facing her constituency. As I said, a number of those points were raised last week. I hope she feels that they were dealt with in some detail then, but I recognise that the hon. Lady wanted to get them on the record now. I am glad that she agrees with the Government that the sixth directive is an improvement. There is always room for improvement, but this is at least a better directive than the fifth.

The hon. Lady suggested that the shipbuilding issues to which she referred were not the subject of as much discussion as they should be. I must disagree and point out that shipbuilding issues generally are constantly raised within the OECD. My ministerial predecessors raised points on behalf of the British shipbuilding industry and I hope that I, too, shall be in a position to do so.

The hon. Member for Dunfermline, East (Mr. Brown), in what was perhaps his vale as a Front-Bench spokesman on the shipbuilding industry, as he moves to higher and more important things in the context of the Treasury— *[Interruption.]* Well, "different" things; perhaps I should put it like that. The hon. Gentleman brought us back to the arguments that he advanced last week about the task force. I do not wish to bore the House, but I tried to deal with those matters at some length last week. I can do so again, but I think that I would only be emphasising what has already been said.

The hon. Gentleman will know that many of the problems faced by the shipbuilding industry are the result of changes in customers' ordering specifications and the problems associated with maintaining financial viability and with going into liquidation. Although there have been many improvements, as the chairman of British Shipbuilders and the hon. Gentleman have said, there have been problems with poor performance and delivery. I agree that the work force and management of British Shipbuilders are doing a lot to put matters right.

The hon. Member for Dunfermline, East was a little uncharacteristically churlish about the Government's efforts. We have tried to do a great deal by devoting resources and interest to, and giving support for, export orders, which the hon. Gentleman mentioned in terms of the Chinese order. I cannot accept the charge that we have not done enough. However, I should like to end on a reasonably friendly note on a subject on which there are not many differences.

We believe that the Bill will be passed on the nod, because we recognise its necessity and importance. I hope that the hon. Member for Dunfermline, East, as he moves to different duties, will not forget that the Government have played, and will continue to play, a part in looking to the interests of those involved in the British shipbuilding industry. I pledge that I shall do all that I can to assist the industry to maintain its position and, where there are difficulties, to work hard to try to solve them. I urge the House to give the Bill its Third Reading.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Coal Industry

8.7 pm

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): I beg to move,

That the draft Redundant Mineworkers and Concessionary Coal (Payments Schemes) (Amendment) Order 1987, which was laid before this House on 6th July, be approved.

This is a technical amending order. I hope that the House will bear with me in what inevitably will be a rather detailed, but short, explanation. The purpose of the order is to make consequential changes to the redundant mineworkers' payments schemes following the introduction of provisions in the Social Security Act 1986.

The redundant mineworkers' payments schemes provide for lump sum and weekly payments to mineworkers made redundant on or before 28 March 1987. Since 29 March 1987, British Coal has been responsible for its own redundancy terms, as announced by my hon. Friend the Member for Wirral, West (Mr. Hunt) on 24 March last year.

There are five schemes still in operation. They are set out in orders made in 1973, 1978, 1983, 1984 and 1986, as amended. They provide for deductions to be made from RMPS basic weekly benefit paid to people who also receive special hardship allowance under section 60 of the Social Security Act 1975. The deductions are made so that a person does not simultaneously receive both special hardship allowance in compensation for reduced earnings through sickness or injury and RMPS benefit based on his full earnings before the sickness or injury reduced them.

The Social Security Act 1986 replaced special hardship allowance from 1 October 1986 with reduced earnings allowance, which is payable in similar circumstances but subject to different detailed provisions.

The reasons for making deductions of reduced earnings allowance from basic weekly RMPS benefit are exactly the same as those for making deductions for special hardship allowance. Our initial view was that in this context reduced earnings allowance could be treated as special hardship allowance under another name. On that view no changes to the schemes were necessary. However, further consideration has led us to the view that the differences between the detailed provisions of reduced earnings allowance and special hardship allowance require consequential legislation.

An important difference is that, whereas special hardship allowance was an increase in disablement benefit, reduced earnings allowance is an allowance in its own right. A change made by the 1986 Act was to increase the threshold level of disablement for receipt of disablement benefit from 1 per cent. to 14 per cent. As a result, special hardship allowance, if it still existed, would no longer be payable to those with disablements of 1 to 13 per cent., whereas reduced earnings allowance is available to anyone with a disablement of at least 1 per cent.

I am therefore advised that for those who receive reduced earnings allowance and have disablements of between 1 and 13 per cent., it is likely that deductions of reduced earnings allowance from RMPS basic benefit are not provided for by existing schemes. It is arguable that the existing rules of the RMPS allow deductions to be made in respect of those with disablements of 14 per cent. or more. Indeed, in substance it is clear that for such people reduced earnings allowance and special hardship allowance are equivalent. However, rather than leave this question to be tested in the courts, the Government have decided to make full refunds of all deductions of reduced earnings allowance from RMPS basic benefit since 1 October 1986. Those refunds will be made as soon as possible and should be complete by the first half of September.

At the same time it is necessary to amend the redundant mineworkers' payment schemes to provide for the deduction of reduced earnings allowance from basic weekly benefit in the circumstances that I have described. That is the main purpose of the order before the House tonight. The draft order also makes minor amendments to the 1978, 1983, 1984 and 1986 schemes to anticipate the introduction of income support and housing benefit schemes under the Social Security Act 1986.

I invite the House to approve the order.

8.13 pm

Mr. Alexander Eadie (Midlothian): I may take up the last comment that the Minister made because I believe that it is pertinent to the brief remarks that I shall make.

It would be churlish of the House not to welcome the Minister on his debut in a debate on the coal industry. I have had the privilege of welcoming Ministers for the past 15 years. That is a long time and I am sure that many of the Ministers' hon. Friends may be sick of me standing at the Dispatch Box. Nevertheless, time goes on and we must deal with the issues before us.

To some extent, I accept that a case could be made for saying that these are technical amendments that had to be made to conform with legislation that has already been passed by the House. However, we notice that there is a tendency nowadays to hold few consultations with interested parties. I make no apology for stating that I believe in consultation and conciliation. I know of no other way to further decision-making in industry. That is how I was brought up and that is what I believe.

My inquiries have revealed that there was no consultation or discussion with the mining unions by the gentlemen in the Minister's Department or by British Coal. Of course, we can say that all this is a shift in the policy of British Coal. I remember when British Coal voluntarily briefed hon. Members about legislation that affected the industry. I am sorry to say that it does so no longer. I raised the matter with British Coal during the previous Parliament, and the only response that we had was its press releases. Of course, there has been a great deterioration in industrial relations in the coal industry. British Coal last year had its industrial relations named as among the worst in Britain.

Whenever housing and concessionary coal are mentioned in any order that is associated with British Coal a raw nerve is touched not only among redundant miners but throughout the whole work force. In previous debates we have given a good airing to the policy of British Coal and to some of the scandalous cases that arose from its jumble sale approach to selling off its housing stock. Dubious, speculative figures, as far from the coalfield as London, appeared to be the new owners. It would have tested the powers of a modern-day Philip Marlowe or Micky Spillane to trace them.

We are aware that British Coal had to make some changes in its plans. They may have been minor, but they owed much to some hon. Members, and to the Coal

Communities Council, in particular. Much of what we are debating was discussed during the Committee stage of the Coal Industry Bill last year.

As regards concessionary coal for redundant mine workers and other miners, the many unfair anomalies that have been before us have never really been given proper consideration. One case especially angers all redundant mine workers and all those who work in the mining industry. It relates to what is called a material change in circumstances, and it concerns the case of a widow and what happened following the death of her husband, who had enjoyed cash in lieu under a former agreement. It is surely harsh to classify the death of a husband as a material change, thereby disqualifying the widow from receiving cash in lieu. I am certain that hon. Members will find that absolutely incredible.

British Coal's policy on industrial relations is costing the country dear. I estimate that it is costing us not millions but billions of pounds. Today we learn that there is a danger of the whole of Yorkshire being locked into strike action because British Coal has introduced a new code of industrial practice without consultation or conciliation with any of the mining unions. This order affords us the opportunity to say that it is time the Government looked into the matter, because the unions are having a national ballot on the issue.

I confirm what the Minister has said about the order. As I understand it, weekly benefit under the redundant mineworkers payments scheme can be reduced or extinguished if beneficiaries are receiving a special hardship allowance, supplementary benefit, or workmen's compensation. Moreover, the rent addition payable with RMPS to some tenants of British Coal houses is not paid to claimants who are receiving housing benefit, rent or rate rebates.

The Social Security Act 1986 makes substantial changes to the social security benefit system. Among the changes is the fact that the special hardship allowance has been replaced, as the Minister said, by reduced earnings allowance from 6 April 1987. We shall need to examine the Minister's comment about not wanting to test the matter in the courts. A further change is that supplementary benefit will be replaced by income support from April 1988; and housing benefit, although still called housing benefit, will be completely different from April 1988 onwards.

As far as I can see, all that the draft order does is to substitute the new statutory references for the old. Thus, section 59A of the Social Security Act 1975, inserted by paragraph 5 of schedule 3 to the Social Security Act 1986, replaces special hardship allowance by reduced earnings allowance as the benefit for people whose earning capacity is reduced by an industrial accident or disease.

Section 21 of the Social Security Act 1986 gives the Secretary of State power to set up the new income support and housing benefit schemes by regulation. Income support replaces supplementary benefit as a means-tested benefit for people who are not in work. Housing benefit is means-tested help for rent and rates and is available to low-income families that are in and out of work.

The Minister apologised to the House for the rather technical nature of his speech. I have spent a minute or two illustrating how, although it could be argued that these are technical changes, the propositions put forward by the Government affect people in the industry. They affect members of all the mining unions. There should have been consultation and conciliation on this order. The order is about people. If the Government do not think that people are important, they should change their attitude. There should have been discussion about the order because it will affect members in the scheme, and those people are entitled to know the impact that the order will have upon them.

The Minister is making his debut. I hope that he will consider some of the matters that I have raised because they are important. The Opposition do not oppose the proposition put forward by the Minister.

8.21 pm

Mr. Spencer Batiste (Elmet): This is a slender order and I shall be brief.

It is a great pleasure to welcome my hon. Friend the Minister to his first coal debate. He has a hard act to follow, but, given his formidable reputation, I am sure that he will rise to the task.

The order is a postcript to a scheme that saw the dramatic transformation and restructuring of the coal industry. Those things were an extraordinary achievement because they were done without a single forced redundancy. The order is a technical postscript bringing the scheme into line with current legislation. My hon. Friend's speech was technical, albeit brief. I and my constituents would like to be assured that none of the people who accepted voluntary redundancy under the terms of the scheme as it then stood will be any worse off as a result of this order. If that assurance can be given, I am sure that the House will give a general welcome to the order.

The scheme as a whole has enabled the coal industry to face the future with optimism and with a promise of success. It has provided funds for a variety of important measures. British Coal Enterprise has brought hundreds of millions of pounds of investment into coalfield communities. The new realism that this has engendered has ensured that for the second time, following the last general election, there are now more mining constituencies represented by Tory Members of Parliament than ever before. Miners understand where their real interests lie. They lie with a Government who have resolutely shown——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I hope that the hon. Gentleman will address himself to the order before the House. I have clear recollections of the difficulties that he has created for me in the past.

Mr. Batiste: I am aware of your strictures in the past, Mr. Deputy Speaker, and I shall not seek to strain your patience on this occasion. I was responding to the point made by the hon Member for Midlothian (Mr Eadie) who talked about consultation and the importance of good industrial relations in the industry. He spoke about the strike that erupted in south Yorkshire this morning. The continuing progress that has been made under the scheme depends upon all who are in the industry ensuring that it can take advantage of opportunities that are open to it. They must produce the right product at the right price and at the right time. Industrial action of the sort that we heard being urged today by the Opposition is the one thing that can cast a blight upon the future of an industry that is otherwise very rosy.

I hope that on mature reflection the hon. Member for Midlothian will reconsider his words and join

[Mr. Batiste]

Conservative Members in urging members of the National Union of Mineworkers and constituents of his not to take part in such action. We should tell them that Britain needs coal and if the industry can continue to supply that need at the right price and free from disruption there is no limit to the progress than can be made or to the prosperity that will be created. Such success in the mining industry will spread prosperity throughout the mining communities. That is what we all seek to achieve.

8.25 pm

Mr. John Cummings (Easington): Thank you, Mr. Deputy Speaker, for affording me the time to address the House for the first time. As I was walking through St. Stephen's entrance shortly after the election it reminded me of going underground for the first time. I follow now the advice that I was given then. It was, "If you do not know, ask." I have followed the advice tendered by officers and staff of the Palace of Westminster and I am truly grateful for their support and help. I am also grateful for the help and advice tendered by hon. Members from all parts of the House.

I am mindful of the fact that I represent a constituency with a very rich Labour and trade union history. I am also mindful of the fact that I follow in the wake of Sydney Webb, Ramsay MacDonald, Manny Shinwell and, more recently, Jack Dormand who was respected by all hon. Members. Like me, Jack Dormand was born and bred in the Easington constituency. He was educated and worked in the constituency and served as a parish councillor, district councillor and district education officer. In 1970 he was elected as the Member for Easington. He served in the Whips' Office and finally was elected chairman of the parliamentary Labour party. I wish Jack Dormand and his wife every happiness and health for a long and happy retirement.

Easington is one of the eight districts in County Durham and it has a rich culture and history. We have fine Saxon and Norman churches, beautiful denes and woodlands and, of course, a delightful coast. Those are the areas that have not been despoiled by mining activities.

Perhaps the most precious assets in Easington are its people. They are a very special breed. The people who populate the area came from Cornwall, following the closure of the tin mines in the 1860s. There are also people who emigrated from Ireland, following the potato famine in the 1840s. Many of those people were called industrial gipsies at the time, and now in 1987 they are again being called industrial gipsies. History has turned full circle. People who moved into the area looking for a future and security mined the coal that was necessary for the nation's weaith and well-being. They made Great Britain great, but now those people are virtually being turned out of house and home and are having to travel or move out of the area to make a living elsewhere. That is a disgrace of tremendous proportions.

According to academics, Easington is a deprived area. It is a deprived area, but we should not confuse deprivation with squalor, for squalor we have not, but deprivation we have. We have been deprived of our pits and of our jobs. We have been deprived of our hospitals. We have been deprived of our beautiful coastline by an uncaring industry and by successive uncaring Governments, who have ignored the problems of deprivation in the Easington district. I believe that the Minister is the only junior Minister who has not been to Easington. We have had 16 Ministers in the past 10 years. They come with their tea and sympathy, but with no money, and the problem gets worse. I extend an invitation to the only Minister who has not been there to come along, follow in the footsteps of his predecessors and see the shocking conditions that prevail on our beautiful coastline. The polluter must pay. Must we ask Lord Londonderry to cough up? Must we ask the directors of the South Hetton coal company to pay up? It is no longer with us. British Coal must pay, because the price falls on the pit. As the hon. Member for Elmet (Mr. Batiste) said, we must produce at the right price, but I fail to see how it can be done if the polluter has to pay.

We have been deprived and robbed—over the past eight years, in particular—of the necessary funds to improve a decaying housing stock. We have been deprived of our housing investment programme and our rate support grant. We are losing population. Some 12,000 people have left the area in the past 10 years. We have an abundance of council houses, but we have an ageing population and a chronic shortage of aged persons' and special purpose accommodation, which is necessary to accommodate the aged, who, after a lifetime of work in the mines, are chronically sick and disabled.

The tide must be stemmed, and that can only be done by an injection of funds into the area to enable us to help ourselves and to prime the pump. We do not bellyache or whinge, but we want the Government to help us to help ourselves.

The only job-getting agency that has had any success in the area is to be wound up in 1988. The Government are depriving us of the Peterlee Development Corporation, which has been the only success story in the area. The only direct tap that we have into the central Exchequer is being taken away. Someone has nailed his political dogma to the mast and decided that it should be wound up in 1988.

Feelings in the Easington constituency are of hopelessness and helplessness. We want to be able to help ourselves, but we require the funds to do it. We have the will, the people and the skills, but we require the Government to help us to help ourselves.

We do not want redundancy pay; we want the dignity of a job. I am a sixth generation child of the coal industry. We have had six generations at Murton colliery who have been born and bred for the pit. We went to school at the age of five years and left school at the age of 15 years.

My plea to the Minister—we should not have to plead; it should be our right—is for the Government to return a small proportion of what has been taken out of the area. Give us the opportunity, the funds, prime the pump, and we will get the area back to work.

8.35 pm

Mr. Andy Stewart (Sherwood): I have had many honours in this Chamber in the past, but none has given me greater pleasure than to congratulate the hon. Member for Easington (Mr. Cummings) on his maiden speech. It has been my pleasure not only to know the hon. Gentleman since he was elected but prior to that when we worked together in the Coalfields Communities Campaign. He was the vice-chairman of that august organisation, which is doing such marvellous work for the coalfields.

The hon. Gentleman spoke eloquently about his predecessor, Jack Dormand, who was respected on both sides of the House. I know no one who is more suitable to replace Mr. Dormand than the hon. Gentleman who, as he rightly told the House, was born into the coal industry and during his lifetime has given everything to it. He must have been so busy working in the coal industry that he omitted to notice that my hon. Friend the Minister was the Conservative candidate in Easington for 10 years. The hon. Gentleman described his constituency beautifully and made us all wish that we had a beautiful coastline to share with our constituents. If the price had been right, I might have been farming in his constituency rather than in Sherwood.

I listened with great respect to what the hon. Gentleman said about the coal industry. We represent different parts of the United Kingdom, but we are both concerned for this great industry which creates so much wealth for our constituents. I hope that for many years the hon. Gentleman will ensure that future generations have an industry in Easington in which to participate.

Some eight months ago in the debate on the coal industry I told the House that it was recognised that the major reconstruction of the industry would come to an end and that the generous redundancy payments would be phased out. During that debate the new scheme, which was to be funded by British Coal, was introduced. At that time I asked my right hon. Friend the Secretary of State to consider the position of the Nottinghamshire miners over the age of 50 years who were unable to participate earlier in the redundancy scheme because of the coal dispute. As a result of the co-operation between the management and the Union of Democratic Mineworkers, I am pleased to inform the House that all those over the age of 50 years who wished to take part in the generous scheme that was implemented by the Government were able to do so.

In Nottinghamshire there is a very bright future for British Coal. We have a democratic union that accepts the wishes of its members rather than forces them to do what it feels is best. That arrangement provides a strong foundation for a prosperous environment. I am proud to say that Nottinghamshire has set the pace for the rest of the country. Productivity levels are at a record high without endangering the safety of the workers. That has brought about a reduction in unit costs that will guarantee the future for our industry, even after the Central Electricity Generating Board has been privatised. I must remind the House that the CEGB already has the power to buy coal from overseas but does not do so because we do not have the facilities to import large amounts of coal nor the long-term contract prices attractive enough to do so. Those who tell us that that might happen do not seem to understand the system that operates. To deliver the coal from the colliery——

Mr. Deputy Speaker: Order. I must remind the hon. Gentleman that he is widening the debate way beyond the terms of the order. He must speak to the order.

Mr. Stewart: You are quite right, Mr. Deputy Speaker. I am just coming to the bit for which you were waiting. I was explaining how the productivity and the means of getting the coal from the pit to the power stations on the merry-go-round would protect jobs from overseas competition. The idea of importing coal and putting ships on the merry-go-round is beyond belief.

Today the Government hope to integrate the redundant mineworker's payments schemes with the social services benefits. That has been the aim of every Government since 1967. The scheme itself is no longer available, but, in my opinion, its replacement emphasises how successful British Coal has become. Like the majority of employers, British Coal has taken on the responsibility for its redundancy payments. It is a sign that the coal industry is no longer the liability that it once was. British Coal aims to break even next year—an aim that I hope and believe will be achieved. The Govenment have pledged £2,000 million investment over the next two years, and new attitudes and new optimism within the industry have made that possible. Because of that, the need for large scale redundancy payments no longer exists.

The coal industry is no longer the poor relation of Europe and its plans for expansion highlight that. It is no surprise that it is the workers who understand the need for six-day coaling. I am sure that I have no need to tell the House that British Coal's proposals do not require the miners to work one day——

Mr. Deputy Speaker: Order. There is nothing about that in the order. I hope that the hon. Gentleman will stick to the order. I hope he realises that if I allow him to pursue this course I shall have to widen the debate for everybody else.

Mr. Stewart: Because of the prosperity of British Coal, about which we should all hear, we will protect those who work in the industry and we will not need to participate in debates on redundancy schemes.

I am sure that I have no need to tell the House that British Coal's proposals do not require miners to work one day, one shift or one hour longer. It is only the machinery that will be working for six days. The potential for an increased work force is a logical result as is its financial benefit to the workers. It was stated this week in the press that Sir Robert Haslam has indicated to Arthur Scargill that miners would receive up to £20 a week more, ensuring the future of the industry. In Nottinghamshire——

Mr. Deputy Speaker: Order. The hon. Gentleman is opening the way for a debate on the working hours of the coal mining industry. That has nothing to do with the order. I hope that he will stick to the order.

Mr. Dennis Skinner (Bolsover): I would have been thrown out before now.

Mr. Stewart: It is significant that most of the coal industry is following the Nottinghamshire miners and their optimism. How gratifying it is to see that new optimism in the coal industry and I hope——

Mr. Graham Allen (Nottingham, North): Does that new optimism extend to the Linby colliery, which is now under threat of closure? Will it be a further extension of the generosity of the scheme, as we have seen it on the borders of my constituency, with the recent closure of Hucknall and Baffington pit since the hon. Gentleman spoke in the debate last year?

Mr. Stewart: The Linby colliery is in my constituency. If you will permit me, Mr. Deputy Speaker, to answer my honourable colleague, I will explain that four years ago it was expected that Linby colliery would have a life of seven years. As I understand it, it is being looked at by the management and the trade unions, and I would hate to prejudice the outcome of those discussions.

[Mr. Stewart]

The miners are entitled to have a redundancy scheme. That safety net is the right of every miner and it should be supplied and secured by British Coal. Alternatively, there has been the expansion of British Coal Enterprise Ltd. which provides alternative employment to those miners who have had to take redundancy, and I hope that this order——

Mr. Deputy Speaker: Order. I hope that we can stick to redundant mineworkers and concessionary coal and not move on to the subject of British Coal Enterprise Ltd.

Mr. Stewart: I hope that the order will be accepted by the House.

8.46 pm

Mr. Martin J. O'Neill (Clackmannan): I am pleased to have the opportunity of following the speech of my hon. Friend the Member for Easington (Mr. Cummings). It was an exciting and relevant speech. It is significant that a new Member gave us a clear instruction on the rules of relevancy by the way in which he kept talking about the coal industry and its contribution to the constituency of Easington. I know that we wish him well in every sense, in the same way as he wished his predecessor, our good friend Jack Dormand, well. He was a much-loved figure among Labour Members. We know that the new hon. Member for Easington comes to the House with Jack's good wishes, and we wish him every success. I am sure that his maiden speech helped to give him the confidence that he will no longer require in order to address the House.

I should like to speak about the two issues that relate to the order. One relates to a group of my constituents who will continue to benefit from concessionary coal, and another group who will benefit from the order because their colliery is, sadly, being closed. I am talking about Polmaise colliery.

I want to refer to those miners and former miners who are at present in receipt of concessionary coal but whose support under the scheme may not be sustained because of the policy of the Scottish Special Housing Association. That policy is changing the nature of the fuel source in their homes from electricity, which attracts payments in lieu of coal, to gas. Many miners and former miners in my constituency living in Scottish Special Housing Association homes in the villages of Tullibody and Sauchie in Clackmannan are losing their benefit under the concessionary coal scheme because of the change in energy source.

Although the Minister may not be able to address himself to that problem at the end of the debate, I hope that he will take that matter up. It is a pressing issue which other Scottish colleagues will want to raise with him. It beggars understanding. The connivance of British Coal in Scotland with the Scottish Special Housing Association is denying people benefits which they have come to believe to be their right, and that has serious affects on the financial circumstances of many of the households in my constituency.

The next issue relates to Polmaise colliery. I intervened in a similar debate in the summer of 1983 when the work force at that colliery was locked out because of a disagreement with the then director of the Scottish area, Albert Wheeler. That walkout soured industrial relations at the colliery. It was subsequently shown to be the fault of management and the work force had to be reimbursed, at considerable cost to the taxpayer, for the period when they were out on the streets. Very shortly after that the miners strike began, again at a time when the colliery was under threat.

The miners today decided reluctantly to accept the closure of the colliery. It is not for us today to discuss the closure—that is for union and management discussion—but it is clear that the redundancy payments of some of those miners will be affected by the order. This is the third time that Polmaise colliery has been given the death sentence and it looks as though this time British Coal will succeed in closing the pit. The village of Fallin, where the colliery is located, has been devastated by the news. Youth unemployment there is more than 50 per cent. and it had been hoped that the development plan for the colliery, which had been such a great success, would provide opportunities for many of the young males at present out of work.

The dreams of that community have been dashed by the closure. The men at Polmaise fought hard during the miners' strike to save their pit. The strike had 100 per cent. support and pickets were not required because no one went to work. On one occasion, the close co-operation between the police and the striking miners resulted in the coal board being blamed for fomenting trouble at the pit gates.

That colliery contributed a great deal to the colour, verve and life of the Scottish coalfield, and it would be remiss of me not to mention one man now benefiting from the redundancy scheme—John McCormack, who was the delegate at the pit and led the miners throughout the strike and for many years before. The men involved, who may well have to benefit from the order before us, have broken all productivity records in recent weeks and months working on the £18 million development programme which the board brought in after the strike. Having spent £4 million of that sum wisely and well, the board now seems more interested in providing money through the redundancy scheme than in continuing the life of the colliery.

If more and more Scottish mineworkers are not to face the reality of the redundancy scheme, we must have far greater assurances about the long-term future of the coalburn in Scotland and of coal-fired power stations such as those at Longannet, which is just outside my constituency, but which is served by the mines at Solsgirth and Castlebridge. We need to know the Government's intentions in respect of the CEGB. Scotland has the capacity to produce very cheap coal-fired electricity which could be used in England if the Government would convince the CEGB of the desirability of installing switch gear to allow cheap Scottish electricity to be properly integrated into the national grid. If those guarantees are not forthcoming very soon, the order will apply to far more people.

With regard to the tragedy of Polmaise, the last thing that I wanted was to participate in this debate and to have to talk about redundancy for men who fought so hard to save their pit and to save the coal industry in their area. I hope that we can be told something about the board's proposals, and the Government's views on those proposals, for the heating of houses by means other than coal and the effect of that on the concessionary coal scheme as it applies to my constituents.

We shall be coming to the Minister very soon to see what assistance can be afforded to a village which has been devastated by the closure of its pit and which no longer has any industrial employment, where male unemployment is 30 per cent. and youth unemployment 50 per cent. We expect the Government to do for that village what that village has done for the country, to provide it with the sustenance required to create employment for the future. The people of that village have worked hard to make Britain prosperous through the coal that they have dug in the past 100 years. They are entitled to support, not just from British Coal, but from the other arms of the Government which have resources—the Scottish Office and the Scottish Development Agency—to remove that monument to the coal mining industry, the bing which so dominates the village. The village is entitled to something better.

I hope that today's debate will give the Minister the opportunity to appreciate what the cost of hewing coal and the consequences of closure mean for the people of that village. We need far more than the tuppeny-ha'penny order before us today to satisfy their needs and to give them hope and faith for the future.

8.56 pm

Mr. Gerald Howarth (Cannock and Burntwood): Like my hon. Friend the Member for Sherwood (Mr. Stewart) and the hon. Member for Clackmannan (Mr. O'Neill), I congratulate the hon. Member for Easington (Mr. Cummings) on a most eloquent speech, which will surely have marked him out in the eyes of those on the Opposition Front Bench at the time. It was well within the spirit set by his predecessor, whose presence was valued and respected by Members on both sides of the House.

I am delighted that the hon. Member for Easington has such attractive Saxon and Norman churches in his constituency. My constituency used to have an attractive Victorian church. Sadly, it was undermined by mining subsidence and no longer exists. I hope that the hon. Gentleman's churches do not suffer a similar fate. I also share the hon. Gentleman's view about entering this place, although I had not thought of it in quite that way. He likened entering the portals of this wonderful parliamentary building to going underground for the first time. I remember when I went underground for the first time—I have been down three times now—and I understand what the hon. Gentleman means. I think that we work as much in the dark here as some of those in the mining industry.

Mr. Skinner: I have seen the hon. Gentleman poke his nose in the Bar.

Mr. Howarth: I do not frequent the hon. Gentleman's Bar. He just gives the impression occasionally of having been in there. That is what is so charming about him.

As my hon. Friend the Member for Elmet (Mr. Batiste) so rightly said, this scheme was fundamental to the restructuring of the industry that has taken place and led to the great progress that has been made in recent years. It is worth putting on record the incredible generosity of the redundant mineworkers' payment scheme. It was one of the most generous schemes, not just in the United Kingdom, but in Europe, and was unquestionably much envied by others in my constituency who found that they did not have the benefit of such a generous scheme when they were faced with redundancy.

It is also worth bearing in mind that the painful transition that has been made by the industry has been achieved without any compulsory redundancies, because of the generosity of the scheme. No other British industries can claim that they have been able to make painful adjustments to improve modern international trading conditions.

This scheme has come at a time when the outlook for the industry has never been better, as my hon. Friends have said this evening. I should like to take this opportunity to congratulate, not only the miners in my constituency, but those throughout the industry, particularly those in the western area, on their productivity record. It is absolutely essential to ensure that the sort of scheme that was concluded at the end of March this year will not need to be reintroduced.

Littleton pit outside my constituency has reached a productivity level of more than 4 tonnes per man shift and Florence colliery further north in Staffordshire has achieved more than 5 tonnes per man shift. Such output is in line with what is being achieved throughout the country. Productivity is at an all-time high. Last year no fewer than 15 national productivity records were broken, which is evidence that the miners are playing their part in strengthening the industry. I am sure that we all wish to pay tribute to them for all that they are doing.

It is also important to bear in mind the Government's role. Opposition Members often accuse the Government of having a hands-off policy and of having no interest in the essential industries. I hope that, as they usually do in these debates, to be fair, they will pay tribute to the Government's efforts, especially in respect of investment since 1979. We hear a great deal from the Opposition about what they call a lack of investment in manufacturing industry. I dispute that. I think that no Government since the war can hold a candle to this Government's record of investment in the coal industry. I saw it at first hand at Littleton colliery only a few weeks ago, when I saw the new skip winder introduced at a cost of £4 million. Indeed, the hon. Member for Clackmannan mentioned an £18 million investment programme at Polmaise in his constituency. It is important to recognise that these are substantial sums of taxpayer's money.

Mr. O'Neill: I was explaining that the £18 million programme has been cancelled after £4 million of it has been spent. The money must now be used for other purposes in the Scottish coalfield because of the constraints under which British Coal is forcing the Scottish coalfield to operate. Therefore, the exact opposite of what the hon. Gentleman was claiming for his coalfield is happening in the one in which my constituents are employed.

Mr. Deputy Speaker (Sir Paul Dean): Order. Before the hon. Gentleman answers that, may I warn him that I have the impression that we are going rather wide of the order. We are dealing, not with investment in the coal industry, but with the redundant mineworkers payments schemes. I am sure that the hon. Gentleman will not be tempted by the intervention or continue with some of his earlier remarks, but will return to the order before us.

Mr. Howarth: I most certainly would not wish to be tempted down the road that the hon. Member for

[Mr. Howarth]

Clackmannan wishes to lead me. I would merely say that I am sorry if I misunderstood what he said. Nevertheless, I think that £4 million is a large sum.

This debate is the first and will be the last on the coal industry in this new Parliament before the House rises for the long summer recess. Therefore, it is important to set the redundant mineworkers payment scheme in the context in which it was introduced. I shall say nothing more about the productivity record or about the Government's generous capital programme, because I believe that those things are now firmly on the record, not only because of what I have said tonight, but because of what has been said on previous occasions. However, I am bound to say that the industry's future, and the opportunity of avoiding the need for Opposition Members to press my hon. Friend and his colleagues to introduce a further redundant mineworkers scheme, can be secured only if the industry itself takes the necessary action.

It has come as a great disappointment to me, and to many others, that the National Union of Mineworkers has rejected six-day working. I believe that the Margam pit will be launched only if six-day working is introduced. Let me quote from a constituent's letter in *Coal News*:

"Yes, I would like to work four days a week instead of five. It would do very nicely. The extra two hours down the pit is only like working over."

I think that Mr. Saunders has made my point for me.

I welcome the efforts made by my hon. Friend on his first appearance at the Dispatch Box in our debates on the coal industry, which are always very friendly, if sometimes rather energetic. He has sought to tackle some of the problems that arise from the workings of the social security system as they affect schemes such as this. I believe that the long-term future of the coal industry looks extremely good. However, no Government can guarantee the job of anyone in the country, and the future security of the industry is largely in the hands of the people who run and work in it.

9.6 pm

Dr. Lewis Moonie (Kirkcaldy): I am grateful for this chance to make my maiden speech on a subject that is close to the hearts of so many of my constituents, the mining industry. I ask for your indulgence, Mr. Deputy Speaker, if, as is customary on these occasions, what I say is somewhat wider than the narrow scope of tonight's debate.

I am privileged to have been chosen by the people of Kirkcaldy and the surrounding villages and towns of Buckhaven, Wemyss, Thornton, Dysart, Kinghorn, Burntisland and Auchtertool, to represent them in the House.

My predecessor, Harry Gourlay, should need no introduction from me. He served the constituency with distinction from 1959 until his untimely death in April this year, when he was denied the long and happy retirement that he and his wife Peg so richly deserved. He was well liked and respected in the House, both for his knowledge of its procedures and history and for his quiet, dry sense of humour. He served as Deputy Speaker, Deputy Chairman of Ways and Means and a Scottish Whip. He chaired important Committees of this House impartially and fairly. In short, I am sure that he will be missed by friend and foe alike.

Before I turn to the subject of tonight's debate, I should like to give some background to my constituency—historical rather than tourist—which may be helpful to hon. Members. It has hosted some important events in Scottish history. Lying in the south of Fife, opposite Edinburgh, the constituency houses in the Wemyss caves some of the oldest cave drawings in Europe, most of them sadly lost through the ravages of time and the failure of the owners of the land and of local and Government authorities to agree on a programme for their safe keeping. That same area is the ancestral home of the Thanes of Fife, immortalised by the Macduff family in "Macbeth"—not very accurately, I may say, but immortalised none the less.

Further along the coast, at Kinghorn, Alexander III fell to his death, precipitating 25 years of struggle that culminated with the victory at Bannockburn and the declaration of Arbroath in 1320.

More recently, the most famous son of the town was undoubtedly Adam Smith, the author of "An Inquiry into the Nature and Causes of the Wealth of Nations", to whom so many hon. Members adhere and pay tribute, in particular the hon. Member for Darlington (Mr. Fallon) with whom I share a university if not the same political ideology. I shall quote two short passages from Adam Smith which may give hon. Members some cause for reflection. Early in the section on labour he says:

"No society can surely be flourishing and happy of which the far greater part of the members are poor and miserable."

He also said:

"Poverty . . . is extremely unfavourable to the rearing of children. The tender plant is produced, but in so cold a soil, and so severe a climate, soon withers and dies."

Those lines could equally have been penned by somebody with a more Left-wing reputation. They certainly reflect my views on the ills that affect an unfair and unjust society. In my work in health care day after day, I see the results of poverty, unemployment and inequality. I see the full effects of what has tritely been labelled the north-south divide.

The Kirkcaldy constituency has been associated with coal mining for centuries. Prior to the nationalisation of the industry the pits were owned by the Wemyss Coal Company, renowned, as others, for its rapacity and selfishness. Its inheritor, the Wemyss estate, still owns a large chunk of my constituency. The decayed and derelict properties, the run-down houses that are still lived in by so many of my constituents and the overgrown gap sites in the potentially lovely villages of East Wemyss, West Wemyss and Coaltown of Wemyss pay a stark tribute to the estate's commitment to social change and its regard for the community.

What about mining nowadays in my constituency? Kirkcaldy lies on the northern edge of the Dysart main seam. The coal seam is 12ft thick and runs under the Firth of Forth for many miles, and is one of the richest in Europe. On our side of the Forth it is now worked from only one coal face, the Seafield colliery. Formerly, on the north side of the town, the Frances colliery also operated, but the face was lost during the 1984-85 strike.

The only other working pit, the Michael colliery at East Wemyss, was closed in 1967 due to the tragic loss of life after an underground fire. The seam is sadly prone to spontaneous combustion—hence the problems that we have with it. It has to be operated at the horrendous gradient of almost one in two. Anybody with any knowledge of mining technology knows that it is very

difficult for modern machinery to work effectively on such a gradient. One of the most impressive sights in mining is to watch a machine come down the face at that angle, cutting 12ft of coal at a time. If frightened me when I was down there two or three months ago.

Only sterling work by miners and management saved that seam earlier this year, as well as the introduction of new technology, with gas injection around the face to maintain a reasonable working temperature. Spontaneous combustion is still a real danger, and with it would come the total loss of deep mining in the area. Seafield is a tribute to the hard work of its work force. They have secured their future by increased productivity, and in the Scottish coalfields that is not easy. They have increased their productivity to the magical figure of 4 tonnes per man shift. Therefore, the pit's future should be secure.

But faces do not last for ever. There is to be investment in one new face. That will retain the existing jobs and add further years to the life of the mine, but we need more investment in coal seams such as this. Seafield's coal is low in sulphur. Therefore, it can be burnt with very little environmental damage. The rate of extraction could be increased by the development of at least one other face, either at Seafield or at the Frances colliery, which is still maintained on a care and maintenance basis. That investment will depend on the development of a secure market for the coal that we produce both here and abroad.

We need Government support to develop outlets for our coal, perhaps for the new generation of coal-fired power stations that we all know we need so desperately rather than the monument to nuclear technology rising across the Forth from my constituency at Torness which I can only just see on a clear day from my house but which no doubt on a clear night will be much more visible as it comes into production.

I am not just speaking tonight in support of coal mining in Fife. We need to preserve workshops in Cowdenbeath in the constituency of my hon. Friend the Member for Dunfermline, East (Mr. Brown). Those are vital for the future of mining in my area. With the loss of Polmaise colliery, the future of the workshops must be in doubt.

The miners' strike in 1984-85 left a legacy of bitterness in my constituency which must be overcome if the industry is to thrive again. I want to see justice done to the men who were sacked unfairly during the dispute and those who have still not been reinstated two years later. The goodwill built up over the past few years must be encouraged and fostered, not neglected.

The subject of tonight's debate concerns concessionary coal and that subject is frequently raised in my constituency. Unfortunately, I have more ex-miners than miners now in my constituency and the concessions are important to them. I want to draw the Minister's attention to the difficult situation in which many of my constituents are currently placed. Those who live in what are euphemistically described as "non-standard" houses with non-standard flues have been told that, due to the dangerous condition of the chimneys, they can no longer burn coal for heating and the houses will therefore have to be converted. The houses could be converted to a safer system of coal burning, but unfortunately the Scottish Special Housing Association claims that it cannot afford to do that because of restrictions on money. Many elderly people and pensioners depend on concessionary coal as it is part of their income. It is not a freebie or a free gift that they have been given by a grateful industry. Part of their earnings was committed to that year after year while they were working and they are entitled to it now in their retirement to keep them warm in winter. They will lose that concession and be converted to more expensive forms of heating such as gas.

I am sure that the Minister shares my sympathy for the plight of those people and I want him to do what he can on their behalf. I acknowledge that the difficulty is largely due to the current agreement between the National Coal Board and the unions and there are also problems with the Scottish Special Housing Association. Nevertheless, if the Minister could do something I would be grateful.

I thank you, Mr. Deputy Speaker, for allowing me the opportunity to speak in this debate and for your forebearance as I have rather wandered from the subject. My constituency shows the stigma of years of unemployment, poverty and ill health. Coal mining offers many presently employed in the industry, those who are unemployed and the apprentices who could be working a chance of a decent productive future. I will fight to see that they get it.

9.17 pm

Mr. James Wallace (Orkney and Shetland): It is a great pleasure to congratulate a fellow Scot on making his maiden speech in the House. Both sides of the House will agree that the hon. Member for Kirkcaldy (Dr. Moonie) spoke eloquently and knowledgeably about his constituency and the problems facing his constituents. I also congratulate the hon. Member for Easington (Mr. Cummings) on his maiden speech. Having heard the hon. Member for Easington refer to some of his political predecessors, I wondered whether the hon. Member for Kirkcaldy would refer to the most famous political son to come from Kirkcaldy, and indeed he did. He rightly quoted from Adam Smith to show that perhaps all the propaganda that is sometimes associated with Adam Smith tends to be one-sided. If we read his writings as a whole, we find that parts of his writings could be learned and read by Conservative Members to great advantage. I forgive the hon. Member for Kirkcaldy for omitting to mention one of the other important sons of Kirkcaldy—my right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel). I understand that he was born in Kirkcaldy.

We all look forward to hearing the hon. Member for Kirkcaldy speak again. No doubt those of us who are privileged to be members of the Scottish Grand Committee will hear the hon. Gentleman speak in that Committee. We all share in the tribute paid by the hon. Member for Kirkcaldy to the late Harry Gourlay who for many years gave great service not only to his constituents and party but to this House.

The order is detailed and limited in its scope, but the hon. Member for Midlothian (Mr. Eadie) rightly expressed some concern about the lack of consultation that took place before it was laid. The order might be technical and its purpose may be limited to clarifying that which might give rise to a challenge in the courts, but it is important generally for industrial relations that people are not taken for granted. When that happens, resentment tends to build up in an industry which has had considerable industrial relations difficulties over recent years. I hope that that point will be taken up by the Minister.

[Mr. James Wallace]

The Minister has talked about the need to avoid court action. Even as a lawyer, I would agree with him about that. If court action can be avoided, it is desirable that it should be. It has been argued that payments have been withheld since the introduction of the new social security legislation. I ask the Minister to confirm, when he replies, that the payments have been reduced, not withheld, and that they will be repaid in full over the coming months.

The hon. Member for Clackmannan (Mr. O'Neill) referred to the closure of the Polmaise pit. That is of concern to him as a constituency Member, and over the past 24 hours it has concerned the whole of Scotland. The hon. Member for Kirkcaldy put his finger on the problem when he said that there are more ex-miners than miners in his constituency. I understand that 12 years ago there were 1,000 miners employed at the Polmaise pit, and we are now told that the closure will affect 112. That is a measure of the decline that we have seen in the industry. Many of the 1,000 who were employed at Polmaise 12 years ago will be in receipt of the benefits that stem from the scheme that we are debating. British Coal has said that it hopes to find jobs in other parts of the Scottish coalfield for the 112 who will be affected by the closure, but press reports say that many of the 112 are somewhat sceptical about whether they will all find jobs. There is the feeling that there will be redundancies.

However generous redundancy and concessionary schemes may be, they cannot be any substitute for real jobs. We are talking of a community in which over 50 per cent. of the young people are unemployed. Four years ago hope was engendered by an £80 million investment plan. A community can be devastated when that which it thought was within its grasp is taken from it.

I hope that the Minister will be able to answer the questions which have been asked about Polmaise, even though it may mean you stretching a point, Mr. Deputy Speaker, when deciding whether the hon. Gentleman is in order. I hope that he will be able to say whether those who find themselves out of work at Polmaise will have a real chance of re-employment elsewhere in the Scottish coalfield. The devastation that is brought to villages as a result of closures can be compensated only in small measure by redundancy payments. The various divisions of British Coal, the Scottish Office and the Scottish Development Agency must make every effort to ensure that new hope is brought to an area that tonight must be suffering great depression.

9.24 pm

Mr. Eric Illsley (Barnsley, Central): The connection between the reduced earnings allowance and the redundant miners payments scheme, which is the basis of the order, highlights the fact that the Social Security Act 1986 was an ill-thought-out piece of legislation. The Government have neglected to tie up the loose ends by means of consequential amendments, and that is the reason for the order.

It is interesting to learn that the Government intend to make repayments to miners who are affected by the terms of the order without there being a need for court action. That is an interesting departure from the situation in 1984. A number of my constituents, and literally hundreds of mineworkers in Yorkshire, accepted redundancy slightly before the 1984 strike, but even now they have not received redundancy payment or the unemployment benefit that they should have received as a result of the redundant mineworkers payment scheme.

The redundancy scheme was voluntary and we have heard from Conservative Members on at least two occasions that no worker in the mining industry was forced to accept redundancy. Unfortunately, that is not the case. Quite a number of workers have been faced with unreasonable transfers or redundancy. In the circumstances, they have been made compulsorily redundant. It is wrong to talk about the redundancy scheme as being wholly voluntary, particularly now.

Many men were faced with redundancy either at a time when they did not want to accept it, because it would not benefit them, or when they were faced with a transfer to a colliery 30 to 40 miles away, which would involve too much travel-to-work time. These are the compulsory redundancies that have occurred throughout the industry.

We must look to the future to see what problems will arise with redundancy payments. The average age of miners is about 35 years. These are men of my own age and slightly older who want not redundancy but jobs within their industry — something to which they are entitled. The Government should expand rather than contract the coal industry. My hon. Friend the Member for Kirkcaldy (Dr. Moonie) has already made that point about the closure of Polmaise. In the Yorkshire area, the South Kirby, Woolley Wath, Kilnhurst, Treeton and Manders collieries this year have suffered either partial or total closure. It is obvious that the smaller number of collieries and the increase in technology mean fewer job opportunities or transfers within the industry. Therefore, there must be redundancies if British Coal is to pursue its present policies. How is it to achieve redundancies without some compulsion, which is the next step?

With the problems facing the industry, compulsory redundancy is compounded by a number of issues that are being debated. We heard from the hon. Member for Cannock and Burntwood (Mr. Howarth) that the NUM has rejected six-day working and flexible working. Had he been at the NUM conference last week he would have heard a decision to hold a ballot on the issue, so the members of the NUM have not yet made their decision on that issue. As to four-day working, that is within a seven-day cycle or a continental shift. The four-day period could be over a Friday, Saturday, Sunday and Monday nightshift. Would Conservative Members relish such a prospect? The industry is facing flexible working practices.

Mr. Gerald Howarth: I am interested to hear what the hon. Gentleman has said about the ballot. However, what is his view? What recommendation will he be making to his constituents on how they should vote?

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will not be tempted by an experienced Member into straying out of order.

Mr. Illsley: I shall not be tempted into replying to that question, Mr. Deputy Speaker. It is obviously a question for the members of the National Union of Mineworkers, according to the advice that they receive from their leadership. It is not connected with this order.

To return to redundancies and the problems facing the industry, British Coal will be hard pressed to find the collieries and the job opportunities for future transfers. There will be thousands of job losses and colliery closures

because of increased opencast mining, increased imports—especially from South Africa and Colombia—and the privatisation of the electricity supply industry, which will be a forerunner to the privatisation of British Coal.

Earlier in the debate, we heard that there has been a total lack of negotiation and consultation about this order. Since the end of the strike, there has been no negotiation or consultation on any issue between British Coal and the NUM. That includes flexible working, the wage increases that have been imposed during the past two or three years, the conciliation machinery and the disciplinary code of practice.

The dispute over the latter during the past few days has resulted in about 18 collieries in my area taking strike action. Unless British Coal returns to the negotiating table with a genuine and sincere desire to negotiate on these issues, including redundancy, flexible working and a disciplinary code, there will be no peace in the industry and no prospect of achieving the future of which Conservative Members have talked. The industry does not have a rosy future. There will be more decline, more job losses and more pit closures. The problem will be eradicated only if British Coal has a genuine desire to negotiate.

9.32 pm

Mr. Dennis Skinner (Bolsover): I am pleased to be able to speak in the debate, partly because I was able to listen to two maiden speeches by Labour Members. My hon. Friend the Member for Kirkcaldy (Dr. Moonie) is a doctor. He has a doctor's voice. I can imagine a decent Socialist going into his surgery and coming out feeling better. I look forward to hearing a lot more from my hon. Friend.

The same is true of my hon. Friend the Member for Easington (Mr. Cummings)—a different voice fashioned in a different way. He is not here now, but no doubt he will tell me later that I am right in thinking that his voice was fashioned in the canteen, when it is crowded in the morning, when there is fag smoke—unlike the doctor's surgery—when people have a problem, when the miners are a bit unsure and when there has been no consultation, as with this document. People have to raise their voices and appeal for solidarity. We have all done it—well, nearly all. The Liberals have been doing a bit of that lately. There has been some shouting and bawling going on with them. I do not know whether it has been in the SDP canteen. Of course, they do not have a canteen; it is a telephone box.

Mr. Wallace: That is an old one.

Mr. Skinner: It is an old one, but the old ones are very good. They keep coming back.

It was delightful to hear the Liberals talking about a merger. It was a little gem to hear a Liberal standing up here and condemning the Tories and British Coal because there had been no consultation, after what their leader has been doing these past few weeks. I know that that has nothing to do with this order, Mr. Deputy Speaker, and I want to make it clear——

Mr. Wallace: The hon. Gentleman will be talking about nothing else for months.

Mr. Skinner: I think it is a good subject. The hon. Gentleman keeps intervening. He is heckling me and just encouraging me, Mr. Deputy Speaker. It is a delightful side show and there is no doubt about that.

When all the other things have gone off the front page of the newspapers, the editors can always turn back to the SDP and Liberal merger. The headlines will read "Is it on, or is it off?" That ballot will take longer than our ballot.

I am delighted to see that my hon. Friend the Member for Easington is now back in the Chamber. I had just referred to the way in which he was able to deliver a wonderful maiden speech and capture the attention of the House. I said that my hon. Friend's voice, unlike that of my hon. Friend the Member for Kirkcaldy, was probably fashioned in the canteen, early in the morning, when it is necessary to raise one's voice to get the message of solidarity across. I look forward to hearing more from my hon. Friend.

I am glad that my hon. Friend the Member for Easington mentioned churches. It gives me the opportunity to put on record—it does want putting on record—that I have enabled the coal board, or British Coal as it is now called, to start negotiations with Bolsover parish church over subsidence. Negotiations had reached a deadlock, and I was called in. The parish council said that British Coal would not pay subsidence costs. I said, "I will start the negotiations. I will have a debate in Bolsover parish church between me and Haslam." It was not long before British Coal went to its lawyers and started negotiating again.

I am pleased to take part in this debate because a new Minister is on the Front Bench. I shall not welcome him, because I do not know how long he will be here and I am not into that anyway. However, I hope that he will make a better fist of this than he did the Tory party computer. */Interruption./* Well, we judge people by what they do, not what they say. The Minister got involved in running this outfit, the Tory party computer. The computer was to link up with every constituency in Britain, but what happened? The firm went bankrupt. There were 150,000 other bankruptcies in Britain, but there was only one computer firm involved. The Minister picked the wrong one. When we come to think of it, the Minister could have been in easy street now.

Mr. Michael Spicer: The hon. Gentleman is going back a bit and scraping the barrel about my past. The Tory party purchased about 200 of those computers. My constituency purchased one and it is still working. I believe that the others are as well. I believe that that computer was rather successful, and we won the election as a result.

Mr. Deputy Speaker: Order. The whole House is enjoying the preamble of the hon. Member for Bolsover (Mr. Skinner), but I hope that he will now come to the order.

Mr. Skinner: May I just say that the Minister's reply sounded a bit defensive. The truth is that the Prime Minister and the rest of them in Tory party central office said, "Get it out and start afresh."

This order is important because we believe that debating redundancy payments is not something that we should welcome. As my hon. Friend the Member for Barnsley, Central (Mr. Illsley) said earlier, this is all about more people being chucked on the Thatcher scrap heap. Every time we get one of these orders before us, however technical it might be, it is about people being thrown on to unemployment benefit and going to the Department of Health and Social Security. It is about people going for additional payments to Sheffield as contained in this

[Mr. Skinner]

order. It means that more and more taxpayers have to pay more money to keep people idle. The Opposition want people back in work. If people were back in work we would not have to import coal from about 30 different countries, some of it subsidised up to the hilt by those countries. We would sooner not have these dates on redundancy payments.

One of the reasons for this debate is the special hardship allowance. One of the reasons why the Government have changed from special hardship allowance to income support is that they have decided to get rid of that special hardship allowance. That allowance has been part of our welfare state since 1948. The miners needed that allowance because many injuries occurred in the industry. The result was that the Government changed the system in the Social Security Act 1986. Many miners and others will finish up with less on "special hardship", with its new title, and some will not receive any special hardship-type allowance at all. No doubt there will be a favoured few, but it is worth remembering that that is why the order has been introduced.

The same is true of rent allowances. The adjustment has been made because the Government ensured in the Social Security Act 1986 that people would get less on rent allowance and rent rebate. The result is that people have to make up the money from another source—in our case, the Sheffield headquarters of British Coal, which pays the money out.

The debate is not about sacked miners, as you said, Mr. Deputy Speaker. If we could get those 350 sacked miners back to work, that would be 350 people who could contribute to the nation's wealth, pay taxes and national insurance and reduce the mammoth bill of £21 billion paid out for those who are out of work. Although this debate is not about them, we cannot talk about redundancy without referring to them.

The same is true of the new problem in the coalfields. British Coal thinks that it has the whip hand. It thinks that it can put the boot in, assisted by Tory Members, many of them moonlighters who come into this building only two days a week, yet want miners to work six days a week. I heard them say that the other day. It is a scandal. They are trotting off for a three-month holiday, yet telling miners to work six days a week.

Mr. Andy Stewart: Withdraw.

Mr. Skinner: The hon. Gentleman is a farmer. He is getting subsidies from the taxpayers, the miners, yet he wants them to work six days a week.

Mr. Gerald Howarth: Will the hon. Gentleman give way?

Mr. Skinner: I shall give way to jackboot.

Mr. Howarth: I shall ignore that remark, Mr. Deputy Speaker.

Mr. Skinner: The hon. Gentleman has to do so. I shall not withdraw it.

Mr. Howarth: The hon. Gentleman has just said that miners will have to work six days a week. He knows that that is a total untruth and that the British Coal Corporation has made it clear that no miner will be required to work six days a week. What will be required to work six days a week is the machinery.

Mr. Skinner: I have to say as quickly as possible, because I know that it is not quite within the realms of the order, Mr. Deputy Speaker, that the hon. Gentleman cannot find written evidence from British Coal that is being reported to the NUM or any other union in the industry.

Mr. Howarth *rose*—

Mr. Skinner: The hon. Gentleman is holding a press release. I have seen it. It means nothing. There have been no consultations with any of the trade unions concerned. That is just a bit of sky writing for people like the hon. Gentleman to pick up to try to confuse people in his coalfield. They will not accept six-day working. There will be a majority against it in every area—[HON. MEMBERS: "In South Wales?"] And in South Wales.

The debate is also about coal allowances—it says so in the title. What has been happening lately to the miners' widows of 75 or 80 is a scandal. The Government are taking away the cash in lieu and the coal allowance. They have even introduced a new scheme under which people are put into little flats and bungalows and receive an allowance of 3 tonnes of coal a year instead of 5 tonnes. The Government have introduced other schemes under which people who have gone to live with in-laws, their daughter or son for a short period and then returned home have had their money or allowance taken from them. This is going back to Victorian days.

I make a final plea to the Minister, if he wants to make a name for himself. I have said about a dozens times in the House—perhaps more—in the past 17 years that there is a small group of people who are part of redundancy schemes introduced before 1968 and who do not receive any allowance coal. It is time that they were allowed that coal. There are a few hundred in Lancashire, Derbyshire and elsewhere.

The order is part and parcel of the whole jigsaw which, if the Tory Government remain in office, is a prelude to privatisation of certain parts of the British coalfield. That is why the Government like redundancy payments and coal imports coming in and taking away the jobs of miners. That is why they want to create a rat race and introduce flexible working and a six-day week. It is all part of that same pattern, and that is why we can understand that redundancy payments orders and coal allowance orders are all part of that same Tory creed.

9.46 pm

Mr. Frank Haynes (Ashfield): I welcome the maiden speeches that have been made tonight and since the general election, particularly those by my hon. Friends. I find that we have much quality on our Benches, as demonstrated by the contributions of our new hon. Members.

Unlike my hon. Friend the Member for Bolsover (Mr. Skinner), I welcome the Minister to the Dispatch Box. I questioned him on Monday during questions on energy. He said that he was going to help me and my constituents who are in difficulty with claims for mining subsidence. I only hope that he will keep his word and kick over the traces of the raw deals that my constituents, and those of other hon. Members who serve in mining constituencies, have suffered on the issue of subsidence. We want some straightening up and some management of the board from this House.

Under its new name, British Coal is running away with things. I remember the Prime Minister saying fairly

regularly that management is there to manage and the workers are there to work. The order speaks of what I experienced as a lad in the pit when managers managed and workers worked — and we were trampled on and pushed around and had to put up with it. If we did not, we got our cards. That is what we are going back to, and the order is encouraging it.

The Minister comes from a different job. I regularly saw him on the television news. More often than not he was standing in an airport somewhere, so he has obviously been involved with aircraft and flying about all over the place. I am asking him to put his feet firmly on the floor——

Mr. Kevin Barron (Rother Valley): Underground.

Mr. Haynes: I was going to say that, but my hon. Friend beat me to it. He should put his feet underground, too. I hope that he will make the necessary visits to talk to the men in the industry, and that he will do something else that British Coal is not doing. I refer to what my hon. Friend the Member for Midlothian (Mr. Eadie) said about non-consultation between British Coal and the trade unions. That is a shocking state of affairs. It is now up to the Minister — the ball is at his feet — to put this right, because it is wrong. The machinery for consultation should exist and there should be consultation with the trade unions on this order, and on other measures too.

To hear Conservative Members talk, one would think that they were ex-colliers. They have never seen underground workings and do not know what mining is about. I agree with my hon. Friend the Member for Bolsover about moonlighting. The hon. Member for Sherwood (Mr. Stewart) had the nerve to talk about the subsidy and the investment in the mining industry. The Government pour money into his pocket because he is a farmer. He is doing two jobs.

Mr. Andy Stewart: It is not illegal.

Mr. Haynes: The hon. Gentleman tried to patronise us in his speech. He should be honest about the matter, because he knows full well that the policy underlying this order is linked to the problems in the mining industry. My hon. Friend the Member for Barnsley, Central (Mr. Illsley) talked about more pit closures and about more people being made redundant. More money will have to be found to provide redundancy pay for those people. There are no jobs for the youngsters in the towns and villages where the pits are situated. There is no work elsewhere either, so the Government put them on a phoney training course that takes them off the dole queue. The hon. Member for Sherwood can grin and scratch his head, but we know what is going on. The hon. Gentleman is not prepared to accept but he knows full well that the unemployment figures are fiddled. Unemployed lads can no longer get jobs at the pits as lads used to do in years gone by.

The order mentions concessionary fuel. The more pit closures we have, the fewer men will be working in the pits. I worked underground for 35 years and made my contribution from my fuel every month to a pool for widows and retired miners. Where has that coal gone? What happened to it? I think that there has been a fiddle. The Government talk about what they will do with concessionary fuel, but they do not realise that, with fewer miners, fewer contributions are being made to the pool.

Retired miners nowadays are living far longer than they used to. There is an army of retired miners who have to be provided with concessionary fuel. The Government keep closing pits and reducing manpower, and the remaining work force is making fewer contributions to the pool for the people who have given a lifetime of service to the industry and to the nation.

Conservative Members are looking at me in a way that shows that they understand what I am saying but that they did not understand it before. This is a real problem and the Government are not grappling with it. Most of the problems stem from non-consultation. I have many years of experience in the industry and I know what is going on today. I shall not wander to the subject of flexible hours, but even that will have a serious effect on redundancy pay and concessionary fuel.

Many years ago, the management managed. They kicked us around all over the place. The hon. Member for Sherwood may grin, but he is only a lad and he does not understand.

Mr. Andy Stewart *rose*

Mr. Haynes: The hon. Gentleman should sit down. He has made his contribution.

Mr. Stewart: If the hon. Gentleman is so informed about the mining industry, why was it that at the recent election his majority went down and mine went up?

Mr. Haynes: I cannot explain that. You should tell me, Mr. Deputy Speaker, not to answer that question.

Mr. Deputy Speaker: Order. I believe in being fair. The hon. Gentleman should answer the question briefly, but we must get back to the order.

Mr. Haynes: I am obliged, Mr. Deputy Speaker. That is the first time that you have said that to me and I shall take it on board.

How can I know why people voted as they did in Sherwood? I tell the hon. Member for Sherwood that I do not represent only the UDM. I represent all the miners in my constituency, which is more than can be said for the hon. Gentleman. He has been yawping about the UDM, but he never mentioned the NUM. He has NUM members in his constituency, but I represent all my constituents, not just one section. The hon. Gentleman might not get a 5,000 majority next time.

Mr. Stewart: It will be 10,000 next time.

Mr. Haynes: The hon. Gentleman might have to return to farming, which would be welcome.

The hon. Gentleman and his colleagues think that they know about the mining industry, but they have never seen a No. 10 shovel. It is as big as a table top. Conservative Members may laugh, but this is a serious matter. I had a No. 10 shovel in my hands for donkey's years. I know what it is like to work underground in a mine. In this order we are talking about people who have given a lifetime's service to the industry but who have been put out of work by the Government because of their policies with regard to the mining industry.

My final plea is that we must return to the way that things were before I came to this place, when the National Coal Board, the trade unions and the men worked as one. That is how it used to be, but it is no longer like that.

Mr. Ray Powell (Ogmore): When my hon. Friend mentioned returning to the way that things were, there were sniggers from the Conservative Benches. However, if we returned to the way that things were in Ogmore in 1979

[Mr. Ray Powell]

we would have seven collieries employing 5,500 miners. I am sure that my hon. Friend would like to comment on that.

Mr. Haynes: I shall comment on that, and I hope that Conservative Members will wipe the grins off their faces, because this is a serious matter. Conservative Members have a job, and some of them have as many as seven. One has only to look at the Register of Members' Interests to see the moonlighting that occurs, as my hon. Friend the Member for Bolsover said.

I used to have nine pits in my constituency, but there are now only four. That is all that is left under this Administration. The young lads who are leaving school cannot get a job at the pit. There are a lot more men who are not making a contribution because of those five pit closures. Therefore, money has to be found from somewhere else and the Government keep coming back with orders such as the one that we are discussing tonight.

I saw a list, not from British Coal to a Member of Parliament, or from British Coal to the trade unions, but in the *Today* newspaper only this week. It showed a list of pits that are uneconomic and ready for closure. All four of the pits in my constituency were on the list. If British Coal continues in that way, we will not know what is going on until Energy Question Time, when, if we are lucky enough to be called, we can ask the Minister what British Coal is doing and what is going on. It is not telling us anything.

The hon. Member for Cannock and Burntwood (Mr. Howarth) held up a copy of a press release from British Coal. It means nothing. We are not talking about that; we are talking about the real things taking place in the industry, such as non-consultation. We have to keep emphasising that, and I hope that the Minister will do something about it. There is no consultation, either with the trade unions or with the men themselves.

The industry cannot work without the men. The results of the men are fantastic, they really are. The Minister knows that each week output records are being broken. I agree that the machines are doing the job, and they will be doing a bit more in the future if an agreement can be struck between the coal board and the union. That is where it must happen, not in here, not by talking to Tory Members of Parliament who represent mining constituencies. It has to be done in a proper way, like it used to be done before I came to this place. It is only since 1979 that it has all gone wrong. We have told the Government time after time, but they are not prepared to listen. They do not want to know. All they want to do, as my hon. Friend the Member for Bolsover said, is to let British Coal keep putting the boot in. That is all that is happening. It is high time it stopped, and I hope that the Minister will do something about it.

10.2 pm

Mr. Richard Alexander (Newark): I intend to speak briefly, but I must say to the House, particularly to my hon. Friend the Member for Sherwood (Mr. Stewart), that Conservative Members view the anger of Opposition Members as the anger of people who find that they no longer exclusively represent coal-mining areas. That is largely the reason for the invective imposed upon my hon. Friend the Member for Sherwood, who — I shall be corrected if I am wrong — looks after the interests of more pits than any other hon. Member, and Labour Members do not like that.

I thought that the invective coming from Labour Members was a bit rich. It was unfair to my hon. Friend the Member for Sherwood. The fact that he may be a farmer has nothing to do with this debate. We are debating an order. Snide remarks about people such as my hon. Friend, who happens to do a good job as a farmer as well as an excellent job as a coal-mining constituency Member of Parliament, are wrong. He did not deserve the abuse that he received this evening.

I wish to make two points in connection with the order, and they have both been raised in the previous two contributions. They were raised by the hon. Member for Bolsover (Mr. Skinner). One would imagine that since the Tory Government took office, and only because the Tory Government took office, we have seen mass redundancies, on an enormous scale. What we never hear from the Labour party spokesmen is that none of them has been compulsory. Those concerned have taken redundancy on very generous terms. It is wrong for the Labour party to suggest otherwise.

It is a smear on the Coal Board, and Sir Robert Haslam in particular, to say that it is asking for six-day working. The hon. Member for Bolsover said that it is all sky writing. I do not think that that is fair either. Sir Robert Haslam has made it perfectly clear. In a press release dated 9 July 1987—sent not just to Tory Members, but to all Members—British Coal states:

"There is no intention to introduce six-day working for miners. British Coal are proposing to introduce six-day coal production at a limited number of less than a dozen new or extended pits."

To hear the invective from some Opposition Members, one would not think that that had been stated publicly and in writing. Unfair party political smears are not to the benefit of hon. Members' constituents or of the industry: the order is.

10.6 pm

Mr. Allen McKay (Barnsley, West and Penistone): As usual, the debate has been extremely lively, as it always has been and always will be because there are so many differences of opinion about this great industry.

The Minister says that this is a technical order which makes technical changes. Rather than seeking to explain the details at the Dispatch Box, perhaps the Minister will put explanatory notes in the Library about the technical changes, how and why they have come about, why they are needed and the effects that they will have. When the Government talk about technical changes, it usually means that someone will lose. It does not mean that everyone will win or even stay the same. Under the cover of technical changes, people lose money. I hope that the Minister will place explanatory notes in the Library so that we can advise our constituents.

I was surprised and annoyed that such a measure should be introduced without consultation with the trade unions concerned—any trade unions, as my hon. Friend the Member for Midlothian (Mr. Eadie) said. It is important that there should be consultation. The six-day week proposal is not new. It has been mentioned many times in the past. There have been changes, because restructuring did not begin in 1979. It began on vesting day

and has been a continuing process ever since, and it will continue for some while yet. That is why there must be consultation before we debate orders of this kind.

When people consider the six-day week, they forget what has happened in the past. Output used to be calculated as output per man shift. Collieries with a high output per man shift were regarded as economic and fairly safe. That no longer applies because profitability is now calculated not in output per man shift but in cost per gigajoule. Miners have never been fools and they realise what six-day working will mean. The coal already on the floor will increase because six days' output will flow from six days' production. If we cannot cope with five days' output, what will happen to the increase? Without a shadow of doubt, it will mean colliery closures.

Lack of consultation shows lack of trust, and trust is very important in the mining industry. Back in the 1930s and 1940s, we had the Fleck report which said that there was too much academic experience in management and not enough practical experience, especially in industrial relations. Colliery closures have made this order necessary and not only miners, but administrative staff have become unemployed. The old, long-in-the-tooth managers and industrial relations officers have gone and we are left with a lot of whizz kids who have no practical experience and do not understand our history.

Before the strike we warned the House in a similar debate what would happen. In Yorkshire 19 collieries are on strike and the warning bells are ringing again. It is no use the Government saying that that is no responsibility of theirs. It is a nationalised industry with a chairman appointed by the Government. The Government must say to that chairman, "Let's bring back consultations. Let's get round the table and talk about these problems and measures." If they do not, they will again force the miners into a corner and the reaction will be exactly the same because that is the mining industry as it is, always has been and always will be.

The problem is that we have Ministers and bosses who do not understand the history or future of the mining industry. A future is there providing the Government take the men along with them. Without the men, the Government will fail. That was my first lesson in industrial relations. However good the idea is, it is no good unless the men accept it.

Let us have more explanation of the order and let us now have an assurance from the Minister that no one affected by it will lose either now or in future.

10.12 pm

Mr. Eadie: I am proud to refer to the maiden speech of my hon. Friend the Member for Easington (Mr. Cummings). He said that he was a sixth generation miner and was a child of the mining industry. He has mining skills and experience of the coal industry, and he has worked in local government and for his trade union. The whole House will agree that his maiden speech showed that he will make a good contribution to this House as Member of Parliament. I am particularly proud because my hon. Friend is now a member of the largest industrial group in this House, the miners' parliamentary group, and on another occasion we had the opportunity to welcome him warmly.

I should also like to refer to my hon. Friend the Member for Kirkcaldy (Dr. Moonie). He has special significance for me because he happens to be my Member of Parliament. When he described the seams of coal and the gradients of one and two in the Wemyss area where I worked for 30 years at the coal face, man and boy, I began to feel a little sore. He showed in his speech, as he has already shown in the constituency, that he will make a worthy Member and successor to the late Harry Gourlay. I am pleased to welcome him to the House.

The most depressing aspect of the debate is that only Opposition Members have talked about conciliation and consultation. The hon. Member for Elmet (Mr. Batiste) completely distorted everything that I said. I made a plea for consultation and conciliation. We heard nothing about that from Conservative Members.

It is wrong to impose, for instance, a code of conduct without any consultation or conciliation taking place with the mining unions. As a consequence, the whole Yorkshire coalfield is now alight. That should be a lesson to us. There must be a fresh attitude. We must get down to talking, discussing and arguing with British Coal as an employer. The Government must assist in that, because they are being accused of conspiring with British Coal to destroy industrial relations. This great industry of ours will never work without proper industrial relations.

There have been no negotiations about the six-day week. It is not good enough to quote a press release. Sending out press releases and saying, "This is what we are going to do" is no way to bring about good industrial relations. New proposals must be discussed with the representatives of the industry. Unless British Coal gets down to consultation and conciliation, when the miners' union decides to hold the ballot vote, I am afraid that British Coal will get the result that it does not want. Now is the time for talk; now is the time for consultation; now is the time for conciliation. That should be our message, and only the Opposition have tried to convey it throughout the debate.

My hon. Friend the Member for Clackmannan (Mr. O'Neill) talked about the closure of Polmaise. I am very sorry to hear about that, because I was an agent in the area over 20 years ago, and I know the village of Fallin well. The villagers are a proud people, and they were proud of their pit. They had supplied generations of miners to that pit, and I know that they are suffering terribly from the staggering blow that the news of the closure has dealt them. Incidentally, as a consequence of that closure, a £4 million investment will be wiped out. I feel for my hon. Friend the Member for Clackmannan.

We shall listen with interest to what the Minister has to say.

10.17 pm

Mr. Michael Spicer: It is understandable that the debate, as was anticipated at the outset by the hon. Member for Midlothian (Mr. Eadie), has ranged somewhat wide of the terms of the order. Concessionary coal, the code of conduct, Conservative party computers and many other issues have been raised. I hope that the House will forgive me if, on this occasion at least, I address my few remarks to points relating directly to the order. No doubt there will be many opportunities to debate some of the other extremely important points that have been raised.

I begin by adding my warmest congratulations to those already given to the two hon. Members who have made their maiden speeches tonight. The hon. Member for Easington (Mr. Cummings) spoke movingly of his

[Mr. Michael Spicer]

constituency and of his eminent predecessors. By coincidence, as has already been mentioned, I found myself opposing two of them—Manny Shinwell in 1966 and Jack Dormand in 1970. I can now say, without harming either Jack Dormand's career or mine, that he was a very close friend of mine, and I fully agree with what the hon. Gentleman had to say about him.

I think that the hon. Member for Easington said that I was the only Minister not to have visited Easington. I have to tell the hon. Gentleman in all humility that I am probably the only Member of either Front Bench who has ever lived there. Be that as it may, I congratulate the hon. Member on a model maiden speech.

I congratulate also the hon. Member for Kirkcaldy (Dr. Moonie), who spoke movingly about the Seafield colliery. I know that the House will wish to join him unreservedly in paying tribute to the bravery and dedication of the Seafield miners who in January fought that underground fire.

One of the main themes of the debate has been consultation. The word has been used many times, in particular by the hon. Members for Ashfield (Mr. Haynes), for Orkney and Shetland (Mr. Wallace) and for Bolsover (Mr. Skinner). I recognise the great experience on both sides of the House concerning this industry. Therefore, I have listened carefully to what has been said about consultation. I do not necessarily agree with all that has been said about consultation, but I shall read carefully what has been said about it.

As for consultation on this order, there has been no change in the policy relating to or the substance of the redundant mineworkers payments scheme. It would not have been reasonable, therefore, to engage in a long period of consultation.

My hon. Friend the Member for Elmet (Mr. Batiste) asked for an assurance that nobody would be worse off as a result of the order. I can go further than that. I explained in my opening speech that the recipients of RMPS basic benefit who have also been in receipt of the reduced earnings allowance since 1 October 1986 will receive a refund of the reduced earnings allowance deductions that have been made since that date. Apart from that, there will be no significant change to the payment of basic benefit as a result of the order.

The hon. Members for Orkney and Shetland and for Clackmannan (Mr. O'Neill) referred to Polmaise. There will be no compulsory redundancies at Polmaise. Transfers will be available for those who do not wish to accept voluntary redundancy. The hon. Member for Barnsley, Central (Mr. Illsley) said that payments that are due under the RMPS have not been made in certain cases. I was surprised to hear about that, and if he will write to me I shall look carefully into it.

Mr. Gerald Howarth: The hon. Member for Barnsley, Central (Mr. Illsley) made an important point that is a cause of concern to both sides of the House. It relates to payments that should have been made to men who accepted voluntary redundancy before the strike was announced, who became redundant during the strike and who have been unable since then to obtain unemployment benefit. The matter has gone to the social security commissioners. If my hon. Friend could find time to introduce an order to help those people, he would be doing a great service to the constituents of many hon. Members on both sides of the House.

Mr. Spicer: That is an interesting point. As the case is with the commissioners, I imagine that it is being looked at very carefully. However, I shall certainly look into the matter.

The hon. Member for Barnsley, West and Penistone (Mr. McKay) said that this is such a technical order that further details, if any, should be placed in the Library. I will certainly consider whether there is any further information that I can sensibly publish. If so, I will write to the hon. Gentleman and put a copy of that letter in the Library. However, I will consider whether there is anything further that can usefully be said of a technical nature.

My hon. Friends the Members for Cannock and Burntwood (Mr. Howarth), for Sherwood (Mr. Stewart) and for Newark (Mr. Alexander) made the theme of their speeches the fact that the industry has a great future if it can continue on its present path of producing coal more and more efficiently. I agree with them. I also agree with those who have said that the greatest challenge of all is to take those who work in the industry with us.

Mr. Barron: At the moment, Colombian coal is shipped into the Thames estuary and delivered at 80p a gigajoule. How can the British deep-mine coal industry compete with that? We are competing with very low production costs because children are being used to produce that coal. This House, more than 100 years ago, said that it was illegal to employ children in that way in this country.

Mr. Spicer: The hon. Gentleman, who is extremely knowledgeable on this matter, knows that the vast majority of coal that is currently imported is specialist coal for coking purposes. That is why we want to see the Margam pit developed and coming into production. Coal from that pit would be import-substituting. That is why we want that pit to be open and working efficiently. That meets the point raised by the hon. Member for Rother Valley (Mr. Barron).

Mr. Barron: The Minister has not answered my question.

Mr. Spicer: I have the perfect answer. British coal of the right type must be produced so efficiently that we do not need to import coal in the way described by the hon. Gentleman.

Mr. Batiste: Does my hon Friend agree that the greatest incentive for importing coal is industrial action in the coalfields, which makes customers for coal concerned about the security of their supplies?

Mr. Spicer: My hon. Friend has made an extremely important point which I hope will be heard outside this Chamber.

I have had only a short time to look at this industry. However, the more that I look at it, the more I think that it has a great future.

Question put and agreed to.

Resolved,

That the draft Redundant Mineworkers and Concessionary Coal (Payments Schemes) (Amendment) Order 1987, which was laid before this House on 6th July, be approved.

STATUTORY INSTRUMENTS, ETC.

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments, &c.).

EDUCATION

That the draft Education (Assisted Places) (Amendment) Regulations 1987, which were laid before this House on 25th June, be approved.

VALUE ADDED TAX

That the Value Added Tax (Construction of Buildings) (No. 2) Order 1987 (S.I., 1987, No. 1072), a copy of which was laid before this House on 24th June, be approved.—[Mr. Neubert.]

Question agreed to.

University Funding

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Neubert.]*

10.27 pm

Mr. Malcolm Bruce (Gordon): I am very glad to have the opportunity at last to debate the issue of the funding of universities. This matter has caused me considerable concern. It has also caused many hon. Members concern and was a major issue in the general election in Scotland. It probably cost one Conservative Member his seat and nearly cost a then Government Minister his seat also, a fact that he has acknowledged.

Dealing with the body responsible for the universities — the University Grants Committee — is rather like grappling with warm blancmange. Nevertheless, the more we get involved with the funding of universities the clearer it becomes that the funding provided by the Government for any real constructive future for the universities is woefully inadequate. The universities are not merely being pressurised to change direction in ways about which they are unconvinced — as the Government would have us believe; they are effectively being asked whether they want to cut off their hands or their feet. Whatever decision they take, they will be crippled.

Matters get worse. When the universities appeal to Minsters or when I appeal on their behalf—and I hope that tonight will be the exception that tests this rule—for clarification whether the Government are aware that decisions are leading to wholesale destruction of areas of value and achievement, devastation of morale and quite definite brain drain, the standard response is that these matters are delegated to the University Grants Committee to which it appears that there is no appeal.

There are some general matters of importance that I wish to raise before I turn to examples from the Scottish universities, for which I have most concern and which, in my view, seem to demonstrate the inadequacy and inconsistency of the present system of funding universities. First, I shall quote the Prime Minister, or, as she was at the time of the letter to a prospective constituent, the parliamentary candidate for Finchley. She wrote:

> "One of the main tasks of the universities in London, as elsewhere, is to carry out research. It is therefore important to ensure that university staff do not bear too great a load of teaching. Recognising this, the Government have taken action to ensure that the contraction in the numbers of academics has been matched by a comparable contraction in student numbers."

I suppose that that is clear and that we should be grateful for that, but that is not something that is appreciated widely outside the House. If it were, I think that it would be challenged.

I am concerned about the Government's determination to put a measurable price tag on everything. In the context of university education, that means that we are looking for the cheapest degrees rather than the best, even though British universities by any independent standard are already extremely cost effective. It means also that pure research will be sacrificed in favour of applied research by contract. The consequent underfunding of research will drive away the brightest and the best, not because they are badly paid but because they cannot get the support and the facilities that they need and that other countries are likely to offer them. That is already the experience. The overseas

[Mr. Malcolm Bruce]

staff that we are getting in exchange, without denigrating the value that they contribute, are not of the same level of achievement or record.

There is widespread concern at the latest suggestion that universities should be divided into three tiers, with only the top 10 being designated as full-blown research centres. If the suggestion is implemented, it will be a devastating blow to many fine, well-established centres of learning and research. It will be bitterly resented in Scotland, which had four established universities when England had only two. I ask the Minister to tell us whether the proposal is supported by his Department. Or will he state clearly that, whatever changes may be made, Britain needs at leat approximatley its present number of universities, and that to be universities they must offer a mixture of research, undergraduate and postgraduate learning?

Will the Minister explain also why Government policy is to see the number of university students declining over the next few years and into the next decade instead of increasing as the lower birth rate offers the opportunity to a larger proportion of the population to secure access to a university education? When we read the glossy publication that masquerades as a White Paper, it is difficult to get at the facts. There are many pretty charts, but the figures that are needed to make a fair analysis are not spelt out clearly. Perhaps that is because the Government are not proud of them.

The system of finance that is applied by the UGC is having an effect in the sense that it is diverting energy, effort, time and academic brain power to the drafting and redrafting of academic plans, which most of those involved know savage the best of our university system and lead to the worst kind of academic infighting. Hon. Members who have been involved in university politics know that they are capable of reaching depths that we only play at in this institution. The worry is that that diverts the attention of the dons, the students and the public from the fundamental philistinism of the Government's attack on university education, which is substantially going by default.

I do not think that anyone denies that universities need to change, and nor is it denied that outside bodies need to apply pressure to bring about that change. I have been critical of my local university of Aberdeen for its failure to respond in a sufficiently ambitious way to the oil industry.

However, the proposal to replace the inadequate UGC, which has been dominated too much by academics, with a new body that will be dominated by business men leaves many open but important questions. The fundamental point to which the Minister should address himself is that universities have to be more than short-term responders to commercial pressures. Scottish universities are suffering much more from the system of funding and from a committee that does not seem to understand the Scottish tradition and system and the pivotal role that education and the universities play in the life of Scotland.

Examples from my experience reinforce the arguments that I have been making. I do not normally quote my direct connections, but in this case they are relevant and may even amount to a declaration of interest. I am a graduate of both St. Andrew's university and Strathclyde university. I am the elected rector of the University of Dundee, and co-chairman of the university defence committee for Aberdeen, along with three parliamentary colleagues representing the National, Conservative and Labour parties.

Dundee is a small university which gained its independence from St. Andrew's just 20 years ago. It has fought hard and successfully to build up a reputation and attract students. It has done well and gained a well-earned reputation. I spoke to the university finance officer today. With the threatened removal of the safety net, the university faces nothing less than insolvency in about two to three years time. To avoid that, it would have to make devastating cuts, which would restrict its ability to attract students and leave it open to further cuts.

Already, the proposal to move the modern languages department to St. Andrew's — it was to be Exeter, so that is an improvement — has caused an understandable outcry. How can a university which can justifiably say that it is responding positively to the UGC's constraints, in expanding its already successful business department, do that in a modern European Community when it does not have the facility to teach modern languages such as German and French? It is an absurd situation. I know that the response is that there will be some residual teaching outside the modern languages department, but the university will lose the staff that built up that reputation for teaching French and German. That will be damaging to the future of the university.

The Minister will not be surprised to hear me come closer to home. The situation in Aberdeen is becoming a cause célèbre. The Minister may say that he is not here to reply on behalf of a specific university, but what I shall say about Aberdeen is a criticism of the whole system of funding universities. I have had first-hand and detailed experience of this, and I do not like what I see.

What is happening at Aberdeen is an abuse of the system. As many people will know, the principal of the university, Professor George McNicol, produced what he described as a radical plan to end the four-year honours degree course in favour of what I would describe as a crammer approach for a 40-week year, three-year course. Many of us would agree that such an approach may benefit some students in some subjects, but it will undoubtedly damage and undermine others, many of whom would not be able to take that intensity of study. They would not get the full benefit of the new course, which would change the character of the honours degree course and have implications for schools.

The Government have asked universities and others to listen and respond to the market. Market research in this case has shown that, far from attracting more students to the University, the new course would put off many who would seek to go elsewhere where they could get a more traditional degree. The chairman of the UGC, Sir Peter Swinnerton-Dyer, said early on that he would fund the plan, in spite of the subsequent representations. The principal, having seen his plan pasted by almost everyone within the university, described it as being "in intensive care" and said that he would not the one to resuscitate it. But Sir Peter, in collusion with the principal, is trying to be the one who does. It is no less than a conspiracy, because every alternative plan that has been put forward is being rejected out of hand without any consideration — by return of post so far — by the chairman of the UGC. It is clear that he is trying to put pressure on the university to accept something which the university has

discussed in detail and has decided is very damaging to its interests. It is a devastatingly destructive plan, and the university is right to resist it.

It goes further than that, because the collusion has been watched closely by other Scottish universities, which know perfectly well that this is not just an argument over one academic plan. It is a matter of picking one university and leaning on it so heavily that it will capitulate. If that happens, the dam will have been breached for the crammer degree to have been imposed on the other seven Scottish universities. It will not be acceptable for the Minister to say tonight that this is a matter entirely for the UGC. I think that it is a matter of deep concern and a matter for all those concerned with Scottish universities. I have no doubt that similar practices are being applied in different directions to English universities, but of that I have no direct experience.

There is little understanding of the Scottish system or the Scottish tradition or the implications of such changes. There is a total refusal to recognise Aberdeen"s role, which I remind the Minister has been carried out for 500 years, as the university for the north of Scotland — an area covering about one fifth of Britain. They fail to recognise that students have come to expect a fair range of subject choices within their regional university. They know that they cannot get everything; they know that there should be change; but they do not believe that if we lose research and too many of the options, the university will offer enough attractions to continue as the regional university. Worse, it will be even harder for the university to attract students from further south. It is, after all, the northernmost university in Britain. All of these matters could seriously undermine its viability in the future. The system of university finance is not changing our universities; it is potentially destroying them.

Can the Minister give me an assurance that Aberdeen university will celebrate its quincentennial in seven years' time as a full-status university carrying out research and offering postgraduate and undergraduate courses fully comparable to the best available anywhere in Scotland? If he cannot or will not do that, my case is made; and I do not believe that saying that it is a matter for the UGC is good enough. When every other country is expanding its universities, the vandals in his Department are trying to contract and destroy our universities. That is unacceptable.

I conclude by quoting from a partisan article that forcefully expresses my point written by Michael Dummett in *The Tablet*. The point that he makes summarises what many people feel about what is being done. If the Minister does not believe that that is the case, or believes that it is unfair, his Department must do a great deal to change people's view. He says:

"The three relevant Thatcherite dogmas are: people do things only in response to financial incentives; human beings are commodities like other commodities; what matters is not quality but cost-effectiveness."

Crammer degrees are not what the Scottish system wants, and cut-price degrees are no substitute for the best degrees available. The course that the UGC is adopting is taking us downhill in every sense of the word. Change is welcome; destruction is not acceptable.

10.47 pm

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Jackson): I congratulate the hon. Member for Gordon (Mr. Bruce) on his luck in the draw, and on the cogency and commitment with which he put his case. I also pay tribute to my right hon. Friend the Member for Kincardine and Deeside (Mr. Buchanan-Smith), who is unable to be here tonight but who telephoned me today to discuss the important issues that are the subject of this debate.

I begin with a few remarks on the broad theme of the hon. Gentleman's debate, which concerns the general question of the funding of universities. In the light of the hon. Gentleman's remarks—and his quotation from my good friend, Professor Michael Dummett — about Philistinism, I hope that the hon. Gentleman will be pleased to hear that one of the books that I have re-read in preparation for my present job is Matthew Arnold's "Culture and Anarchy". Arnold would have seen the question raised by the hon. Gentleman as a mere matter of machinery. But in this he would have been wrong. Indeed, it is striking that Arnold failed altogether to understand the bearing of machinery on values. But in my first speech from the Dispatch Box on educational matters I should like to make a profession of Arnoldian faith; I hope that no one standing in this place will ever lose sight of the wider and higher purposes which all the machinery and all the apparatus of the universities are intended, if not designed, to serve.

Before I plunge straight into these questions of machinery I shall recite a few facts — that should never be lost to sight in the welter of polemic and special-pleading that tends to surround these matters.

Between 1979 and 1985 the number of students in higher education increased by 160,000. The share of the 18 to 21 age group that graduates in Britain is one of the highest in the Western world and the highest in the European Community. And in answer to a direct question from the hon. Member for Gordon let me remind him of the Government's clear commitment to a further increase of 50,000 in the numbers of them in higher education by 1990.

University funding has increased by more than 10 per cent. in 1987-88. The very substantial increases in public expenditure that were announced last November were accompanied by letters from the UGC and the Committee of Vice-Chancellors and Principals outlining a forward-looking and ambitious programme of action for maintaining and improving academic standards and strengthening management. The first fruits of that programme are beginning to appear. By this autumn we shall have, for example, comparative information about university costs in the form of a range of performance indicators. The universities are to be congratulated on the progress that they have already made in this and other areas. As they know, the additional funds that we have undertaken to provide will remain conditional upon continued progress.

Mr. Alex Salmond (Banff and Buchan): Is the Minister aware that in the three years 1986-87 to 1989-90 there has been a 10·6 per cent. increase in terms of the average to English universities from UGC distribution grant? However, in terms of the average to Scottish universities there has been an increase of 6·1 per cent. Surely those figures support the argument of the hon. Member for Gordon (Mr. Bruce) that the UGC simply does not understand the Scottish university system.

Mr. Jackson: The hon. Gentleman is being impatient. Later in my speech I shall be dealing with the question of the allocation of resources between universities, especially with regard to the Scottish universities.

I should like to highlight two points relating to the broad theme of this debate. First, management. It is now over two years since the Jarratt committee reported. It concluded that throughout the university system there was scope for improvements in management to ensure that full value could be obtained from the large sums of public money that are expended. It also reommended that there was scope for improvements to make the university system more flexible and responsive; above all, I would say, to realise more effectively the ideas and values for which it stands. The Jarratt committee made important recommendations about the need for management structures that would clearly define the levels of decision making and responsibility. There is encouraging evidence that many universities have taken the Jarratt recommendations to heart and introduced important and far-reaching reforms. I look forward to receiving shortly the UGC's report and commentary on what has been achieved.

Secondly, there is the matter of teaching quality. I recognise that judgments in that area are both controversial and technically complex. However, we cannot get away from the central importance of the quality of teaching for the success of higher education. Our universities must hold fast, some would say recover, their teaching vocation. As Newman reminds us, that vocation is at the heart of the idea of a university. The committee of Vice-Chancellors and Principals has undertaken to produce two pieces of work — a report on university practices in maintaining and monitoring academic standards, and guidelines on the appraisal of the performance of academic and academically-related staff. Those reports will be of key importance.

I have made it clear that, over the past year, the Government have shown their commitment to make increased resources available to the universities. I have also emphasised the areas in which we are looking for progress. Let me now consider the distribution of resources between individual universities.

It is, of course, central to our philosophy of academic self-government that this is a matter in which Government should not be too directly involved — hence, the importance of the UGC. In 1986-87 the UGC introduced new machinery for resource allocation. This has two distinctive features. It distributes the teaching component of grant on the basis of a standard cost per student per subject; and it introduces into the allocation of that part of the grant attributable to research a new element of explicit selectivity, based on universities' success in attracting outside income for research and on judgments about quality. The Government welcome the UGC's new approach. It has a somewhat egalitarian cast, but it is more rational and objective, and it rewards success—which is how it should be in these matters.

The Government believe that in particular the UGC was right to introduce measures to provide more support for high-quality research. Much academic discourse turns on the judgment of quality. I cannot see why it should ever have been thought that such an approach was inappropriate. Public funding for research is not a matter of entitlement; it has to be merited.

Of course, there is debate about particular ratings—it would be surprising if that were not so. But the UGC has begun well and it is, of course, clear that no rating is cast in stone for all time. There will be continuing review, which will have to take account of shifts in the quality of research performance, both improvement and, dare I say, deterioration.

Selectivity in research will inevitably and rightly lead to increased concentration on areas of strength. It means giving extra support to high-quality work and taking a hard look at what is below par. In institutions with a vocation for excellence none of this should be controversial. The UGC is encouraging the rationalisation of small departments. Its grounds for doing so are maximum academic effectiveness as well as the best use of resources. It has the Government's full support. Aspirations to universality, perhaps never very realistic, may have to be abated. But, without becoming too narrowly focused, universities which concentrate on building on their strengths will be healthier in the long run.

The position in Scotland is the special concern of the hon. Member for Gordon and my right hon. Friend the Member for Kincardine and Deeside. I do not think that I need say that the UGC's funding formula is blind to geography. Standard criteria are applied to all universities on a national basis. At the same time, the special and valued characteristics of university provision in Scotland have not gone unrecognised. The UGC's grants fully reflect the fact that most honours degree courses in Scotland last for four years. Consequently, the universities north of the border receive roughly 30 per cent. more funding per honours graduate than do their English and Welsh counterparts. Meanwhile, however, the impact of the UGC's new and more rational approach to funding inevitably differs in individual cases, depending on the institution's previous level of funding and on the quality of its research efforts. On that basis, in 1987-88 three of the eight Scottish universities received above average increase of basic recurrent grant.

The hon. Member for Gordon referred specifically to Aberdeen university. Its initial allocation of basic recurrent grant in 1987-88 was no more than 0·7 per cent. higher than the comparable figure for the previous year. That was a consequence of the application in this case of the UGC's general policy of supporting research strength and external research income. At Aberdeen, these were both some way below the national average. That is not to say that there is no high-quality research at Aberdeen. On the contrary, the UGC assessed research in three subject areas of that university as being of above average quality in United Kingdom terms, and geography and French were considered to be outstanding by international standards. But those judgments, I am afraid, were counterbalanced by below average ratings in 10 other subject groupings.

The university is in discussion with the UGC about the careful planning which is needed for a transition to a new funding level, and I must obviously not comment on the delicate negotiations which are going on. I wish merely to stress that there is no question of any discrimination against Aberdeen or of any conspiracy — such as the hon. Member for Gordon has fancifully alleged — and that, with regard to the future of the four-year degree course, the UGC has deliberately stated that it has no view either way upon the academic aspects of this matter.

Returning to the future of the university funding system, the Government have announced their intention to legislate to reform the UGC along the lines

recommended by the Croham committee. This will give a firm legal foundation for the universities' funding and it will clarify responsibilities for the large sums of public money that they receive. The new university funding council will be smaller than the present UGC and will have a stronger non-academic element. I noted what the hon. Member for Gordon had to say about that.

With regard to the general position of Scotland within the new arrangements, the Government consider that the university system should be planned on a United Kingdom-wide basis, and I believe that that is the view of most Scottish academics.

Mr. Salmond: Will the hon. Gentleman give way?

Mr. Jackson: I am coming to the end of my time.

We accept that there is a need to improve the planning of higher education in Scotland generally. The intended Scottish committee of the Universities Funding Council will provide an appropriate means of achieving that. Precisely how that committee operates will be a matter for the new council. The Government see their primary task as being that of advising the UFC on the needs of the Scottish universities in relation to their particular circumstances — including, I would expect, their special history, their special ethos, to which the hon. Gentleman referred and, of course, their geographical distribution.

To conclude, I do not think that it is necessary to stress that the Government attach great importance to our universities. They are institutions that embody and transmit values that are central to our civilisation, and they are critical centres for the development and creation of new values. In addition, they continue to make a vital contribution to the nation's economic development. The thrust of all our policies can be simply summed up; it is to strengthen the ability of Britain's universities to fulfil their historic vocations with increasing rigour, drive and effectiveness.

Question put and agreed to.

Adjourned accordingly at four minutes to Eleven o'clock.

House of Commons

Friday 17 July 1987

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Patrick John Elwood

9.36 am

Mr. Graham Allen (Nottingham, North): I present to the House a petition in the name of Patrick John Elwood for a transfer to Dartmoor prison for the final six months of his sentence.

To lie upon the Table.

Inner Cities (Policing)

9.37 am

Mr. Churchill (Davyhulme): I beg to move,

That this House congratulates Her Majesty's Government on increasing by almost 50 per cent. in real terms the resources available to the Police and on strengthening Police manpower by more than 11,000 since 1979, but notes with concern the far greater burden of reported crime, including crimes of violence and armed robbery, carried by individual Police officers in metropolitan areas as compared to the shire counties; and calls upon the Home Secretary to review further the needs of inner city Police forces for additional manpower and resources.

In the Gracious Speech, the Government made it clear that in the life of this Parliament their plans to bring new life and new hope to inner cities would be central to their strategy and that inner cities would be given a new priority. As one who for 17 years has had the honour to represent a Greater Manchester constituency, I welcome that new priority. The regeneration of housing, business and jobs in the decaying and festering parts of our cities is urgent and overdue, but all efforts will be in vain unless those who live and work in the cities can walk the streets in safety and can feel secure in their homes. It is for that reason that, on learning that I had drawn first place in the ballot, I chose this subject for debate.

I am delighted to see the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) taking up his duties as shadow Home Secretary for the first time. I congratulate him on his new position. I venture to hope that, as someone who represents an inner-city area, I shall even enjoy some support from him today.

In metropolitan areas generally and in inner-city areas in particular, we face an alarmingly relentless upward surge in crime, combined with a critical shortage of police manpower and resources to deal with it. Our policy is to request the Government to undertake an urgent re-examination of resources. The police need help. I trust that my plea will reach the Home Secretary and that he will address the problem as a matter of urgency. Only if we get a firm grip on crime and violence in the inner cities can the Government hope their strategy to succeed.

Whatever the grants and other inducements to people to move into the inner cities to set up businesses and to open shops, they will not remain in an environment if they are frightened and feel threatened. That is why policing the inner cities is an essential prerequisite to the urban regeneration to which the Government are committed. It is absurd to imagine that people will invest in shops and businesses if they are regularly vandalised and if as a result insurance premiums are way beyond the rates that they can afford.

There are some recent instances of shopkeepers in inner Manchester having to sleep in their shops permanently because they are so alarmed by the number of times that their shops have been broken into during a single year. The people who work in those shops are entitled to feel that they can go about without risk of being mugged, raped or subjected to other violent assault.

The Home Office and successive Home Secretaries have repeatedly laid heavy emphasis on the importance of the efficient use of police resources and manpower within individual police force areas. That is important, and I do not dissent from it in any way, but is it not even more vital to ensure that those resources are used to maximum effect on a national scale? There is clear evidence of

[Mr. Churchill]

maldeployment of resources in the fight against crime. Unless that is addressed decisively, the situation will get out of hand in the inner cities where crime rates are soaring and detection rates declining.

When I decided to propose this motion, I had a very strong suspicion that the metropolitan areas in general had significantly higher crime rates and commensurately fewer resources than the shire counties. I am appalled at the extent to which the surmise is borne out by the statistics and other research provided by our admirable Commons Library. I should like to thank in particular Robert Clements and Mary Baber in the home affairs department.

According to a working paper prepared by the Home Secretary entitled "Criminal Justice 1986",

"The number of offences recorded by the police in England and Wales has risen from half a million in the 1950s, a million by the mid-60s, 2 million in the mid-70s and over 3¼ million in 1985."

In other words, crime increased by 100 per cent. between 1955 and 1965, by a further 100 per cent. between 1965 and 1975 and by a further 75 per cent. in the last decade. This is a truly phenomenal rate of increase and is most alarming to our constituents throughout the land. It can only be a matter of great concern to us as legislators.

Generally, crime is not spread evenly throughout the nation—far from it. There is a stark distinction between the rural shire counties, where the incidence of crime is well below the national average, and the metropolitan areas, especially the inner cities, where the crime rate is well above the national average.

If one takes notifiable offences recorded by the police in England and Wales in 1985 and makes a comparison between the metropolitan areas and shire counties, a disturbing picuture emerges. The crime rate in the metropolitan areas was 61 per cent. higher for theft and handling stolen goods, 67 per cent. higher for homicide and attempted murder and 96 per cent. higher for rape. At the same time, there were more than twice as many burglaries, two and a half times as many offences involving firearms and no fewer than seven and a half times as many robberies in the metropolitan areas than in the shire counties.

The "British Crime Survey" second report states:

"Across the country some 4 per cent. of homes were burgled or were targets of attempted burglary in 1983. But the risks varied markedly. . . . Almost two-thirds of households fall in 'low risk' areas with rates for burglaries and attempts ranging from 1 per cent. in agricultural areas—one quarter the average—to 3 per cent. in areas of modern family housing . . . Multi racial areas and the poorest council estates show risks which are roughly three times above the average. Multiple victimisation was especially frequent in these high risk areas, with homes being burgled twice or more over the year; the burglary rate is thus higher than the percentage of victims: including attempts, the figures was as high as 19 incidents per hundred homes in the poorest council estates."

That is terrifying.

Mr. Tony Favell (Stockport): My hon. Friend might be interested to know that I recently took up the issue with the chief superintendent for Stockport. My hon. Friend might know Adswood, the worst council estate in the area. I asked about the incidence of crime at Adswood and whether much of the crime was perpetrated by people living on the estate. He informed me that 90 per cent. of all crimes in the worst area of Stockport were perpetrated by neighbours. Is that not an appalling statistic?

Mr. Churchill: I agree with my hon. Friend. I am sure that that situation is reflected in Trafford.

The report continues:

"Risks of burglary (and indeed other crime) were higher in the metropolitan areas, suggesting that there are particular features of large cities—deprivation being one—which heightens the risks of crime."

One does not need a degree in sociology to appreciate that.

I seek to illustrate the general proposition which I have advanced by reference to the police force in the Greater Manchester area. Excluding London, Greater Manchester recorded 10·5 per cent. of notifiable offences in 1986, but it has only 7·5 per cent. of the police manpower. If police force establishments were related to crime—there is a strong case for believing that they should be—9,805 officers would be needed in the Greater Manchester force. That is an increase of 41 per cent. over the present establishment of 6,943.

Greater Manchester police force is the largest provincial force in the country. In 1986 it recorded 321,458 notifiable offences. I am sad to relate that Greater Manchester has the highest crime rate in the country. It is double that of areas such as Lancashire, Cumbria and Dorset, and almost three times the rate in Suffolk, Surrey and Dyfed Powys in Wales.

The force is divided into three crime areas, each of which is equivalent to a large county force. The western crime area covers Trafford, Salford, Bolton, Wigan and Bury and it incurred more notifiable crime than in 37 of the 43 police authorities in England and Wales.

The central crime area which covers the city of Manchester and the eastern crime area covering Ashton, Stockport, Rochdale and Oldham each incurs more crime than 35 provincial forces. The Salford division alone records more notifiable offences than 11 whole police forces, including the whole of Surrey. A notable comparison is that Surrey's establishment is 1,639 officers compared with the Salford division which has only 666 officers, although they have to deal with more crime.

In the 12 years between 1975 and 1986, crime within the Greater Manchester area increased by more than 111 per cent. with violence increasing by 76·4 per cent., house burglary by 234 per cent., robbery by 272 per cent. and criminal damage by 500 per cent. That means that each and every officer in the Greater Manchester force had on average to investigate 22 crimes in 1975 and 47 crimes in 1986. While crime has increased by 111 per cent. during that 12-year period, the establishment of police has increased by only 4·75 per cent. In other words, crime in Greater Manchester over the past 12 years has been outstripping the growth in resources by a factor of 20.

Mr. Clive Soley (Hammersmith): How does the hon. Gentleman respond to the view expressed by a number of senior police officers—Sir Kenneth Newman certainly being one that I agree with—that increasing the number of police officers has little effect on the crime rate because policing is responsive? Should he not be looking at something other than the number of police officers if he is serious about reducing the crime rate?

Mr. Churchill: I am grateful to the hon. Gentleman. I am not suggesting that increasing the police force is the sole requirement, but we have got to such a critical state that we are even having to stack 999 calls because there is not the manpower to respond immediately. This is a horrifying state of affairs. I trust that my hon. Friend the

Parliamentary Under-Secretary of State for the Home Department will sit up and pay attention to this serious state of affairs. The Home Secretary has a responsibility for assessing the manpower of the Metropolitan police force in London. Compared to the Metropolitan police in London, the Greater Manchester force has to cope with 65 per cent. more crimes per officer. Our force has to deal with 47 crimes per officer whereas the Metropolitan force has to deal with only 28·5 crimes per officer. How does the Home Secretary justify this disparity of 65 per cent. in the workload between the Metropolitan force in London and the Manchester force?

It is clear that protecting the Royal Family, Ministers, and the diplomatic community places a heavy burden on the Metropolitan police, as do their own international and national obligations. However, if there were to be the same ratio of police to crime in Manchester, we would need an increase of more than 4,000 officers in the GMP, bringing it up to 11,286.

Mr. Paul Boateng (Brent, South): It is interesting to hear the hon. Gentleman compare the situation in Greater Manchester with that in Greater London. Would he welcome the abolition of the police authority in Greater Manchester and the transfer of its powers to the Home Secretary, which is the situation that we have to endure in London? In making the comparison between Greater Manchester and London in terms of the incidence of street attacks on members of racial minorities, I advise him that in London, even with the police manpower as he has so correctly described, Asians are 50 times more likely to suffer from racial harassment or street attacks than whites, and Afro-Caribbeans are 35 times more likely to suffer from racial harassment or street attacks than whites. Those are Home Office figures. Does the hon. Gentleman have any comment?

Mr. Churchill: Every Member of the House would deplore that state of affairs and the racial harassment that undoubtedly occurs in the inner-city areas. The overwhelming majority of the community are wholly opposed to that sort of behaviour. My constituents and I would warmly welcome the same sort of resources in Manchester that the Home Secretary provides for the Metropolitan police force in London, but, that said, we are content to regulate our own affairs in Manchester. However, we cannot do it without the resources.

To give an indication of the level of overstretch that confronts us at present, I would merely cite the case of the town of Oldham within the Greater Manchester police area. At any one time, there is a maximum of five beat officers available in Oldham to patrol 1,000 miles of pavement in 54 square miles of town with a population of 221,000, 87,100 houses, 157 schools, 11,500 businesses, 2,200 shops, 392 public houses, 12 parks, 12 youth centres and two football clubs. Is this a realistic level of policing? If he agrees with me that it is not, I hope that he will press within the Home Office for an urgent review.

Mr. James Anderton, our chief constable, does a superb job in the city of Manchester. In his most recent report for the year 1986, he referred to the chronic shortage of police manpower. He said that there is

"a chronic shortage of manpower."

It is

"severely aggravated by unprecedented levels of crime";

and it is

"galling for police to have to operate a highly selective policy of law enforcement and public protection . . . they struggle to respond to well over a million specific calls for police assistance, including nearly 300,000 reports of crime."

The situation is now so critical that 999 calls have to be stacked.

Mr. Nigel Spearing (Newham, South): Are not those figures a typical Anderton-style pronouncement? The allocation of five officers to patrol 1,000 miles of pavement surely is the responsibility of the chief constable of that very large force. When the Minister replies, perhaps he can outline what investigations there have been into the optimum number of beat police per five pavement miles over a week? Surely that is the criterion that the hon. Member should go for.

Mr. Churchill: I have every sympathy for the predicament in which our chief constable and I believe other chief constables find themselves with overstretched resources. My constituents all say that they want to see more bobbies on the beat. That is understandable. I fully accept that view. Policemen on the beat are least able to make an urgent response to a 999 call. There has to be a balance. It is more important that there should be a ready force available to move in swiftly whenever there is a reported incident or crime. An officer on foot or on a bicycle in most cases is not able to respond to reports of crime in the same way, given the vast areas that we are talking about, although I fully accept that they have a certain deterrent value and that we would all like to see more of them. However, that is not the be-all and end-all of policing in the inner cities. I am sure that the hon. Gentleman will agree.

The responsibility for this rests on three bodies: first, on Parliament for imposing new legislation without regard to the manpower implications that it has for police forces; secondly, on local government, which frequently in the inner-city areas is obstructive and even hostile to the police rather than supportive; and, thirdly, on the Home Office, on whose deaf ears our pleas for additional resources have fallen. The Government have given a high priority to policing. They have increased police resources by nearly 50 per cent. and police manpower by over 11,000. All credit to them for that. However, they should now devote more attention to the policing of the inner cities.

The chief constable referred in his report to the Police and Criminal Evidence Act 1984. He said:

"The requirements of the legislation have necessitated a programme of extensive structural alterations to most designated police stations . . . The average length of time taken to process prisoners has increased significantly, and the corollary is that officers engaged with prisoners are spending less time on operational duties."

The chief superintendent in the Trafford division reports that the

"Police and Criminal Evidence Act has resulted in a noticeable decrease in the overall number of persons arrested in the division. These figures were not wholly unexpected in view of the extra demand made upon police time and resources by this legislation."

Indeed, that was backed up by the excellent report of Her Majesty's Chief Inspector of Constabulary for 1986 which was published only two days ago.

There has been a significant erosion of police officer hours in the Greater Manchester area by the restriction of overtime. Between 1974-75 and 1986-87 the working week of detectives in the Greater Manchester police has dropped from 56 hours to 44 hours. That is a reduction of 21 per

[Mr. Churchill]

cent., or equivalent to losing 340 detectives. That is happening at a time when crime has more than doubled. In 1975, the Greater Manchester police had a detection rate of 50·5 per cent. Between 1975 and 1986 reported crime increased to over 300,000 and the overall detection rate fell by over 23 per cent.

Mr. Favell: My hon. Friend was talking about the time wasted by the Police and Criminal Evidence Act 1984. Would he care to comment on or consider the time wasted taking prisoners to and from court when they are being remanded in custody? Yesterday my right hon. Friend the Home Secretary said that there had been an increase of 1,000 in the number of prisoners remanded in custody over the past 12 months. That puts additional strain not only on the prison establishment, but upon the police establishment, because prisoners have to be produced in court and they have to be taken backwards and forwards. That results in a loss of time for our constables. Is it not time that we introduced the Scottish system throughout the country and not just in the three pilot areas?

Mr. Churchill: I agree 100 per cent. with my hon. Friend. I feel that those duties would be handled more appropriately by civilians rather than police.

The effect of increasing the allocation of annual leave by three days some three or four years ago was to reduce the manpower available within Greater Manchester by the equivalent of 400 or 500 officers. Chief constables were not consulted about that decision. Because of the escalating crime rate, there have been more injuries to members of the police force. The chief constable said:

"The number of days lost through injury on duty has doubled since 1981, and in 1986 no fewer than 670 officers were physically assaulted . . . The total loss of effective duty time through sickness and injury suffered by police officers in 1986 was equivalent to a reduction of 548 officers in the strength of the force."

Manchester city council has been especially unhelpful to the police in their task. The far Left fanatics have been relentless in their hostility to the police, who they see as a class enemy and antagonistic to society. The agenda of the council's police monitoring committee for Monday of this week is illustrative. It deals with police weapons, which it opposes, the Prevention of Terrorism (Temporary Provisions) Act 1984, which it opposes, Chief Constable Anderton's report of which it is critical, and the incident at Manchester university involving the Home Secretary. The committee's attitude to all those matters has been insidious, objectionable, offensive, negative and down-right anti-police.

Mr. Graham Allen (Nottingham, North) *rose*——

Mr. Churchill: The hon. Gentleman will have an opportunity to make his own speech. I must get on.

The publication produced by Manchester city council police monitoring committee called "Police watch" is especially objectionable. It regularly attacks the police in their jobs and clearly there are certain people in high places in the city of Manchester—I venture there is the same in other inner city areas—who find it more fun to watch the police than the criminals. In the area that covers my constituency, the Trafford division, we watch criminals. We have blazed the trail for the country in terms of neighbourhood watch. We now have 2,000 schemes in the Trafford division alone. Of course, those on Manchester city council who involve themselves in these matters have resisted the spread of the neighbourhood watch schemes. They see them as spying on people. It is far from that. They said that they would never work in the inner-city areas with ethnic minorities, and so on. The ethnic minorities and people in the inner city areas welcome the schemes with open arms. They are the ones who have been terrorised by the wave of criminal violence and vandalism. The response has been enormous. In those areas of the Trafford division where the neighbourhood watch scheme has been working for one year or more there has been a 42 per cent. reduction in the number of house burglaries.

I should like to refer to the importance of building good relations between the police and the local community in inner-city areas. Her Majesty's Chief Inspector of Constabulary deplores the action of those who seek to drive a wedge between the police and the community they are there to protect. I have little doubt that he had the city of Manchester in mind when he said:

"in some of the very inner city areas where the spirit of co-operation between responsible agencies is most needed, the police have met with attempts, some of them politically motivated, to undermine these efforts and drive a wedge between police and community. It is vital that this should not be allowed to happen."

I should like to make a brief reference to the wonderful work being done by the Greater Manchester police. I am indebted to my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths), who told me of the wonderful enthusiasm with which members of the Greater Manchester police supported fund-raising efforts to send British competitors to the world special Olympics for the disabled. Of all the police forces in the country, none did more than Manchester police. They carried torches, literally, throughout their force area and raised £6,000—more than one fifth of the total. It was a triumph for their dedication and caring attitude. Therefore, we in Manchester all the more resent the anti-police attitude and the hyper-critical attitude adopted by Manchester city council.

Faced with the relentless rise in crime and critical shortages of police and CID manpower to cover this inner-city and metropolitan area, the chief constable of Greater Manchester has only this month renewed his appeal to the Home Office for more resources. This is now a matter of the greatest urgency. We need about 40 per cent. more police officers. We do not care how it is achieved, but there has to be a drastic rethink of the way in which the balance is apportioned between the shire counties, which have a relatively low level of crime, and the inner-city areas, which are fighting a losing battle. Urban deprivation and the special problems identified in policing such areas must be recognised at national level and accurate targeting of resources made a primary objective.

10.9 am

Mr. Ted Garrett (Wallsend): I congratulate the hon. Member for Davyhulme (Mr. Churchill) on raising this issue. I am pleased that, for a Friday, there is a fair attendance in the House. It shows that it is right and proper that we should have time for a debate on the police. At the outset I should state that I have an interest, in that I have relatives who have served, or are serving, in various constabularies throughout the country. In my opinion, the police have been subject to unfair criticism, not only in London and Manchester, but in other areas of the United Kingdom, which has an insidious effect on morale.

I give two lectures per year for the Police Federation, and lecture for the Durham police, as part of a senior officers' training course. I am always impressed by the dedication of the men who participate in those courses and by the fact that they avoid cynicism. Because of the pressures that are put on the police it would be easy for them to develop a cynical and indifferent attitude or an "us and them" complex.

We still have a citizen police force in this country. It is not a paramilitary force, although sometimes I think that it is getting close to that. We are all responsible for that civilian police force, although the degree of responsibility may vary. I agree with my hon. Friend the Member for Brent, South (Mr. Boateng) about the control of the police in the city of London, the former Greater London council area, where the position is deplorable. If the present Home Secretary does not grasp that nettle, a future Home Secretary will.

I should like to spend some time discussing the crimes that are being committed. Yes, there is violence and sexual assault, but nobody has yet told me the number of police man hours that are spent investigating the scale of fraud that takes place. We have no idea about that. We are sometimes told the number of man hours that are used to investigate a major murder, but the number of man hours that are used on large-scale fraud investigations has never been revealed to the public. I hope that the Minister will consider that and conduct an investigation into, and issue a publication on, that aspect of crime, because it is one of the most insidious of crimes.

When I was a young lad, I remember that if someone was convicted of fraud, whether a local fraud that would be modest by today's standards, or a major fraud, that person's career would be over. Such a person would be separated from the rest of society. However, our society now looks with admiration on some of the fraudsters for their skill and daring. In the past few days a newspaper has praised the skill and initiative of the persons who broke into some safes and who, with their skill, gathered a large income of between £20 million and £30 million. Today, we look with admiration on such frauds and robberies. We must change our attitudes.

It is no accident that the United Kingdom is regarded as the dirtiest country in Europe. It is because we accept petty crime as inevitable. In the 1950s, the then hon. Member for Hexham, Sir Rupert Speir, introduced a private Member's Bill on the subject of litter. That happened 30 years ago, and we never hear of or see prosecutions for litter offences now. We must ask ourselves why so much litter is dropped and why there is so much graffiti and vandalism. It happens because of the attitudes that we ourselves adopt.

The class of society from which one comes is irrelevant. Attitudes in the home and parental attitudes are always a major factor in the increase in petty crime. We all turn our eyes from it. Every one of us has seen some petty crime in our time, but we never say to the young offender, "That is a damned silly thing to do," because we are afraid to do so. It takes courage to tell a person on the Underground, who has his feet on the seat opposite, to get his bloody feet off that seat. It takes courage, because one might be knifed or beaten up. Many youngsters these days feel that it is macho to knife somebody or to beat him up.

When such young offenders are arrested, to whom do the parents come about that "wrongful" arrest? They come to their Member of Parliament and say that he or she should take up the issue of their children being wrongfully arrested or wrongfully having to appear before the courts. That suggests that the parents themselves do not have the courage to tackle their children about the offences that they commit. Therefore, we must begin a period of re-education.

In the various ways that are open to us, we must adopt the approach of assisting, not antagonising, the police. Sometimes the police misbehave. I understand that my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) will seek to catch your eye, Mr. Deputy Speaker, to make a statement about the Holloway case. The mother of one of the police who was innocent and who was framed has approached me about that case because she is a Newcastle woman whose son serves in the Metropolitan police. All that I shall say about those crimes and that conviction is that the police officers involved did something terrible in indicting fellow officers who were completely innocent. When we think of the misery that was inflicted on those fellow officers, the anxieties of their wives and mothers and the suspensions that they have had to face, in my judgment that aspect of the crime has not been punished severely enough. However, my hon. Friend will deal with that at greater length.

I shall conclude by being parochial, and I apologise for that. The area of Tyne and Wear in Northumberland is served by the Northumberland police. Like the police force in Manchester, that force is first-class and is stretched beyond the limits. In our modern society, we created what was thought of as one of the first-class metropolitan transport systems in Europe. We put every crime detection device of which we could think into the Tyne and Wear rapid transport system. However, facts are facts — passengers are being threatened and assaulted and, in spite of the protective measures, damage is occurring. So, in our modern society, we must seek resources to employ police to look after a transport system of which the citizens should be proud. We, the taxpayers, not only in the House, but outside, are having to pay because young people are not accepting their responsibilities as young citizens or as future older citizens.

I ask the Minister to consider the Northumberland police's request for more resources to provide more police. If that wish is granted, I assure the Minister that those police officers will be doing a first-class and useful job. I am aware that when the request is granted police will not appear on the streets overnight. It takes almost three years to produce what one might call a competent policeman. Nevertheless, if there is the will to find the resources and to start a massive programme to re-educate the public about the costs of policing and the ways in which such costs could be saved, this debate will have served a useful purpose.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. A large number of hon. Members are seeking to participate in the debate. I am grateful to the hon. Member for Wallsend (Mr. Garrett) for setting an example in brevity.

10.19 am

Mr. Irvine Patnick (Sheffield, Hallam): As this is my maiden speech, I am pleased to pay tribute to my predecessor, Sir John Osborn. I am sure that that tribute will be echoed throughout the House. The stewardship of

[Mr. Irvine Patnick]

the constituency was in his hands for over 25 years and during that period he was one of the most respected and valued Members of the House. His work on behalf of his constituents was renowned, and as one of them I can vouch for his efforts. As a Sheffield city councillor, which I remain, I was aware of how Sir John was closely involved in the affairs of the city and of the county of South Yorkshire. Many tributes to his work and efforts have been expressed to me during my period here by Members of all parties.

I differ from my hon. Friend the Member for Davyhulme (Mr. Churchill), and the hon. Member for Wallsend (Mr. Garrett), in that I contend that they are trying to treat the spots of measles to cure our problems. During my period as leader of the opposition on South Yorkshire county council from the county's creation to its abolition—I hasten to assure the House that that is a record of which I am not proud—I worked closely with the South Yorkshire police. During that period of 12 years many changes took place in the support of the council and the public for the police.

Policing inner-city areas is not an easy task. As we have already heard, no two cities are the same. The problems in policing have been created by some of the great ideas that we had years ago, such as pedestrianisation, high-rise flats and estate design. Indeed, some decks and even bus stations are not dedicated highways, so are out of bounds to police patrolling.

A further retrograde step took place during the miners' strike, when authorities supported the miners by deed and action. The South Yorkshire county council was partially responsible for police funding and had its members as members of the South Yorkshire police authority. Some of the county council's actions, while not exactly denying funding or support to the chief constable, made the cash harder to obtain. The council furthermore decided that the chief constable should be answerable to it. In the language now fashionable, the council "decided" that the police and the chief constable should be "answerable" to it, and in the language of councilspeak, the police were to be "accountable" or "under democratic control". Other councils now echo those words, and from the seeds that were sown police monitoring panels have sprung up. The sole aim of the council is to obtain democratic control of the police.

Sheffield city council, as one would expect, has a police panel, a monitoring group and a magazine. In issue No. 1 the then chair of the police panel replied to the question, "Will the new police panel affect policing in Sheffield" with:

"Certainly the aim is to improve police accountability in the city."

[HON. MEMBERS: "Hear, hear."] Opposition Members say, "Hear, hear" and that is the difference between us. They see the chief constable as answerable to them. I thought that it was courteous during a maiden speech to be left slightly alone. Hon. Gentlemen will have a chance to take me on any time any day.

That same chair of the police panel was one of the leading councillors who invited those commemorating Bloody Sunday to hold their march in Sheffield. The day the march was held violent skirmishes took place between the marchers and a rival outfit, and some of my constituents could not go about the centre of Sheffield because of the eruption. Naturally, the jam in the sandwich was the police, who stepped in to protect innocent bystanders. Thanks to the Public Order Act 1986, such violence on the streets and the protection of vulnerable people is now possible.

Policing inner-city areas is not solely the responsibility of the police; it is everyone's responsibility. I am old enough to remember when policing local areas, such as Hillsborough—the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) the Opposition spokesman on police authorities comes from the same area and Hillsborough is his favourite shrine—which were not described as inner-city areas then, was done by a local bobby, a minister of religion, the head teacher, parents or guardians and local residents. They all kept an eye on their area and woebetide the law breakers.

With the loosening of family ties, the decline of the spirit of the community, the relaxation of discipline, the distinction between right and wrong becoming blurred and with respect for oneself and others not being taught or applied, lawlessness has increased in today's British society. Discipline is no longer a priority and efforts to rekindle values are often ridiculed. It is against that background that the rebirth of pride in our community has started.

Much has been done to police inner-city areas. More police manpower is available, more civilian staff have released trained officers from administrative work, more money has been used to fund the police centrally, more police from ethnic minorities have been recruited, and more police now patrol on foot. Despite what my hon. Friend the Member for Davyhulme said, in South Yorkshire we have what is known as response cars, and response cars respond. More emphasis is being placed on prevention and the handling of disorders and there is more effort to involve the communities. All those Government measures form part of a policy firmly based on the concept of community policing to ensure that the police are more effective. Even more effort is proposed to ensure that what we require is what we get.

The Government are worried about the widespread use of offensive weapons and action will be taken on the sale and possession of items which have no legitimate use and can be used to injure and maim. Action will be taken on lenient sentences, as proposed in the Criminal Justice Bill, and more action is proposed on crime prevention.

Earlier, I referred to the design of housing estates. The design of estates in the 1960s and 1970s has much to answer for. One right hon. Gentleman was in charge of the housing of one major inner city at that time. Those estates have created some of the problems of inner-city areas, including policing problems. In a debate it is easy to blame each and every ill of inner-city areas on unemployment, but in the 1930s, when unemployment was proportionately higher and was virtually unrelieved by benefits, crime figures were lower.

Earlier, I also referred to political interference in policing. In yesterday's *Yorkshire Post* Stanley Barrett, Her Majesty's Chief Inspector of Constabulary and a former chief constable in South Yorkshire, gave a warning in his annual report for 1986. One of the things that I was taught in South Yorkshire was always to get in first, otherwise someone else would. My hon. Friend the Member for Davyhulme mentioned some parts, but not all, of the report. Mr. Barrett stated:

"The comparatively low levels of disturbance were due to officers of all ranks seeking to build greater co-operation and good relations with the community . . . It is all the more sad to relate that, in some of the very inner city areas where the spirit of co-operation between responsible agencies is most needed, the police have met with attempts, some of them politically motivated, to undermine these efforts and drive a wedge between police and community. It is vital that this should not be allowed to happen."

That reinforces my point.

I do not accept my hon. Friend's argument that to throw money at the police, however well intentioned, or to increase manpower, is the way forward. We must ensure that the proper equipment is provided. The hon. Member for Wallsend spoke about graffiti and litter. They add to the dereliction of an area and must be tidied up. We must instil a sense of pride in those who use and visit our cities and in the people who live in them.

The regeneration of our inner-city areas, including those in Sheffield, is required for them again to thrive and to become the commercial centres that they once were. Co-operation by all in the community and from every possible avenue and agency is essential to bring back respect, pride and industry to our inner-city areas and so to assist with the policing of those areas.

10.29 am

Mrs. Rosie Barnes (Greenwich): First, I compliment the hon. Member for Sheffield, Hallam (Mr. Patnick) on his competent maiden speech. I agree with him that we must tackle not only the symptoms of crime but the causes.

This annual debate takes place against the background of a report from the Metropolitan police commissioner, which follows the pattern of many previous annual reports. It talks about rising levels of crime and falling levels of detection. We are constantly being told that rising crime is not the fault of the Government, who rightly say that crime levels have risen consistently for many years. However, that is a far cry from what they said in 1979 when they promised the country law and order and claimed that their policies would stop rising crime as other policies could not. They should now have some humility, because they have failed in that task.

It is worrying that not only is the crime rate rising persistently but the fear of crime is increasing almost disproportionately. Many old people and younger women are beginning to feel that they cannot lead normal lives. They are afraid to go out after dark, and in some of the worst areas they are even afraid to go out during the day. Mothers are afraid to let their children go out to the local park to play for a few hours even on fine sunny days. We must consider not just crime and detection but the effect that fear of crime has on people's lives.

In recent weeks there has been much debate about whether officers on the beat are effective in detecting and reducing crime. I am open to persuasion on that. However, the officer on the beat is invaluable in alleviating the fear of crime. Old people feel safe to walk down the street when they see that familiar presence and women feel confident in allowing their children to go to the park, knowing that the policeman on the beat will be in the vicinity and will look in periodically. We must tackle not just crime and detection but the fear of crime, which is almost paralysing people's lives in some parts of the inner cities.

I take issue with the comments made earlier about the causes of crime. Opposition Members relate increased crime to unemployment, poverty and social deprivation. Our young people are without jobs, sometimes for a year or more, and it cannot be said to often that the devil makes work for idle hands. Conservative Members say that in the depression in the 1930s crime was not rampant although poverty was rife.

That is not a direct comparison.

In the 1930s everyone was hard hit by the depression. Even those in jobs fell on hard times. There was not the huge divide that there is now between the haves and the have-nots. Television screens were not advertising glossy cars or aftershave by showing young people at discotheques buying fancy drinks and having a whale of a time. That is rubbing it in for those young unemployed people who cannot afford to go out and live that sort of life. Times have changed since the 1930s and the distinction between the haves and the have-nots is very marked—nowhere more so than in our inner cities. In my constituency of Greenwich I have poor areas right next to affluent areas and the youngsters in one part of the constituency see the lives of those in the others. A father who has been out of work and cannot afford basic necessities for his children easily resorts to petty crime; he pinches from areas where he thinks that very little will be missed. We should be clear that we are talking about a great increase in petty theft from homes and cars. I do not condone it. I would simply say that the parallel that the Government draw with the 1930s does not hold good and that we must consider the underlying causes of crime as well as crime itself.

I view with no sympathy local authorities which have undermined the authority of the police or the respect in which the police are held. I have worked closely with the police in Greenwich and I have found them to be dedicated, professional and caring. But I have felt that their position has been undermined by constant onslaughts on their integrity and their motives. Some local authorities have police support groups and police monitoring groups and Labour councillors in Greenwich did all that they could to inhibit the development of neighbourhood watch schemes. Such activities have created a barrier between the local authorities and the police and their effects have reverberated throughout the community. Some people do not know whether they should trust the police or not.

The majority of people in Greenwich and throughout the country want a responsible, competent and professional police force. They want to see more policemen on the beat and to know that law and order is being upheld. However, this is not a one-sided issue. The alliance has always stood firmly by the need for an independent police complaints procedure. It is very important that complaints are investigated fairly and are seen to be investigated fairly. I agree with Sir Kenneth Newman that an independent police complaints procedure

"has clear attractions in terms of obvious even-handedness and saving of the police force's own valuable resources."

We should urgently and seriously consider such a procedure.

Mr. John Wheeler (Westminster, North): Is not the hon. Lady aware that we have an independent police complaints authority? Has not she read its report? Does she not appreciate people's increasing confidence in its activities? Is she suggesting that that authority is not succeeding in its task?

Mrs. Barnes: I made no such allegation. I merely said that the investigation of complaints against the police should be completely independent of the police. It is unacceptable for one police force to investigate the activities of a neighbouring police force. The investigations need to be independent of the police.

Opposition Members attach great importance to community policing. I have already talked about the need for more policemen on the beat. Increased community policing will restore confidence in the police and improve relationships between the police and the local community. In that respect, housing for the police is critical — especially in London, but in other inner city areas, too. Increasingly, the police who serve Greenwich live miles away in the suburbs and in a different environment and come in each day to police the area. We need provision for adequate housing for the police in the community that they serve. It would break down the barriers between the police and the local community. Hon. Members on both sides of the House have talked about how policing used to be—when local dignitaries were involved in and kept an eye on the police. There was very much a community attitude on how the police should function, and those policemen were of the community and of the people. They did not come in from elsewhere.

This is linked to the inner-city regeneration programme which we hope that the Government will introduce. If the inner cities are made the desirable places to live that they should and could be, policemen will not feel the need to live elsewhere and to education their children outside the local education authority concerned. If we tackle the inner-city problem, policemen will be happy to live in the communities in which they work.

Mr. David Tredinnick (Bosworth): The hon. Lady seems to ignore the fact that the Metropolitan police have always been unable to recruit all their men from the neighbourhoods. That is why some have had to come in from outside. If they could have recruited them locally, perhaps they would have done so.

Mrs. Barnes: There is some merit in the hon. Gentleman's point. I have spoken at length to the local police authority on the matter, and I understand that one problem is not just attracting the police in the first place but keeping them in the inner cities as their careers progress. As they get older and their families grow up, there is a great temptation to move to police authorities where the problems are not so severe, life is at a more comfortable pace and housing is cheaper.

Mr. Terry Dicks (Hayes and Harlington) *rose*——

Mrs. Barnes: I will have to carry on, or I will never get to the end of my speech.

The alliance has suggested some specific provisions to alleviate some of the problems, and I draw them to the attention of the Home Secretary. Our manifesto discussed what we called crime crisis areas, which should be defined by the police community liaison committees and the police authorities working with chief constables. Any chief constable could pinpoint the crisis areas with which he must deal. Several measures could be enacted to improve matters in those areas. Local police stations which have been closed should be reopened, or police posts could be made available where one or two policemen would always be stationed. As with many other aspects of life, police stations have become more centralised and the smaller local stations have closed. That is a mistake. People do not know where their police stations are. Stations are sometimes a long way from people's homes and people think that they can go there only to report a serious matter. They cannot pop in to discuss problems which could be nipped in the bud.

Many practical and fairly simple measures, including the provision of entryphones and security locks and better street lighting, could make life much easier for those who live in crime areas. Every local authority should be obliged to set up a crime prevention unit to advise people on the security of their homes and their general safety. Many Labour authorities could fund these by diverting money from their anti-police monitoring units. Money is available to fund police monitoring. Authorities should put that money into prevention, where it will have a positive purpose.

Another suggestion was to place a legal responsibility on British Telecom to maintain telephones in better working order than they are now. I hope that work is being done in this area. In areas of severe crime, where people are poor and do not have their own telephones, it is extremely important that they can get to a telephone when they need it and not, as happens now, go to the nearest four telephones and find them all out of order.

Hon. Members have also mentioned violent crime. In south-east London there has been a growing use of weapons, many of which are sold in martial arts shops. I have a list of them here, and I have never heard of some of these weapons. They include battle knives, knuckledusters, spike shoe straps and catapults. They are widely available. They have macho connotations and youngsters can pick up these weapons very easily. The temptation to use them then presents itself. Recently in south-east London there were two incidents of armed robbers being killed. They were examples of the serious intent to go out as armed robbers, but at the lower level those weapons are widely available. We must try to curb the use and sale of such weapons.

In one area, there is a direct correlation between unemployment and crime. It has been shown clearly that dependence on drugs or alcohol is far more prevalent among the unemployed, and the link between drug dependencey or alcoholism and crime is undisputed. We must consider the underlying causes and then the subsequent events. We are in a catch 22 situation: unless we tackle the underlying causes, our attempts to tackle the symptoms will be irrelevant.

I welcome the Government's commitment to inner-city regeneration and I hope that there will be serious changes. But their promises will be hollw without resources behind them. Anyone who spends any time examining the inner cities will know that good will, good intentions and the right words will not do. Housing is appalling and there has been a great deterioration in the fabric of the streets, lighting and pavements. Money must be spent on them. There is no sign as yet that the Government will back their claims on inner-city regeneration with the appropriate funds. Inner-city talk without inner-city money will mean nothing.

Conservative Members would be extremely disappointed if an alliance Member did not mention proportional representation. We are here only because the Home Secretary fulfils the role of police authority for the metropolis. There would be no need for anxiety about

handing control of the policing of the metropolis to a properly elected police authority if it was elected by proportional representation, because any fear of extremism would be elminated.

10.48 am

Mr. William Shelton (Streatham): It is with great pleasure that I congratulate my hon. Friend the Member for Sheffield, Hallam (Mr. Patnick). He is a worthy successor to our old friend Sir John Osborn. I was deeply impressed by the way in which he rebuked Opposition Members for their mumbling and grumbling while he made a speech which was slightly less than maiden in some aspects. He defended himself well by putting the knife into Opposition Members — although in the most delicate way—which bodes well for his future in the House.

I wish to raise two serious constituency problems. I am sure that the Minister will pay attention and that the Home Office will reach a solution for me. For once, these problems have nothing to do with additional resources. They relate to two flaws in the law that are stopping the police carrying out their duty. I should like the law to be changed to remove those flaws.

The first problem is that one of my wards in Streatham is infested with prostitutes. During the election my right hon. Friend the Home Secretary visited Streatham. I was fortunate enough to be able to introduce him to one of the policemen on the beat, who expounded strongly about the problem, and my right hon. Friend said that he would consider it. Indeed, I have written to him about it. I hope that my right hon. Friend will read the today's *Hansard*. So far this has been an interesting debate and I congratulate my hon. Friend the Member for Davyhulme (Mr. Churchill) on introducing it.

One of the wards of my constituency is infested with prostitutes, and this is extremely disagreeable to the residents. There are many ladies on the streets and some 400 cars were clocked through in a two-hour period—400 cars cruising round and round.

The second problem in my constituency — it has already been mentioned—is the carrying of knives. This practice is becoming a spreading cancer in south London and the Government must act to do something about it. Today, about 35 per cent. of all robberies—the House is aware that a robbery is defined by the police as an attack in the street, a mugging—are carried out by youngsters carrying knives. Some 25 per cent. of such attacks in Streatham are carried out by youngsters. Knives also play a part in rape.

Mr. Harry Greenway (Ealing, North): Is my hon. Friend aware of the growing number of flick-knives that are being imported into the country? Day-trippers or those who are on holiday in France smuggle back such knives and give them to their friends. That poses a serious problem.

Mr. Shelton: My hon. Friend is quite right, and I shall return to that in a moment.

The hon. Member for Greenwich (Mrs. Barnes) mentioned knives that are bought in martial arts shops. Perhaps the sale of such knives from those shops should be outlawed, but it is a marginal problem. The other day I was talking to one of the police chief superintendents in my area. He asked me whether I would like to see the knives that the police had taken from people, mainly youngsters, in the past three months. He brought over a huge plastic sack, turned it out on the floor and 30 knives fell out. Only three of those knives were of the type that can be bought in martial arts shops. All the rest, most horrible looking, were kitchen knives. Admittedly some of those knives had been sharpened. Anyone can buy a steak knife, and it would put the fear of God in me and make me run like a madman if I saw it coming at me. If we ban the sale of martial arts knives—probably we should—the youngster will go to the kitchen, open the drawer, take out the steak knife and go off.

Fines imposed on women who ply their trade are in no way a deterrent. The average fine in Streatham is about £30-£35 per arrest and conviction. When a lady makes some £200-£300 a night, she is quite prepared to be arrested every so often and pay £30. That fine is absolutely no use.

Let us consider the measures introduced by my hon. Friend the Member for Plymouth, Drake (Miss Fookes), what is now the Sexual Offences Act 1985, which is known as the kerb crawlers' Act. I hate to say this—I discussed the measure with my hon. Friend the Member for Drake last night—but the Act is ineffective. It does not work, because to get the Bill into law my hon. Friend had to allow the word "persistently" to be included. That word "persistently" means, according to the police officers of my constituency, that they cannot secure a conviction because they cannot show that the punter was persistently soliciting. If a kerb-crawler drives round and round, stops to pick up a girl and is then stopped by the police he can say, "I was not persistently soliciting. I just asked this girl to go for a ride with me." We must remove the word "persistently" from the Act. The Minister and the Home Office should consider whether what is occurring in Streatham is happening in other places. If that proves to be the case, when the next Criminal Justice Bill comes along—they seem to come along regularly every year—will the Minister please insert a one or two-line clause to remove the word "persistently" from the Sexual Offences Act and thus make it effective?

Section 1(1)*(b)* of the 1985 Act states that a man commits an offence if he causes

"nuisance to other persons in the neighbourhood."

In Streatham we managed to obtain three convictions by getting about 30 residents to note down car registration numbers. The residents gave affidavits to the police, the motorists were stopped and they were convicted. It was a massive piece of work undertaken by the community. Convictions would be easier to secure if the word "persistently" was removed from the Act. For the sake of my constituents, who are living in the most unpleasant circumstances, I urge that something be done about this problem.

Incidentally, the local police in Streatham are taking legal advice as to whether they can write to people whose car registration numbers have been taken and ask why they were circulating round and round. Perhaps the Minister could look into that. I shall write to the Home Secretary to ask whether it is legal for the police to do that. I am sure that there must be some form of words that the police could use, and, with a bit of luck, the letter would be opened by the man's wife.

The second problem faced by my constituency is a cancer that is spreading across south London. It affects not only Brixton, but Streatham, Clapham and other parts

[Mr. Shelton]

of south London. The problem results from another failure in the law, and unless something is done this cancer will spread.

When the Police and Criminal Evidence Act 1984—PACE as it is known—was introduced, section 25, quite rightly—I am not arguing about this—put an end to the stop and search law, what is called the sus law. The police were no longer able to stop and search on suspicion. They had to have reasonable grounds for that suspicion. However, the result of PACE has meant far fewer people being stopped and searched. The police officer can no longer stop a person because he is suspicious of that person's actions. He must have factual evidence to show to the magistrate.

If youngsters carry knives, the police now have to show that a person carried a knife with unlawful intent. It is very difficult for the police to do that. These youngsters are street wise. If they are stopped and found to be in possession of a large knife and are asked why they have it, the usual answer is, "I have to fix a light plug and I need the knife to cut off the end of the flex." Youngsters have been told that they can get away with that answer. It is too much to expect the police to take a person to court and show the unlawful intention of a suspect. How can a policeman do that?

The other day the Streatham police got a man for burglary. That man had on him 52 lock knives. My hon. Friend the Member for Ealing, North (Mr. Greenway) mentioned flick-knives. With a flick-knife, the blade comes out when one presses a button; with a lock knife the knife is locked open. That man had 52 such knives in his possession. The police were unable to prosecute him for having those 52 knives. However, they did get him for the burglary.

The police took the 52 knives away, although they believed that they were probably acting improperly in doing so. I asked why that man had 52 knives in his possession. I was told that such knives are sold or lent to youngsters. Youngsters do a job, throw the knife away and go back to that guy, with his sack of 52, for another one. Something must be done about this. What can we do?

We cannot bring back the sus law. We must return to the position that we had under the Magistrates' Courts Act 1952, which obtains today in cases in which people have been convicted on drugs charges. Their money is taken away from them, unless they can show that they possess it lawfully. In the case of carrying knives, the person who is arrested and taken before a magistrate must be able to show that he was carrying the knife with lawful intent. It should not be for the police to prove that the person is carrying the knife with unlawful intent; the police cannot do that. If a guy has 52 lock knives on him, or an 8in steak knife on him, at 2 o'clock in the morning, he will have to show the magistrate why he had those knives. If he cannot do so, he should be convicted. It should not be for the police to show that he was carring the knife with unlawful intent. There is no way in which the police can do that. They are not mindreaders or hypnotists. We should reverse the burden of proof in cases involving knives.

Mr. Ivan Lawrence (Burton): Why does my hon. Friend think that there will be more convictions, either before magistrates or juries, merely because the burden of proof is shifted?

Mr. Shelton: I recognise that my hon. and learned Friend knows far more about the law than I do. My answer is that a guy may have 52 lock knives on him, but the police cannot prove unlawful intent, because he says that he bought them the other day to take to his shop to sell, and the police cannot even prosecute him. On the other hand, if he had to show why it was perfectly right and proper for him to be doing that at 2 o'clock in the morning—in other words, that he had lawful possession and no evil intent—he would find that rather difficult to do before a magistrate. For example, an 18-year-old is stopped with a steak knife sticking out of his trouser pocket at 2 o'clock in the morning. He says that he is going to repair a flex, and at the time the police must accept that. However, if the burden were the other way round and he told the magistrate that he was going to repair a flex, the magistrate would say that he did not believe him and would find him guilty. Something must be done, and if my hon. and learned Friend the Member for Burton (Mr. Lawrence) has a better suggestion I should like to hear it. What I am suggesting would at least be a big step forward.

I see that my hon. Friend the Minister is taking advice from his Department on the points that I have been making. I ask him to examine the problem of prostitution and the use of the word "persistently" in the Sexual Offences Act 1985. I also ask him to look at the whole problem of knives, with a view to changing the law to lay the burden on the knife carrier. If the law is changed for knives—and here I am stretching things a bit—it might also apply to kerb crawlers. I see no reason why, if a man drives 30 times around a certain street at ten o'clock at night, he should not have to show why he was doing that, rather than police having to show that he was intending to solicit and causing a nuisance to neighbours. That might work in that case, too. The balance is wrong, and I want the Home Office to put it right.

11.5 am

Mr. Paul Boateng (Brent, South): As a newcomer, may I add a word of congratulation to the hon. Member for Sheffield, Hallam (Mr. Patnick), who threatens to take on allcomers. He is at all times very bullish, very Ollie North. We look forward to his future speeches in the House with great anticipation.

As a newcomer to the House like me, the hon. Gentleman, will have been shown on the day that he arrived the pieces of red tape that hang beneath our coat hangers. When I asked what they were for, I was told that they were for our swords—for the weapons of men who, in generations gone by, found it necessary to hang up their weapons before they came in for fear that they might be tempted to use them in this place. We have now reached such a state in many of our inner cities that we will soon have to provide similar pieces of equipment in all places of public resort for young people, so much has this whole knife culture infiltrated our society. So many young people now carry knives as a matter of course. We must consider that seriously in the course of the debate. We must consider knives, the issue of drugs and the prevalence of a drug culture. We must also consider the prevalence of racial harassment. Those three things are a blot on the enforcement and maintenance of safety and security in our inner cities. We in this House and those in the wider community need to come up with some answers.

I cannot see any answer to those problems that does not involve a co-ordinated and — so far as is possible —

unified approach by central Government—the legislative process—local government and the communities that they represent, and the police. Only in that way will we begin to be able to tackle the three significant problems that face us in inner city policing. If we tackle one of them but not the others, we are doomed to failure. Merely to call for more law will not in itself be enough. We need more than that.

The Government must take a lead. In recent years there has been welcome legislation enabling us to trace and recoup the ill-gotten gains of the drug barons. It was welcome and important legislation. However, there is and must be a role for central Government in attacking and seeking to come to grips with the culture and the set of social and economic circumstances that underpin the use of drugs and perpetuate the drug problem in all too many of our inner cities.

We need to examine the work that has been done in the United States and in mainland Europe—in Holland in particular—with addicts and with those who are likely to fall prey to drug abuse. We must begin that process in the schools. We must begin to educate people about the dangers and evils of drug abuse. That cannot be done merely by making speeches. It needs careful attention, and, above all, it needs resources, just as we need resources for the communities in sink housing estates and dead end roads, where all too often drug abuse takes place.

We need the resources to tackle such issues and the Government have a role to play in them. They also have a role to play in the problem of racial harassment. We in this House must make it crystal clear—I welcome the response of hon. Members in an earlier intervention on that issue—that racial harassment will not be tolerated. We must recognise that when we use language such as "swamping" and "alien wedge" we give a licence to those who try to perpetuate racial harassment in our communities. We have a special responsibility to guard what we say in these areas and to promote positive images of our multi-cultural society.

Mr. Dicks: Does not the hon. Gentleman agree that some of the ethnic minorities in our inner cities are white people who suffer racial harassment from coloured and black people?

Mr. Boeteng: Sadly, that is a typical intervention by the hon. Member for Hayes and Harlington (Mr. Dicks). He should examine the Home Office statistics about street attacks. They clearly show that Asians in his constituency stand 50 times more chance than whites of being the subject of a street attack, and that black people stand 36 times more chance of being attacked on the street than whites. I condemn racial attacks from wherever they come and the hon. Gentleman ought not to seek to make such a point.

We should look at the responsibility of Government for coping with the problem of knives. The hon. Member for Streatham (Mr. Shelton) touched on that. I have a certain amount of scepticism about his proposals for legislative change, but I recognise the spirit in which they were made. Clearly something has to be done, but what? I recognise the drafting problems in this area, but I hope that the Government will give urgent attention to dealing with the problem of the supply of knives at source. We must extend the definition of weapons that are regarded as offensive per se.

The hon. Member for Greenwich (Mrs. Barnes) said that there was a problem about martial arts supply shops. She is right about that and that problem must be addressed. It is capable of being dealt with by legislation and it must be dealt with urgently.

Those are three areas in which the Government need to act. The other two sides of the triangle are the local authorities and the communities they represesnt, and the police. No one who cares about crime prevention believes that it is healthy or useful for the police, the local authorities and the people that they represent to be apart. We want to see them working effectively in a co-ordinated way. However, we must recognise the blocks and the obstructions that exist.

One of the great difficulties under which we labour in London is not shared by the hon. Member for Davyhulme (Mr. Churchill), who rightly wants to keep hold of his directly elected police authority. We in London want to have a police authority to hold on to. We recognise that such a directly elected police authority will provide a forum through which it will be possible to create effective crime prevention measures.

I watched the face of the hon. Member for Davyhulme and noted his body language during the course of the speech by his hon. Friend the Member for Hallam. The hon. Member for Hallam spoke at great length about the evils of Left-wing councils whose aim is to take over the police. He spoke about the sinister conspiracy that is supposed to exist to undermine policing and the terrible dangers of political policing. The hon. Member for Davyhulme was remarkably quiet during that speech. Was that because he recollected the example set by his right hon. and gallant grandfather? I wonder if he remembered his grandfather's role as Home Secretary. The people in the Welsh valleys have not forgotten it. What he said and did there could hardly by regarded as apolitical.

To pretend that the Home Secretary, in his role as the police authority, is not political, is nonsense. Perhaps the hon. Member for Davyhulme was remembering his right hon. and gallant grandfather's role in the siege of Sidney street. The hon. Gentleman should think about that. When one reflects on that incident in 1911 and looks at *Hansard* for that period, one sees that the Home Secretary was in the thick of it. He was not at the siege only for the purposes of a photo call. He was there to be part of the action and was involved in the operation. As Mr. Lyttelton said at the time, he was there giving

"some advice with regard to the firing".—[*Official Report*, 26 June 1911; Vol. 27, c. 248.]

That is the sort of advice that we should like to give in Greater London. We are anxious to see the police doing a little less firing and would like to see fewer incidents involving the likes of Mrs. Cherry Groce. We do not want day-to-day operational control or to tell the police who to shoot or when to shoot, but we would like to have an overview of policy. That is right, and therein lies the difficulty. That is not political interference.

Mr. Tredinnick: If the hon. Gentleman is so anxious to have some influence on the police in London, why has he taken a stance absolutely against the police consultative groups set up under the Scarman arrangements and the Police and Criminal Evidence Act 1984?

Mr. Boateng: The reverse is true. We want to see effective community participation in policing strategy, but we do not see those consultative groups offering any real

[Mr. Boateng]

hope, of achieving that. Were they to do so, we would embrace them with open arms. They are mere talking shops that do not enable the police and the community to come together in terms of equality. That is another way, and we intend to pursue it because we are anxious to see more effective police operations.

Mr. Stuart Holland (Vauxhall): Does my hon. Friend agree that the hon. Members for Bosworth (Mr. Tredinnick) and for Davyhulme (Mr. Churchill) overlook the fact that at local borough level there is effective co-operation with the police? In the London borough of Lambeth there has been such co-operation about drug raids, an anti-knives campaign and child abuse. There has also been co-operation in the case about which the hon. Member for Streatham (Mr. Shelton) spoke of kerb-crawling in Becmead avenue. The leader of Lambeth council has been down to see what is happening there and to support the action taken by the police.

Mr. Boateng: Similar examples could be given about Brent and about boroughs all over London where good positive work is being dome. It is important that we recognise that. We must not get away from the responsibilities of communities in terms of policing. We can and must improve the law in relation to knives and the Government must take initiatives about drug abuse and racial harassment. Communities must identify these things as problems and isolate those who seek to peddle drugs and those who seek to make large sums of money out of the misery that drugs cause. They must deter those who seek to carry knives as a matter of course and who encourage other young people to carry them.

We must do to those who seek to perpetrate racial harassment what must be done. We must say to all such groups, "This is not on in our community." We must tell them that we do not intend to stand by and make excuses for them or to allow them to get away with it. Such people must be told that there is no place for them in our community. If there is not a willingness to isolate these forms of virulent anti-social behaviour, whatever laws are passed and whatever powers are given to the police we will not solve the problems.

One lesson that we have learnt over the past eight or nine years is that simply throwing power at the police does not work. That can be seen from the figures. We have to do more than that, but if we are to get the community behind us and to recognise the importance of supporting operations designed to deal with these problems, the operations themselves must be devised with community support. They must recognise the need for a degree of sensitivity. I am afraid that that is not always shown in the course of devising and implementing such operations. One has only to look at operation Trident in west London. That involves surrounding All Saints road, and it has been going on for several weeks. It has had the effect of alienating portions of the community across the board that cannot be defined by colour or age because of the way that it has been carried out, the numbers who are involved and the strategy that has been adopted. It has led to a situation in which the overwhelming weight and oppressiveness of the police presence has cause resentment and ill feeling at a time when it should be possible to mobilise support and feeling against those drug pushers who have come from outside the community to peddle their wares in All Saints road.

We should be encouraging the responsible elements in the community that exist in the Mango community association so that they feel that they are equal partners in the fight against that insidious form of crime and the development of that street. The street should not be flooded every night with droves of police officers. They have got it wrong, but it need not have been so if they had involved themselves in genuine consultation and had there been a structure in London whereby it would be possible actively to support and garner public support for police operations. That is what an elected police authority should provide.

Even at this late stage we look to the Government to do something about that. If they are not prepared to do it, they should at least follow the advice and recommendations of their Home Office working parties. In 1983 I had the privilege and pleasure of sitting in the Home Office with a wide cross-section of people who were concerned about training. We were a working party of the Home secretary's council on police training. It included the man who is to become Lord Knight, who made a particularly distinguished contribution. He has recently been elevated to the other place, and I am sure that, with his experience of the west midlands, he will make a contribution there.

The working committee made a number of recommendations about police training. What has happened to those recommendations? I fear that they are gathering dust on the shelves of the Home Office. At every stage in a police officer's career, up to the level of superintendant, there should be training in community and race relations. The success or otherwise of an officer in responding to that training should be regarded as an example of his effectiveness. That would involve resources, but it was a good idea. We had a united committee; we did not disagree on any of our conclusions. We want action because, if the Government are not prepared to give way on constitutional issues, they can give way on practical policies on which there is unanimity. By working together within the constitutional framework and with a recognition of our respective roles, there is hope of tackling some of the policing problems in our inner cities. We need to do that, and we need to do it now.

11.23 pm

Mr. Chris Butler (Warrington, South): I was selected for my constituency on the Ides of March, a fateful day, this year. My relationship with my constituency has been a whirlwind romance. I find myself in this place with an increased Conservative vote, which is in no small measure a tribute to my predecessor, Mark Carlisle, who served his area for some 23 years. I am sure that he will be remembered with respect and affection by hon. Members.

My constituency runs in a broad sweep around from the tiny independent parish of Cuerdley through the new town of Runcorn, which is afflicted with all the inner-city problems that we see around our country, including those of crime, to the semi-rural charms of Appleton and Lymm.

The history of Warrington, South and Warrington has been carved largely by water. It was originally founded by the Romans, because it was the first place that they found to ford the River Mersey. The Manchester ship canal,

which is a tremendous tribute to the early entrepreneural spirit of our country, bisects my constituency and Warrington itself.

I did not emphasise water to demonstrate that the present Member suffers from rising damp, nor to demonstrate that my constituents are watery; indeed, they are fired with dynamism at the moment. GM Health Care is constructing a hospital in my constituency. Recently, it wrote to me saying:

"We are developing in Warrington-Runcorn because it is experiencing the most dynamic and commercial growth in the north of England."

That is not puff, but commercial hard-headedness, backed by the welcome figures for unemployment that we announced yesterday.

On 11 June this country had an opportunity to vote on the economic benefits that have been brought by Thatcherism and on the economic policies of the Government. The verdict was plain, but, as the economic benefits become more visiable and apparent, the deeper social problems that are inherent in our country become more evident. These deeper social problems essentially concern the responsibility that we owe to one another as citizens. It falls to this Conservative Government to resolve some of those deeper social problems with the kind of energy, commitment and resolution that the country has come to expect of them.

One of the most prominent examples of those problems is the growth in crime. It was referred to last Friday in a speech at Oxford by my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten) as:

"One of the greatest shortcomings of public policy."

As I canvassed at the general election, the verdict on the Government of many of my constituents was that they could do better. As I was canvassing and wearing out shoe leather, two things struck me forcefully. There were an enormous number of dogs in the constituency, with all the attendant risks that that has for one's fingers and footwear. I noticed that in all the areas of my constituency from the inner city to the leafy suburbs, there were those little home watch scheme triangles in the windows. As I was trying to preach a message to my constituents, I realised that in fact they were giving me a message. The message was that they felt besieged in their homes by crime. To a certain extent they felt let down by their Government, and they had begun to deal with the problem by using their own resources.

I have not just crawled out from underneath a gooseberry bush, and I am not so naive as to think that the answer to the problem lies solely in more effective policing or in increasing the power of our criminal justice system, but that is part of the answer. More can and must be done to relieve the police of petty bureaucracy. I am in favour of more emphasis being placed on the civilianisation of our police forces and on the tape recording of evidence. More must and can be done for the police to enable them to concentrate on serious crime, rather than on petty offenders such as the motorist. I sympathise with the ordinary, law-abiding motorist who is tootling along on a clear road at 35 mph, but who finds himself pounced on, fined and frightened by the police. Yet the very next week, when he is mugged in an inner-city street, he cannot find a policeman for love nor money.

More can and must be done to restore the awful majesty of our criminal justice system, which depends essentially upon its deterrent power. That is why I personally support the reintroduction of the ultimate deterrent. It is also why I support the call so common among my constituents for sentences to mean what they say more than they do at present.

Having had the honour of serving on the local review committee of both Holloway and Pentonville prisons for some years, I have reached the mature view that both remission and parole are too freely given. Remission, which takes up to one third off the sentence, is too automatic. A prisoner has to do something pretty dreadful in prison to lose more than a few days of that remission. Parole can and often does provide up to a further one third off the sentence. It is supposed to be a privilege earned by good behaviour in prison, but sadly that is not the case, due to one very powerful argument that is used on local review committees. It is argued that it is far better for the criminal, having served part of his sentence, to go out into the community under supervision for a few months than to go out at the end of the sentence, less remission, without any supervision at all. That is a powerful argument, but it seems crazy that the Parole Board or the judges have no power, because I do believe in the principle of parole, to insist on some period of supervision during the period of remission or even afterwards.

In my view, it is sad that parole is not given on merit, but is given too automatically. The situation finds its greatest absurdity in what are known as the schedule 33 cases, in which members of the local review committee are given skimpy, inadequate notes and cannot possibly form a rounded view about the inmate concerned. As there is always a presumption in favour of parole in these cases, the committee ends up operating virtually as a rubber stamp.

Schedule 33 was devised as a means of emptying our prisons, and it certainly does so. But I strongly object to the application of that kind of attitude to the vast bulk of parole applications. Sadly, we are allowing the size of our prison population to dictate our criminal justice and penal policies. It is a case of the tail wagging the dog, and it should not be so. I had hoped and prayed that we would escape from that problem when we embarked on the greatest prison building programme this century, involving 20 new prisons, and it was with dismay that I heard my right hon. Friend the Home Secretary announce yesterday his intention to free a further 3,500 or more prisoners by relaxing the remission provisions still further. I believe that that will dilute the deterrence of our criminal justice system. I ask my right hon. Friend to think again and to use his ingenuity to commission secure accommodation. I welcome the involvement of the private sector in the design and building of prisons, but more could be done. If the private sector were involved in the running of prisons, many of the staffing problems could be overcome.

I warmly welcome the Government's commitment to review the parole system. By a happy coincidence, the chairman of the review body will be my predecessor, the Right Hon. Mark Carlisle. I hope that that review will re-emphasise the proper purposes of parole and recommend against misuse of the parole provisions to make life easy for the prison service. We must return to the original intention that parole should be earned by good behaviour in prison and a good response to the penal regime.

I urge the Government to listen to the man in the street —not the hoary old prejudices of Tonypandy or Sidney street that we heard from the hon. Member for Brent,

[Mr. Chris Butler]

South (Mr. Boateng)—because the ordinary man in the street is imbued with hearty good sense. If our criminal justice system is weakened by failure to present an effective deterrent, the criminal will expand his activities and the respect that we have in this place and respect for our pillars of justice will be undermined, as will the good will of the ordinary citizen on which the power and authority of this place ultimately depend.

11.36 am

Mr. Roy Hattersley (Birmingham, Sparkbrook): I have already apologised to the Minister for having to leave before the end of the debate. I hope that you, Mr. Deputy Speaker, and the House will accept my apology with similar understanding.

My next, rather more pleasant, task is to congratulate, on behalf of the Opposition, the hon. Members for Warrington, South (Mr. Butler) and for Sheffield, Hallam (Mr. Patnick). Both spoke with a clarity, certainty and confidence which more established Members will envy. It is not a cliché, perhaps too often repeated, when I say that I have no doubt that the House will look forward to hearing from them many times in the future, not least because both avoided the awful respectable convention of being uncontroversial in their maiden speeches. That came as no surprise to me from the hon. Member for Hallam, whom I have known in one way or another for more than 30 years. I believe that for two or three weeks—no more —we were both members of Sheffield city council. A further tenuous connection is that 40 or 45 years ago I used to be taken on days out to the house and gardens that he occupied before moving on perhaps to even more splendid premises.

I am pleased to have this opportunity to say something about the inner cities, although it has deprived me of the possibility of visiting the inner city that I represent as early as I had intended. If the Prime Minister and the Queen's Speech are to be believed, the topic is likely to dominate this Parliament. Today, we are asked specifically to consider the policing of the inner cities and by implication crime in the inner cities, but I must insist that that one aspect of inner-city life cannot be considered in isolation.

The hon. Member for Davyhulme (Mr. Churchill), who initiated the debate, came close to treating the whole subject of crime in the inner cities as though it could be solved by increasing police numbers and police deployment. Those aspects dominated the hon. Gentleman's speech, but I must tell him that increasing police numbers or altering the deployment or working organisation of the police force will not solve, and may not even reduce, crime in the inner cities. To suggest that it will or might is superficial to the point of irresponsibility.

The crime problem within inner cities cannot be separated from inner-city unemployment, inner-city poverty, inner-city deprivation, and inner-city housing and public service shortages. It cannot be separated from the reduction in public services that has come about in inner cities, because the rate support grant cuts that have been endured by every authority within inner-city boundaries have hit the inner cities hardest. Deprivation breeds despair, and despair breeds crime.

I give a simple example from my own constituency, admitting that it is a dangerous example to give because it is open to interpretation, but it is a contemporary, immediate example. Young men in my constituency will soon be leaving school. They are warned that they are to anticipate three or four years' unemployment. They have been warned—it is a sign of institutionalised despair—by what used to be called career teachers, who have been retrained to perform a new task, namely, preparing their pupils, not for jobs, but for unemployment. This month, they will leave school expecting to be unemployed during the lifetime of this Parliament.

In the circumstances, I do not believe that we should be surprised if young people vandalise coin boxes. I do not condone their doing that. I heartily disapprove of it. When they are caught doing that, they must be prosecuted, sentenced and punished, but I am not surprised that young men who face such a prospect in life behave in exactly that way. That leads me to the certain conviction that inner-city crime will not fall unless inner-city unemployment falls and inner-city homelessness services improve. From my 20-odd years experience in representing an inner city, I have absolutely no doubt about that.

That being said, it is important not to suggest or even to imply, or to let it be thought that we are suggesting or implying, that a majority of inner-city dwellers are anything other than law-abiding citizens. Most inner-city families are victims of crime; they are not criminals. Most inner-city families are as enthusiastic as any hon. Member to see inner-city crime tackled. In my constituency there has been one demonstration concerning the police in the past 23 years. That was a demonstration demanding more police to be visible on the beat, immediately after the Handsworth riot. The demonstrators said that the police were ignoring the needs of that inner city, that they believed that crime and violence were acceptable there, and that the decaying central areas had been written off.

I make it absolutely clear that I believe that the demonstrators were wrong. The West Midlands police have an honourable and admirable record in their attempt to deal with inner-city problems, but I describe the attitude of my constituents because it demonstrates that, even though in that particular they were wrong, there is a generalised view in inner cities—not just in Birmingham, but throughout the country—that such areas have been written off by the Government, have been forgotten, and are areas about which there is no care and for which there is no real wish to provide adequate services.

Inner cities are becoming deeply alienated from the rest of society and are beginning to fear that the rest of society's rules and hopes do not apply to them. Frankly, that is hardly surprising. If I may take a personal example again, life in the Sparkhill ward of the Sparkbrook constituency in Birmingham bears little resemblance or relationship to life in Solihull, only 4 miles further south. It is inevitable that young men and women in particular —the new generation born and bred there—should feel an enormous alienation when they see the difference between the life that is available to them and that which is available in more prosperous suburbs only a few miles away.

Of course, the greatest alienation — certainly the greatest potential alienation — is among the ethnic minorities. The problems of the inner cities will not be solved until the Government or, more likely, their successors, remove the laws and regulations that discriminate against the black and Asian British and contribute to their feeling of alienation from society as a whole. But that matter is for later debates. Today, I merely

say that it is essential that all inner-city families are encouraged to believe that society does not treat them all as second-class citizens.

I give two examples of how that feeling is being encouraged. One is the refusal by the gas and electricity authorities to install coin meters. In my experience, nothing causes law-abiding families living in a respectable road more anger and despair than the discovery that they are not entitled to have a coin meter installed because they live in a geographical area that is designated either by British Gas or the local electricity board as unsuitable for such provision. They say that it makes them feel ashamed to live in the area, that they are being treated like criminals and that, very often, it is unnecessary because there is no question of a meter being broken into and robbed.

The second example is the refusal of insurance cover at normal rates.

Mr. David Gilroy Bevan (Birmingham, Yardley): I remind the right hon. Gentleman that in 1986 thefts from coin meters went up by 23 per cent. in Birmingham in the west midlands. Therefore, it is not surprising that the statutory body concerned may be reluctant to install them. There was not only theft but wholesale damage.

Mr. Hattersley: I do not dispute the figures for a moment. I dispute the designation of whole areas as being responsible for such matters. The hon. Gentleman will not want to claim to be one of the more sensitive hon. Members, but if the West Midlands gas board wrote him a note saying that because of where he lived he was not entitled to the provision that was available to other people whom he knew in Birmingham, he would regard it as deeply offensive, and so do many of my constituents. The hon. Gentleman should not be surprised. He should not be surprised, either, that provision such as weighted insurance policies in areas in which it is not necessary for them to be weighted encourages individuals against whom the discrimination applies to believe that society as a whole applies different rules to them than to the rest of the community. They are bound to be offended and alienated by that.

I now refer to the police in particular, for it is that matter that we are debating, and it is on the subject of alienation and the police that I wish to spend most of my time. Certainly, I want to see more police in inner cities. Certainly I want to see more police on the beat, and visible, committed to and part of the inner cities that they police, and devoted to its interests and involved in its success. That is happening in Birmingham in general, and I hope that it can happen in other parts of the city also.

The hon. Member for Davyhulme talked about the attitude of local Labour authorities to the police and the troubles that they are causing. One of the examples that he gave was the resentment of some authorities and their opposition to the Prevention of Terrorism Act 1974. Nothing has so disturbed the relationship between police and public in my constituency as the arrival of police officers from outside the city, their interviews, entries into houses in connection with the Prevention of Terrorism Act, their arrest of a local psychiatrist under the Prevention of Terrorism Act, their detention of that psychiatrist for some weeks under the Prevention of Terrorism Act, and her eventual prosecution and acquittal. The Prevention of Terrorism Act and its application within my constituency did more to disrupt the relationship between police and public than anything that has happened in the past five years. If the hon. Gentleman wishes to treat such matters seriously, he should examine the realities rather than the slogans that he was encouraged to use during the general election campaign.

I do not disagree with the hon. Gentleman's central thesis. We need more policemen on the beat in central areas. They should police those areas in ways that are sensitive in two particulars. First, the police must be seen to be even-handed between each group in the community. We pretend that what we know to be true is untrue if we do not accept that there is a real problem in some areas concerning the relationship between the police and young blacks—young West Indians and young men of Asian origin.

The fact that those young men—black British and Asian British—feel that the police discriminate against them is indisputable. The duty of the police and of the leaders of the communities in which such young men live is to remove that feeling of alienation. In many cases the facts of discrimination are indisputable. We have an absolute obligation to create the impression—and the reality—that all young people, standing on any street corner in any city, are treated with the same degree of police understanding, tolerance and operational techniques.

Secondly, to my certain knowledge the population are alienated by the police officer who turns up at the scene of a burglary, or some minor offence, or an assault, and says, "There's a lot of this about around here. I doubt whether we can solve the problem. We will take a statement, but it may not be possible to investigate much because this is the sort of area where such crimes occur." That is another example of the people in the inner cities feeling that they have been written off, and it is another example of what must be avoided if people are to work with the police. They will if they are offered that opportunity by individual policemen who are associated with, committed to and interested in the future of the area.

Nothing so disturbs the relationship between police and public in the inner cities as the new, perhaps young, police officer who is rushed in from outside in an emergency and who does not know the area or the area's problems. If I said that in my constituency, it would be regarded as a statement of the obvious. All the councillors who represent the wards in Sparkbrook would say, "Of course we know that it is important for the police to work in partnership. Of course we know that it is important for individual policemen to be associated with the area. Of course we know how problems will arise if an outside force is suddenly asked to do some special and difficult job."

It is because the councillors in the area understand the problems and take them for granted that I want to see an elected police authority which can pass on that information, which is so obvious to me and others who know the inner cities, to the police authority itself.

I do not want an elected police authority to be involved in the day-to-day operation of the police force. I do not want the Home Secretary's representative guiding individual incidents. My hon. Friend the Member for Brent, South (Mr. Boateng) described Mr. Winston Churchill when he was Home Secretary with characteristic charity when he said that he did not turn up at Sidney street to have his photograph taken. But that is exactly what he did. He did turn up at Sidney street and have his photograph taken—and very successful he was, too.

[Mr. Hattersley]

That is not how a proper Home Secretary should behave. A proper Home Secretary behaves in a way that allows a police force to form a partnership with the people of the area. That must involve the overall policy determination being at least influenced by the representatives of the people in that area.

I do not deny that sometimes a small minority of local authorities are foolish in their attitude to the police. I do not propose to pretend anything different when future incidents arise, but the fact that a tiny minority of authorities have taken decisions with which I deeply disapprove is not an argument that justifies the whole police service being outside anything like democratic control. An element of democratic control is essential for a partnership between the police and the public.

My final words are on the subject of partnership, in which I believe deeply. If we are to end crime in the inner cities, as well as ending despair by reducing poverty and ending alientation by reducing unemployment, we have to convince the people that the police are on their side and that they should work with the police. That is easier to do in some areas than in others, and that task has to be shared by Members on both sides of the House. I am perfectly prepared to say to those authorities that want to drive a wedge between police and public that they are wrong to do so. I hope that Government Members will reciprocate that dangerous broad-mindedness by saying that there are occasions when the behaviour of the police is something about which we have to take legitimate exception and which has to be improved and corrected.

One of the tragedies of the so-called law and order debate is that it has been projected that one party does nothing but criticise the police, and that the other party believes that the police are perfect in every particular. If we are to get it right, we have to steer a course between those two things. That course involves the police being in part responsible to an elected authority and behaving in a way that convinces the public that they are working with them and on their side.

It is that sort of proposition to which I hope to dedicate some of my time during the next four or five years. It is with apologies that I leave the debate early so that I can advocate that, not just in the House, but in the small area of central Birmingham that it is my privilege to represent.

11.56 am

Mr. Anthony Coombs (Wyre Forest): Mr. Deputy Speaker, I thank you for giving me the opportunity of making my maiden speech in the House. It is customary to refer to one's predecessor on such occasions and I am delighted to do so.

My constituency has a distinguished and colourful political tradition that can be traced back through Sir Tatton Brinton to Sir Gerald Nabarro and even further back to Stanley Baldwin. Mr. Esmond Bulmer, my immediate predecessor, was a worthy successor of that tradition. For nearly 14 years in the constituency he was assiduous, shrewd and well respected. In the House his grasp of business and industrial relations matters, his kindness, his generosity of spirit and his courtesy were of a high order. I am proud to succeed him.

While Wyre Forest is not an inner city, it is a microcosm of England. Besides 75 square miles of fertile countryside we boast a medieval town of Bewdley, as well as Stourport and Kidderminster, which are the centre of the nation's carpet-making industry. It is heartening that after a period of retrenchment not only can the Carpet Industry Trade Association magazine now talk of a renewed confidence within the industry but that engineering companies associated traditionally with the motor industry are now investing in the area, exporting and creating new jobs. Only last week I visited a firm employing 180 people making car trim for the motor industry which, besides doubling its work force over the past eight years, plans to double its work force again over the next two. As a result, unemployment in my constituency is falling and is less than the national average.

Against that background, it is possibly unsurprising that the rate of crime in the area is half the national average and that last year serious crime fell. That is no cause for complacency. Everybody in the nation, from wherever they come, has an interest in today's debate. That is because the rule of law in any society is indivisible. To allow lawlessness and violence in our major cities is to risk the fabric of that society everywhere.

I still serve on the Birmingham city council. Part of my ward is in Balsall Health where over the past five years I have had the opportunity to see at first hand the problems of policing of the inner city. I would like to make three points about that. First, good policing never loses sight of the fact that, despite stories about the crime rate, despite newspaper stories about violence and despite even rioting, as has just been said by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), the vast majority of citizens in our inner cities are peaceful, law-abiding and considerate. We owe it to those people to ensure that their areas are policed, irrespective of social racial or emotional considerations or even the fear of civil disturbance, in a consistent, fair, even-handed and effective way. Nothing undermines that moral majority more than events such as two that have been witnessed in the ward over the past three weeks.

In the first event, 50 youths were openly dealing in drugs in daylight with only two police to intervene. When those police did intervene, one of them was stabbed in the face. Secondly, there was a shoot-out between competing groups of prostitutes' pimps which, sadly, was virtually unattended.

In the light of such events I strongly support the Government's actions on drug sentencing and the confiscation of the proceeds of drugs and what they are proposing to do to increase sentences for firearms, the use of which is sadly the norm in security van robberies in the west midlands. I urge that consideration be given to the individual licensing of shotguns, as is the case for firearms, and, where appropriate, as my hon. Friend the Member for Davyhulme (Mr. Churchill) said, to further increases in police officer numbers in the inner cities. Contrary to what was said by the right hon. Member for Sparkbrook, that is something that the people of Balsall Heath, whom I represent on Birmingham council, would very much welcome.

Peace in our inner cities is made more fragile by racial tension. There is no doubt that great strides have been taken and that enormous resources have been pumped in to police training, recruitment and multi-cultural activities of all sorts over the past few years in order to increase the understanding and confidence between different communities that live in our inner cities.

There is no doubt that there is a new and virulent anti-racism abroad which proceeds from the premise that all white people are inevitably racist and that they must be purged of that by compulsory anti-racist training and positive discrimination. That attitude is divisive and is likely to heighten racial tensions and differences in the inner cities rather than reduce them. Not only is it condescending to black people but it isolates and balkanises the inner cities and makes their problems more deep-rooted.

One should not be controversial in a maiden speech and I shall confine myself to saying that it is sad to see the reaction of some London borough councils and councils in other areas to the Metropolitan police's anti-racial harassment campaign. Their attitude has not been helpful, nor has the attitude of people who are in charge of the race relations committee in Sheffield. When asked recently—I have a copy of the "Police Monitor" in Sheffield with me—whether the present chief constable was ideal, they replied, "Oh no, you've got to remember that he's in charge of a racist institution." Such comments and actions are not helpful.

It is helpful to support ethnic recruitment into the police force, which has doubled in the west midlands in the past two years. It is helpful to support police and community links, which bolster the position of moderate black people in the inner cities, and to encourage centres of excellence, whether they be technological, academic or sporting. They improve the self-confidence of black people in the inner cities and provide the role model for constructive behaviour.

It has been said that the best policing is not done merely by the police but with and by the people of the inner cities themselves. Crime prevention is not and should not be a middle class preserve. The more we enable people to own their own homes, the more we enable people to manage their own estates, and the more we enable people to be consulted on the refurbishment and design of the areas in which they live, the more will be their investment in their neighbourhood and the more will be their incentive and opportunity to ensure that the standards in those neighbourhoods are maintained.

In Birmingham we have already seen the formation of 700 neighbourhood watch schemes, which last year resulted in a 12 per cent. reduction in domestic burglaries. In the estates in which it is more difficult to set up neighbourhood watch schemes, Estate Action and the community programme, with their system of burglar alarm improvements and the provision of concierges for tower blocks—that is most important—have had a tremendous success, which I am sure will continue. There is a good case for extending tax and property tax reliefs for those inner-city dwellers who invest in burglar alarm protection for their homes.

Finally, there is one area on which group policing and all the initiatives that we have in the inner cities depend. It was mentioned earlier by the hon. Member for Wallsend (Mr. Garrett), and it is the attitude, self-discipline and responsibility of our young people. It is a sobering and frightening fact that the age at which the maximum number of offences is committed is 14 for girls and 15 for boys. All too often children have not received the type of guidance and lead on moral standards which they should and which should be a vital part of the hidden curriculum in our schools. I hope, and expect that the new Education Bill will lay down not only criteria for academic achievements for children during their school life, but clear standards and best practice for their moral and social education to encourage responsible behaviour and all that that entails. For, ultimately, the peace and order of our country, let alone the inner cities, depend on the attitudes, aspirations and sense of self-discipline of our young people.

12.7 pm

Mr. Chris Smith (Islington, South and Finsbury): It is a pleasure to begin by congratulating the hon. Member for Wyre Forest (Mr. Coombs) on his maiden speech. He was perhaps not as uncontroversial as some maiden speakers, and I must confess that I cannot agree with his remarks about racism and the need continually to combat it in inner-city areas. However, he spoke with eloquence and confidence, and I look forward to hearing further from him.

I congratulate also the hon. Member for Davyhulme (Mr. Churchill) on choosing this topic for debate. It is an extremely important issue. The rise in crime, and above all the rise in the fear of crime, in our inner-city areas is not unrelated to unemployment, deprivation and the lack of adequate facilities, especially for young people in those areas. Indeed, that is one of the most important issues currently facing many of our constituents. The hon. Gentleman has done well to highlight that by his choice of subject.

For my constituents and constituency, the hon. Member has picked a peculiarly appropriate day for this debate. Yesterday afternoon, at the Old Bailey, five police officers were convicted of a variety of offences relating to an incident that occurred in my constituency. I want to spend some time on this incident and the case that followed because there are some important lessons to be learnt from it. When the Minister replies, I hope that he will respond to some of the specific points that I shall raise.

As most hon. Members know, the event took place in August 1983 when five young lads were walking home from a local fair along George's road, which is just off the Holloway road. It was a warm summer's evening and a vanload of police officers drew up alongside them. Several officers bundled themselves out of the van and brutally beat up the five young lads. They were entirely innocent youngsters and had done absolutely nothing to provoke the incident. They suffered broken bones, were badly bruised and were in considerable pain. Indeed, one still has an aggravated speech impediment resulting from the incident. It was an outrageous affair and one which all hon. Members will naturally regard as wholly unacceptable in a civilised society.

I am pleased that after four years justice has at long last been done and been seen to be done and that yesterday the judge at the Old Bailey sent a clear message to the public and police alike that when a relatively small number of police officers who engage in this sort of activity overstep the mark, they will be brought to account.

The primary lesson that must be learnt from the incident, however, is the need to review the methods and procedures of the Police Complaints Authority. A week or so after the incident I submitted to the then Police Complaints Board a complaint on behalf of some of the youngsters who had been assaulted. After the two and a half years of investigation, first by the Police Complaints Board and then by the Police Complaints Authority, the authority ended up producing a report in January 1986

[Mr. Chris Smith]

which stated that the incident had happened and it was disgraceful but that it could not identify the individual officers concerned. Two investigations in two and a half years were unable to identify either the van or the officers involved.

I ask the House whether the public can really have genuine confidence in a system of investigating complaints against the police when the Police Complaints Authority —the hon. Member for Westminster, North (Mr. Wheeler) is technically correct in saying that it is independent— must rely on serving police officers to carry out the legwork of investigations. That is the key to the problem. So long as serving police officers investigate and interrogate the police, I do not believe that the public can have complete confidence in the independence of the procedure.

Mr. Wheeler: The hon. Gentleman makes an important and fair point which must be addressed. Does he agree, however, that the significance of this case is that it was the very same police officers who sought justice and obtained it by granting immunity to a police informant which allowed the prosecution to reach a conclusion? The hon. Gentleman appears to suggest an alternative, but where will we find these paragons of integrity who have the skills to enable them to bring these cases to a conclusion? That is the problem.

Mr. Smith: I was about to deal with the hon. Gentleman's first point. His second point is made continually. The argument is that only the police are capable of possessing interrogating skills. A large number of customs officers, Department of Trade and Industry and Inland Revenue officials and ombudsmen's staff have investigative and interrogative skills and use them to good effect. One does not need to be a police officer to interrogate or investigate. It is perfectly possible for an independent police complaints authority to have independent staff, answerable to it and to no one else, to carry out investigative work.

While that is not the case, the public will wish to ask questions. They will want to know how vigorous was the questioning during the two-and-a-half year inquiry period and how much allowance was made for the "clubability" of police culture, whereby police officers quite naturally stick together, and stick their story together, through thick and thin. They will want to know whether it is ultimately right for the police to police themselves. I do not believe that it is, and the Police Federation agrees with me. It wants an entirely independent police complaints authority. I believe that it would be in the interests both of the public and of the police to ensure a greater degree of independence.

Mr. Lawrence: Does not what happened in this case prove the importance of the police's working with the public and particularly with the media? The outcome of the trial resulted from the police working within the system with the help of ordinary members of the public and with the help of the media. Does not that vindicate the system rather than suggest that we should change it?

Mr. Smith: It does not vindicate the system at all. Had the system simply been left to operate as it normally operates, the Police Complaints Authority would have reported in January 1986, saying, "Yes. The incident happened; apologies all round. We have carpeted the 30 officers in the three vans that we think were in the area that evening, but there is nothing that we can do." It took three weeks of public outcry and concern to force the matter further into the open. The matter would not have been reopened without that public outcry, the campaign conducted by many people in the media and, I might add, a lot of pressure from me.

The second major lesson that needs to be learnt from this whole sorry affair is that we need to review police disciplinary rules. At the moment, to find a breach of discipline by a serving police officer the test of proof beyond reasonable doubt has to be applied—precisely the test that operates in a court of law. No matter who is up before a judge or jury, that test must be preserved in a court of law. However, in every other profession, for matters of discipline — not matters of criminal prosecution — the test is not proof beyond reasonable doubt; it is a balance of probabilities. Why is it that for the police, and the police alone, the stiffer test is needed? Why is it more difficult to take disciplinary proceedings against the police, when the police are in a position of far greater authority and trust in relation to the public than the members of any other profession? We need to re-examine the operation of the police disciplinary rules and the strength of the test needed to ensure that discipline can be exacted where necessary. There must be a balance between the natural and legitimate rights of serving police officers and the interests of the public to make sure that discipline exists. At present, that balance is not right and we must try to change it.

The third major lesson that I wish to draw is the need for proper control, supervision and record-keeping of the activities of district support unit vans. The van which carried the five police officers who were convicted yesterday was a district support unit van. I have been unable to establish who was in control of its operations that night. Was it the police station whence it came, or was it the police station and authority covering the patch in which it was operating, which was a completely different station? Who was in operational control of the activities of that van that night? Even more important, what records were kept by the occupants and driver of that van of where it went, what they did and what incidents it attended that evening? Very few records appear to be kept at present, and as long as no records are kept and there is no clear chain of control and command we will always be worried about what some of the occupants of the vans are up to.

Mr. Jeremy Corbyn (Islington, North): I place on record the thanks and congratulations of many people in Islington for my hon. Friend's assiduous work in pursuing this dreadful incident, which happened in 1983, and in helping to ensure the conviction of those five police officers. Will my hon. Friend comment on the fact that many people now believe that the special support unit van which carried those police officers was under the control of no one? There has been no evidence from Scotland Yard that it intends to do anything to rectify the command structure to ensure that such units come under much closer control.

Mr. Smith: I am grateful to my hon. Friend for his remarks and for the point he makes, because it highlights

the difficulty of establishing how such vans should operate and what structure we need to ensure that they operate within a properly disciplined and managed hierarchy.

Mr. Frank Cook (Stockton, North): My hon. Friend mentioned a lack of records, but radio reports this morning give the impression that those officers had been on duty continuously for 36 hours, so some records must exist. Will my hon. Friend comment on the fact that they had been on continuous service for 36 hours? One assumes that they accrued some overtime payment. What justification was there for it, and what purpose did it achieve?

Mr. Smith: My hon. Friend has anticipated my next point.

The fourth lesson that I draw from the affair is that it must be unacceptable to place police officers in a position where they are working a 36-hour shift with a break of only four hours. They are bound to be tired and irritable having been cooped up in the back of a van on a warm summer night. It does not excuse for a moment what happened, but it may make us understand a bit more why it occurred. It is not a sensible use of scarce personnel and resources to have policemen on duty for that length of time. Why, when there was no immediate crisis—they were not rushing to an incident that needed an immediate response—were police officers being made to operate in such inhuman and unsafe circumstances?

The compensation which was awarded to three of the youngsters, which was agreed between the Metropolitan police and them not long after the incident occurred, was inadequate.

I hope that, in the light of what happened, the convictions yesterday and the public concern about the case, the Metropolitan police will see fit to be somewhat more generous than they have been to the youngsters. I ask no more than that they consider that request. Apparently, one young man has not yet reached a settlement. I hope that when he reaches a settlement with the Metropolitan police—I suspect that it will be on more generous terms than the others have already received — the relative generosity of settlement will be reflected in an ex gratia decision to make similar compensation available to the others who suffered in the incident. I do not want to labour the point, but I hope that the message will get through to Scotland Yard. I believe that something should happen along the lines I have suggested.

I fear that the role of the Home Secretary in this affair has not been glorious. I give a degree of credit to Sir Kenneth Newman who decided, off his own bat, in February last year to reopen the inquiry and to make offers of immunity which eventually brought five individuals to justice. Throughout three weeks of public concern, the Home Secretary consistently refused to reopen the inquiry despite the repeated requests of myself and others. According to the Home Secretary, the matter was closed and there was nothing further to be done. We now know how wrong he was. We now know that when the inquiry was reopened individuals were identified and eventually the matter was brought to a head.

This incident raises questions about the role of the Home Secretary as the police authority for London. As long as the Home Secretary takes decisions in an atmosphere that is remote from Scotland Yard and even more remote from the concerns and needs of Londoners, I do not believe that there is any proper, democratic accountability. I certainly echo the calls of my right hon. and hon. Friends this morning for greater democratic accountability of the police as a whole and of the Metropolitan police in particular.

Of course, the Government will produce the old canard of so-called political control of police operational duties by nasty, Left-wing extremists. That is absolute nonsense. That is not what we want. We want the people of London to have a democratic say in the overall way in which London is policed. I would accept rather more readily some of the criticisms that Conservative Members level at some Labour-controlled authorities if they also considered the work that some Labour-controlled authorities undertake in close co-operation with the police.

My authority, Islington, is a precise example of such co-operation. For several years Islington has worked in close co-operation with the local police. It has a well-established police consultative committee. A lot of work is carried out, in a multi-agency manner, regarding the difficulties experienced in particular estates and neighbourhoods. There is a good, constructive relationship between the police and that authority. The authority is not uncritical nor adulatory. There are times when I believe that some Conservative Members believe that the police can do no wrong. What we need is a critical, but constructive working partnership among the local people, local councils and local police forces to ensure that proper crime prevention measures are taken and proper, good quality policing is practised in our inner city areas. That is the way forward.

I hope that out of the tragedy of this incident, which happened just off the Holloway road four years ago, the subsequent long, terrible saga and the trauma which five young men and their families had to go through, some lessons will come. I hope that something is learnt from those lessons not only by the Opposition, but by the Government. The lessons must be learnt if improvements are to be made and if we are to ensure that this sort of incident never happens again.

12.30 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): I know that many of my hon. Friends and other hon. Members want to take part in the debate. I know, too, that there are other debates, and it might be for the convenience of all if the next debate was called, so I shall try to confine my remarks to no more than 20 minutes. I hope that hon. Members will forgive me if I do not deal with all the points that they have raised in as much detail as I should like.

I thank my hon. Friend the Member for Davyhulme (Mr. Churchill) for having introduced the motion. This has been a stimulating and useful debate, and my hon. Friend clearly described the problems that his constituents encounter, and the problems that are encountered in inner-city areas. The fact that he has initiated the debate enables us all to focus on what is undoubtedly a major problem, and we are grateful to him for that.

I hope to deal with the great majority of the points that have been raised. Before I do so, however, I want briefly to sketch the Government's broad approach to the problem of crime. This Government have dedicated more resources, energy and imagination than any other Government ever did to ensuring that we have a properly resourced law and order programme. Our policy breaks

[Mr. Douglas Hogg]

down into three parts: first, to ensure that the police have adequate resources; secondly, to ensure that the courts have adequate powers with which to deal with offenders; and, thirdly, to involve the public in a coherent crime prevention campaign.

My hon. Friend the Member for Davyhulme gave considerable credit to the Government for the provision of police resources. I shall give a few basic figures. In 1987-88 we shall be spending about 45 per cent. more in real terms on the police service than was spent in 1978-79. There are now about 11,000 more police officers than in May 1979, and about 6,000 more civilian staff. That is a process of gradually building up the establishments that will continue, and my hon. Friend will recall that in May 1986 my right hon. Friend the Home Secretary announced his commitment to a rolling programme of increasing police establishments. For example, the London Metropolitan force will have its police establishments increased by 300 a year over a period of four years, and, outside London, the forces will increase by 500 a year over the same period. At the same time, we are giving high priority to a process of increasing civilianisation.

Mr. Soley: The Minister is boasting of a Government who are spending more money than ever before on policing. That Government are boasting of more police officers than ever before, yet the crime rate has gone through the roof, the crime clear-up rate has gone through the floor and there are fewer police on the beat than ever before in recent times. What on earth are the Government so proud of?

Mr. Hogg: I do not understand the force of that intervention. Is the hon. Gentleman suggesting that we should not be concentrating on increasing the number of policemen? If not, his intervention has no value. I do not believe that we can solve the problem merely by increasing the number of police officers. However, that is an important element in our programme, and that is why I am doing it. I hope that the hon. Member for Hammersmith (Mr. Soley) is not suggesting that we should not increase police establishments. If that is his suggestion, I hope that he will be candid about it in the speech that I feel sure he is anxious to make.

That is the first aspect of the policy upon which I wish to expand. The second aspect is that we are determined to ensure that the processes of the law are adequate to detect, to try, to convict and to deal with offenders. For those purposes, over the period of the last two Parliaments we have made a substantial number of changes in the criminal law. We have introduced a new range of offences; for example, in the Public Order Act 1986. We have introduced new mechanisms for the detection of crime; for example, the serious fraud office. In a number of important areas we have increased the maximum sentence that can be imposed. As I think the hon. Member for Brent, South (Mr. Boateng) said, we have introduced a power to confiscate the assets of drug traffickers. That programme is designed to ensure that society has the law that it requires in order to keep the peace and punish the wrongdoer. We shall continue that process of increasing the powers available to society.

My final point on this aspect of crime prevention was raised by my hon. Friends the Members for Sheffield, Hallam (Mr. Patnick) and for Wyre Forest (Mr. Coombs). They emphasised the very great importance of crime prevention, and they were right to do so. The campaign against the criminal cannot be left to the formal institutions of society. Society as a whole needs to be involved, partly because that is the nature of any campaign, and partly because crime itself is very largely opportunistic. Therefore, the Government have put forward — I think for the first time — a broadly-based and coherent programme of crime prevention. That programme included the neighbourhood watch schemes, the crime prevention panels, advertising, the use of the community programme and, of course, the funds in our inner-city programmes.

We have brought forward for the first time a coherent and co-ordinated crime prevention programme. Over the lifetime of two Parliaments the Government have, first, increased the resources available to the police; secondly, enhanced the powers of society to fight the criminal; and, thirdly, put together a wholly coherent and co-ordinated crime prevention programme.

I should like to turn from the generality to the particular and address the points raised by my hon. Friend the Member for Davyhulme. Understandly, he is concerned about the policing needs of Greater Manchester, and he put the case for Greater Manchester in the eloquent way that I would expect of him. It would be helpful for me to emphasise a few points and a few facts.

First, I shall give some basic figures. On 31 May, there were 6,873 officers in the Greater Manchester area. That was an increase of 433 since May 1979, and I am pleased to see that the deficiency in establishment is reducing. In 1986-87 there was an average of about 178 vacancies on the force. I am pleased to see that that is now dropping, and I understand that by March 1988 it is hoped that the force will be up to establishment. Moreover, in addition to police strengths, there has been a substantial increase in the number of civilians in the force. On 31 May, the civilian strength was 1,837, an increase of 428 on May 1979. That is very important, because through the process of civilianising a force we free more policemen for operational duties. In the Manchester force at the moment the level of civilian strength at 18·5 per cent. is lower than the average of the civilian strengh measured in England and Wales generally. There is room for more civilianisation in the Greater Manchester force. I know that the chief constable is currently pursuing such a policy and I hope that he will continue to do so.

As to funding for the Greater Manchester force, I know that my hon. Friend will welcome the fact that my right hon. Friend the Home Secretary has set the expenditure level for the force at a point that will allow spending to be increased by 13 per cent. over budgeted expenditure for 1986-87. That will enable the force to undergo a period of positive growth.

My hon. Friend will no doubt say that that is not enough. I understand why he will argue in that way, but I hope that he will bear in mind some of the following points. I do not accept that the Greater Manchester force is undermanned to the extent that my hon. Friend suggested. He suggested that the force would have to be increased by 40 per cent., or about 3,000 men. I know of no compelling evidence to that effect. The police to population ratio in the seven metropolitan areas is better than the average police to population ratio of all the forces

in England and Wales. Within the seven metropolitan forces, the Greater Manchester police force has the third most favourable police to population ratio.

I do not believe that the answer to crime is to recuit more highly paid police officers, although there is a need for more officers. That is not the sole answer, nor can it be so, if only because the cost of the operation would be so great. Each officer costs about £25,500 and, to get one additional officer on the street, force establishments must be increased by about five men. It follows from that that if one believes that one can tackle the problem of crime by substantially increasing the number of beat officers, one is thinking in terms not of hundreds, but of many thousands, and that is not a policy that I can put to the House.

What we must do is increase force establishments in a steady, evolutionary and progressive way and meet identified needs where they can be established, rather than say, "I shall commit a Government or Parliament to a manpower programme that is measured in thousands." There is no positive correlation between the number of police officers and the detection of crime. In the Metropolitan force there is a favourable police to population ratio, when measured against other forces, yet it has a low clear-up rate. The force in Northumbria is an example that points in the other direction, because it has a favourable clear-up rate, but its police to population ratio is not favourable in comparison with others.

Mr. Garrett: I hope that the hon. Gentleman has not forgotten the plea that I made about the need to bring the Northumbria police force up to strength. If the hon. Gentleman reads my statement, he will probably agree that there is a good case for a few more officers.

Mr. Hogg: The hon. Gentleman put his case very eloquently and I shall take the points that he made into account. However, we must assess whether there is a proven and identifiable need within the hon. Gentleman's police force area.

Mr. Garrett: I hope that the hon. Gentleman has not forgotten about it.

Mr. Hogg: I never forget the hon. Gentleman; he is an unforgettable hon. Gentleman.

My hon. Friend the Member for Davyhulme said that we should transfer resources from the shire counties to the inner cities. In part, we have done so.

Since May 1979 we have increased establishment posts overall in England and Wales by 5,000, of which 1,226 have gone to the Metropolitan force and more than 1,000 to the remaining six joint metropolitan forces. But I cannot tell my hon. Friends who represent the shire forces that their needs are less important. The needs of the shire forces, though different, are often as great and compelling as those of the inner-city forces. My hon. Friend the Member for Davyhulme well knows the anxiety about the level of the Sussex force. He will recall the debate organised and attended by his hon. Friends before the general election, during which the Home Office came under much criticism for failure to increase that force. Members representing the Thames Valley area will be seeing me next week, when they will no doubt say that the Home Office has been unduly neglectful of their interests. That is happening in virtually every area. One cannot say that the shire forces should be neglected in favour of my hon. Friend's area.

Mr. Churchill: I do not suggest that they should be neglected but that they should not be over-provided for while the inner city areas are under-provided for. With respect, my hon. Friend lays too much stress on the police to population ratio, when the police to crime ratio in my view is more important. In that respect, we are very badly provided for in terms of resources and manpower. As I have said, every police officer in Greater Manchester has to deal with 65 per cent. more crimes than his counterpart in the City of London.

Mr. Hogg: My hon. Friend makes his point clearly, but Members representing the shire forces will not accept that those forces are over-provided for.

My hon. Friend and the House generally should treat crime figures with some caution. Recorded crime is not the same as the actual incidence of crime. The report by the Commissioner of Police of the Metropolis, published a few days ago, contains an interesting passage on page 1, in which the commissioner makes the following telling statement:

"there was an actual rise of 20 per cent. in domestic burglary over the period 1972 to 1983 while the number of recorded offences rose by over 100 per cent."

One must clearly be extremely cautious about drawing too many general conclusions from the figures for recorded crime.

I am grateful to the hon. Member for Wallsend (Mr. Garrett) for saying that we must assist the police. He then put in a promotion for his own force, which I entirely understand. The hon. Gentleman was wholly right in what he said, but he will forgive me for suggesting that he might seek to convince the many Labour Members and Labour local authorities who take a different view. I have in mind Manchester city council, Lambeth borough council, Haringey borough council——

Mr. Garrett: Will the Minister give way?

Mr. Hogg: The hon. Gentleman will forgive me if I do not give way.

Mr. Garrett: On a point of order, Mr. Deputy Speaker. The Minister cannot implicate the people of Tyne and Wear and the north-east in any misdemeanours that may take place in London or Manchester. We are far from that level.

Mr. Hogg: The hon. Gentleman personally says that it is important to assist the police, and I agree with him, but too many people in his party take a different view. I hope that he will seek to persuade them otherwise.

I congratulate my hon. Friend for Sheffield, Hallam (Mr. Patrick) on an eloquent and distinguished speech which was marked by a degree of conciseness which the House would wish Ministers to emulate. He made a notable tribute to our friend and former colleague, and he will come to have the same respect in this place as his predecessor had. I agreed with my hon. Friend when he stressed the need to involve society as a whole in the policing of our country. He was right to emphasise the need to achieve proper design in the construction of estates. There is no doubt that one can design out crime, and one should do so in the early stages of any building scheme.

The hon. Member for Greenwich (Mrs. Barnes) made a contribution which, like most Liberal party contributions to the matter, was singularly immemorable.

[Mr. Hogg]

However, she made one or two points that I shall seek to wreck—*[Interruption.]* I shall seek to answer them. I do not accept the criticism about the Police Complaints Authority. It is an independent authority — as its investigation will show — which brings an independent judgment to bear on complaints about the police service. It would not be sensible or wise to provide it with an investigation branch outside the existing police service.

The matter of knives was raised by my hon. Friend the Member for Streatham (Mr. Shelton) and by the hon. Member for Brent, South. I agree that it is a major problem. I hope that the Government will be able to come forward in the near future with positive proposals to deal with the sale of certain offensive weapons and also, I hope, though I give no commitment, with the carrying of them.

The hon. Member for Brent, South spoke about racial harassment. I entirely agree with what he said. Racial harassment is a serious offence, in that it undermines social cohesion and is wrong in principle.

Mr. Corbyn *rose*——

Mr. Hogg: I shall not give way any more. I wish to conclude my remarks.

Mr. Corbyn: It will be helpful.

Mr. Hogg: It is kind of the hon. Gentleman to wish to help me. I shall bear in mind, when next he rises, that he is likely to be helpful, but I shall not give way on this occasion.

I entirely agree with the point made by the hon. Member for Brent, South about the need to combat racial harassment, and the Metropolitan constabulary is alert to that. It would be quite foolish to pretend that all officers within the police force are free of prejudice. Since I have held my office, I have noticed that, of all the formal institutions of society, the police have done more to put their house in order than any other that I can readily think of. Sufficient credit is not given to them for that.

My hon. Friend the Member for Warrington, South (Mr. Butler) also made an eloquent speech. The House will be grateful to him for the tribute that he paid to our old friend and colleague, his predecessor Mark Calisle, who commanded respect and had great influence in the House. My hon. Friend is likely to inherit and earn that legacy. We were pleased to hear him speak today. I agree with his view of the necessity to ensure that criminal punishments contain an element of punishment, retribution and deterrence. That is right. The criminal law is about punishment, deterrence, and exacting retribution. That is proper. I was sorry to hear that we cannot agree with him on the matter of increased remission, though he will bear in mind that the maximum period of remission is two months.

The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) made the kind of eloquent speech that one expects of him. Of course, he returned to the subject after four years, so one would not expect him to be wholly played into it. I agree with what he said about the need to be evenhanded in one's approach to policing in the community, especially in the context of ethnic minorities. The police are conscious of that and are seeking to ensure that the breaches and misconduct that have occurred in the past are eliminated.

I congratulate my hon. Friend the Member for Wyre Forest on his contribution. He was right to congratulate Esmond Bulmer on being such a successful Member. It is clear that the new hon. Member for Wyre Forest will achieve a similar status. I was glad that my hon. Friend supported our policy on confiscating assets from drug traffickers. I understand his comments on shotguns, and I agree that there should be a place of security requirement, but I do not think that it would be right to extend the section 1 licensing system to shotgun control.

The hon. Member for Islington, South and Finsbury (Mr. Smith) made an important speech, not least because he dealt almost exclusively with the case which troubles us all, and which was reported in today's newspapers. I do not think that what happened points to a failure by the Police Complaints Authority. The cover-up concerns officers who were either involved in what happened or knew of it. There is no criticism of the officers involved in the investigation of the offence.

I do not think that criticism can be attached to the Police Complaints Authority, which I regard as an efficient and independent investigatory body. It would not be right to dilute the standard of proof currently required. In police discipline cases, serious consequences can flow, such as dismissal from the force, substantial fines and besmirchment of character. In such circumstances, I prefer the present standards of proof to be maintained. I do not deny that lessons can be learnt. We shall seek to learn them.

I am ashamed to say that I have overrun by six minutes the time that I had set myself. I can hear that some of my hon. Friends think that I should shut up and sit down. I propose to do both, but in the process of sitting down I want once again to thank my hon. Friend the Member for Davyhulme for choosing this subject for debate. We have had a stimulating morning and many points have been made that the Government will wish to address.

12.58 pm

Mr. Clive Soley (Hammersmith): I congratulate those hon. Members who have made their maiden speeches today. They have continued the new tradition of being controversial in their first speeches. That is good, because it means that an hon. Member gets everything off his chest and does not have to be so extreme in future. I look forward to new hon. Members adopting a more balanced approach to our problems.

I congratulate the hon. Member for Davyhulme (Mr. Churchill), who has a distinguished record in winning the ballot. I am impressed by the self-flagellation of the Conservative party over its law and order policy. Such has been the failure of the Conservatives' law and order policy that they are in the "What's gone wrong?" phase and constantly looking at the problems afresh. I welcome that, because Conservatives made many simplistic and stupid statements in the late 1970s and throughout the 1980s, believing that they could do something about law and order by becoming tough, throwing police officers at the problem, or using the police force as the Prime Minister's private army. The police force should not be used in that way. Law and order in Britain is a disgrace under this Government.

This morning, we have heard comments about some Labour councillors who have said or done certain things. No one should say that the exercise of free speech undermines the law. It does not. I shall tell the House what

undermines the law sometimes. It is when people, particularly in places such as this, break the law. I will not accept from the Conservative party criticism of the type that it has made from time to time, because that party, in recent times, has set a particularly bad example in breaches of the law.

I am not in the business, and never have been, of rubbing people's faces in the dirt when they have committed an offence. The problem is that if the Conservative party accuses someone who is exercising the right of free speech of undermining the rule of law, it has to be sure that its own house is in order. The tragedy is that it has not been. I will accept from Conservative Members or from anyone else that some members of the Labour party have sometimes said things that were stupid, wrong or whatever, but they have a right to do that, even though I may think it is stupid and wrong. What none of us should encourage is breaches of the law, and that is where the Conservative party cannot hold a candle to the Labour party or any other party. If we do not understand that, we will reduce the debate to the level of hurling insults against individuals who have either spoken in a way that is unwise or behaved in a way that has brought them into direct and real conflict with the criminal law. That is what does the damage and that is what we must not allow to continue.

Mr. Patnick: I accept that I am a new boy. If I understand the hon. Gentleman correctly, he is saying that the party is to blame, not the individual. I said that it is individual councils and individual people who are to blame. If that is put on a reciprocal basis, I accept it, but for the hon. Gentleman to damn the whole party without illustrating that at all, I find is not worthy of those who sit on the Opposition Benches.

Mr. Soley: The hon. Gentleman's point is right; but he has got it the wrong way round. I am saying that it is wrong to damn parties for the actions of individuals. That is precisely what his party has been trying to do. I urge him, not for the first time, to stop doing that. If the Conservative party will stop doing that, I will stop damning it for the actions of individuals because I have no desire—it is not in my background or training—to rub in the dirt the noses of individuals who have come into conflict with the law because of acts which have got them into trouble with the courts. The Conservative party must face that responsibility.

I want to make one or two passing points before I go on to the main issue of policing in the inner cities. The problem for the Conservative party, as the Minister stated beautifully in his speech, is that it knows that its current policy on law and order has failed disastrously. The Home Secretary and the Minister want to do something about it. However, at the same time, they want to placate those in the Conservative party who are calling for tougher measures. So we get the utter absurdity of a Home Secretary introducing a Criminal Justice Bill that will allow political pressure to be put on the Attorney-General to make lenient sentences longer. However, when that is done, the Home Secretary will let them out early. That is what he did yesterday—he gave remissions to several thousand offenders. He did not consider the conditional release scheme that I have been urging on the Government for some time, which would at least provide some sanctions if there were breaches of the law again. None of that was done.

The Minister made a speech in which he indicated that he knew that it was a profound mistake to throw police officers and money at the problem in the belief that that would solve it. At the same time, he is hoist on the petard of going around year after year saying that we must have more policemen, that they are the thin blue line and all those phrases that are somehow supposed to solve the problem. That is one of the things that demoralised the police.

The Government told the police that they were the answer to crime. Of course, they were not, and they could not be. Sir Kenneth Newman and many other senior police officers recognise that they cannot be. The police force started from the position of believing that it was going to be used by the Government to deal with the crime wave, but suddenly it found the exact opposite—the crime rates going up, the clear-up rate falling and fewer police officers on the beat. Suddenly the police had to say to themselves, "We are not the answer." The Government, who were telling them that they were the answer, were saying, "You have to account for your money a bit better; we don't like the way that you are doing your job; you have to look at it differently."

The hon. Member for Davyhulme made the valid point that perhaps we should be looking at the number of police in relation to the number of crimes. However, even that is not good enough, The Government have failed to look at the way in which their general policies have created a crime wave in this country worse than under any other Government, Labour or Tory, and worse than any other comparable European country. There are policies, such as the board-and-lodging allowance which push young people into homelessness. The Home Office knows that homelessness is linked with drug addiction, alcohol abuse and crime, but no thought is given to crime prevention. Above all, there are cuts in the provision for crime prevention and in the victim support schemes that do so much to deal with the real problem of crime rather than simply responding to crime, which is a large part of the job of the police.

There is a large deterrent and prevention aspect of policing, but policing is largely about responding to events. There is a simple message here. Twenty years ago there was one police officer to every 603 citizens. There is now one police officer to every 394 citizens. We can go on down that road until we reach the situation where half the population are police officers and half are not, but the crime rate will still be going through the roof. We will not solve the problem unless we address crime prevention and victim support and stop cutting back on the services that prevent crime, which are provided largely, but not entirely, by local authorities. I do not want to speak about that any more today; I want to concentrate on a couple of specific issues related to policing.

The first issue which touches on prevention, is the use of weapons. People in my constituency raise, with me the use of knives. I was encouraged by what the Minister said, because it sounds as if he is moving in the direction in which I urged his predecessor to move some years ago. We need a committee or a group in the Home Office which is constantly reviewing the availability of weapons in society and making the recommendations and changes in the law that are necessary. It is a fast-moving area.

Stanley knives have only recently become a problem in cases involving the slashing of people. The problem is that one cannot stop the use of Stanley knives at the point of

[Mr. Soley]

sale. I am in favour of stopping the Rambo knives and so on at the point of sale, and I have recommended that. I have also recommended clamping down on some of the magazines that promote such things. However, we cannot stop the sale of Stanley knives. Therefore, we should ensure, for a period of time, that they are sold only in containers that are difficult to open and that they have to be transported in the container. The makers are willing to do that.

There are other areas in which one can deal with the problem and I urge the Minister to look at them. It may be that a young person will carry a knife quite innocently. I used to walk around London with a knife when I was young. It was normal and part of our culture. It was perfectly legal to wear a sheath knife on one's belt. The problem is that at times one needs to be able to take that weapon off a person. Therefore, rather than make it easier to convict a person for carrying an offensive weapon, we need to make it easier for the police to confiscate the weapon and, if necessary, have some system whereby perhaps a parent or the person involved goes to a senior officer to claim the weapon back as long as there is no dispute about the use of it. The person may simply have been carrying the knife from one house to another.

We cannot legislate for these matters simply by saying that we will take away the intention to do some evil with a knife. If we do that, we put innocent people at risk; and the Minister, who is a lawyer, will appreciate that. I strongly suggest that we look at more sophisticated ways of crime prevention.

The hon. Member for Streatham (Mr. Shelton), who spoke about prostitution, is no longer in the Chamber. Southampton, a Labour-controlled council, has introduced one of the best methods of dealing with prostitution. Rather than explain it in detail now and take up the time of hon. Members, I recommend that people go and see what the Labour council has done to deal with one of the most difficult red light areas of the country. It is far better than simply having more laws in order to book drivers for driving around and picking up prostitutes.

The main aspect of policing to which we should be addressing ourselves, but are not, is training. It is grossly unfair to a young person, often in his or her late teens or early twenties, to be put in uniform on the streets of one of our inner cities with only the basic 20 weeks' training plus a couple of years' probation while doing the job. The probationary period varies greatly in quality. It could mean that there is virtually no supervision or that there is quite a lot of good supervision. In London, 80 per cent. of the police force comes from outside, so officers have little knowledge of the area that they are to police. We must extend and improve the training period.

A problem in the Islington case was that of a macho-closed culture. The way round that is to ensure that the training is carried out not only in police colleges, or in the colleges and universities where other courses such as social awareness skills are taught at the moment, but by placements in community groups of one type or another. That would mean that the experience of police officers would be more rounded and generally based in the community than at present. It would also mean, and above all, that we would not create an elitist force which works well when it functions at its best, but which, when something goes wrong, can be used easily as a cover-up.

The Minister could quickly do something else for police officers as a result of today's debate. He could make sure that there is a system under which a police officer, who feels that a serious wrong has been committed, can go to someone, possibly outside the police force, to lodge his concern. We know that a problem for the police force during the past 20 years has been not that there are one or two bad apples in the barrel — we know that all professions have a bad apple in the barrel—but that the other apples did not do anything about it. One reason is that it is difficult to go to a senior officer and say that a certain man is breaking the law in some way because one then may become at risk. I do not mind whether we provide that system through the independent Police Complaints Authority, which my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) so ably described, or through Her Majesty's Chief Inspector of Constabulary. However, we need some such system.

We need also to create a career structure for the community police officer. If we believe that the beat policeman is important in reassuring the community, we should give him a career structure. At the moment the average length of time that is spent in that job is three years. If we wish to encourage an officer to do that job for longer, we must provide a career structure by either financial or career incentives. I understand that in one European country promotion is given but one is allowed to stay on the beat. For example, inspectors work on the beat. That would be one way of dealing with the problem, but I have suggested others on other occasions.

Police accountability has not been dealt with properly in the past. It is not only about the way in which the police do their job, although that is important. The crucial fact is that we cannot achieve good crime prevention unless the police, the community and the local authority work together. As the crime rate has increased in our inner-city areas some groups, especially the elderly and the isolated, have screamed for more protection. That is understandable, because they feel most threatened. However, the police have then gone in in ways that might have been inappropriate or even heavy-handed, resulting in precisely the problem that we witnessed the other day in Islington. If we are to deal with that problem, we need a perfectly normal local authority input — such as is provided for the social services, education or housing — for police accountability.

There will always be a duty to enforce the law. However, there should be a system such as I described when I was a Front-Bench spokesman, because although there is always the right to have the law enforced and to have minimum standards enforced by the Home Secretary, there should be stringent police inspectorate. All those things, if linked with a good crime prevention and victim support scheme, could begin to give us way back out of the dreadful wave of crime, the collapse in the prison system, and the riots that have occurred under this so-called law and order Government. There must be a way back. Indeed there is a way back, and we should take it.

1.14 pm

Mr. Terry Dicks (Hayes and Harlington): I am disappointed that the Minister decided to speak when he did. I am sure that he had a good reason for it, but to comment on some speeches and not leave himself the opportunity to comment on all of them is slightly insulting

to hon. Members who have waited since 9.30 am to make speeches. I should have thought that at least he would listen, and comment on our speeches.

Opposition Members have spoken about the policemen who were sentenced yesterday. No Conservative Member would condemn them for that and certainly we are glad to see that justice was done, but it would have come over better if Opposition Members had also criticised what happened at Broadwater Farm when PC Blakelock was not merely beaten up, but stabbed dozens of times. The hon. Member for Tottenham (Mr. Grant) actually said at the time that it was a good job and the police got a bloody good hiding. At that time Opposition Members did not condemn that incident. But I can tell the House that the police force in London recognises what is happening and knows where its friends are and, more important, where its enemies are.

I shall touch on three matters which cause problems in inner-city areas. The first is demonstrations. Week in, week out people take to the streets of our capital city and other major cities. We see long streams of marchers who make a political point but nothing else. Hundreds of policemen must be taken from crime prevention and detection to police those demonstrations.

Mr. Allen: Will the hon. Gentleman give way?

Mr. Dicks: No. I do not intend to give way; I do not have time.

The morale of the police on those demonstrations is appalling. Normally it is those on the Left who want to waste ratepayers' and taxpayers' money because of this so-called democratic right. They do not recognise and do not want to recognise the right of ordinary people to go about their normal business. The sooner the Government consider the right to demonstrate, the better. I suggest that we make those who want to demonstrate responsible for paying for the demonstration.

Mr. Allen *rose*——

Mr. Dicks: With every right there is an obligation. Demonstrators want their right but do not want to meet their obligation.

Mr. Allen: Will the hon. Gentleman give way?

Mr. Dicks: I do not intend to give way at all.

I am worried about the police monitoring groups. The hon. Member for Brent, South (Mr. Boateng) was the chairman of the police committee of the Greater London council—one of the most obnoxious police monitoring groups that London has ever seen. Not a day went by without him condemning the police or their activities. He was the most careful police watcher and was most careful to turn a blind eye to what criminals were getting up to.

These monitoring groups look to protect ethnic minorities against the indigenous population. Whether hon. Gentlemen like it or not, that is the truth. That is how the normal everyday British person sees it. These dreadful police monitoring groups undermine the morale of the police. The police are constantly having to answer mainly false claims by them. That undermines police morale, takes up valuable time and takes them off the streets where they belong.

The most important aspect of our inner cities that we must face is what I call ethnic area policing. Opposition Members say that we must have an even-handed approach. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who I am sure has gone off to the Gay Hussar or somewhere else, said that it was vital that we had ethnic area policing and that it must be even-handed. I could not agree more. But then I wonder why on television this week policemen who police Brixton said that they could not make an arrest or take action because it was a West Indian area and there might be some confusion or even a riot. The police said on television that they must be more careful policing those areas than others.

My next subject is the Notting Hill carnival. If I wanted a carnival in my constituency which blocked the streets for three or four days and caused mayhem, and at which there were drugs and where petty offences occurred, my police authority would tell me that I could not have it. But because we have a group of West Indians who live in that community they can block up the streets of Notting Hill for three or four days or as long as they like. The police on duty have been told by their senior officers to turn a blind eye to petty thieving and drug taking because otherwise problems may be caused.

Mr. Allen *rose*——

Mr. Dicks: Constables were told, "If the girls want to dance, take your hat off and dance with them." In Hayes and Harlington that would not be allowed.

I, too, want even-handed policing. That means that if a crime is committed at Broadwater Farm, in St. Pauls in Bristol or in Brixton or anywhere else the police deal with it as a crime and treat the people involved as criminals, whether they are black, yellow, pink or blue. The vast majority of British people are sick and tired of listening to the begging and pleading for special consideration to be given to the ethnic minorities. Crime has to be prevented, and the sooner we have even-handed policing, the better. We must get down to this problem. We must examine the race laws and the intervention of the Commission for Racial Equality, which causes more trouble in race relations every day than most people cause in a lifetime.

Mr. Allen: On a point of order, Mr. Deputy Speaker. I am sorry, but as a new boy I must ask you whether it is in order for an hon. Member to attack other institutions in our society in this way. The hon. Gentleman may not care to discuss these points, and I do not blame him, but is he in order?

Mr. Deputy Speaker (Sir Paul Dean): This is a very wide-ranging motion.

Mr. Dicks: For as long as I can remember, and for many years before, it has been a tradition in this House that an hon. Member has a right to say anything he likes within the rules of decency and the customs of the House. I have criticised the CRE both inside and outside the House and I shall continue to do so. For the reasons that I have suggested, the morale of the police in our inner cities is very low. They are sick and tired of having to waste their time walking up and down the streets of our cities and having their status undermined by so-called police monitoring groups—bags of Lefties who want to do nothing else in life but hammer the police. The police are sick and tired of having to behave in a different way in Brixton from the way in which they behave in Hayes and Harlington. Those considerations have to be taken on board, and the sooner we do something to protect ordinary people, whether black or white, the better.

1.23 pm

Mr. Jeremy Corbyn (Islington, North): That was one of the most scurrilous and racist speeches that it has been my misfortune to listen to for a very long time. The hon. Member for Hayes and Harlington (Mr. Dicks) should look to himself and to his own past. Many Indian people in London remember his disgraceful record as chair of housing of his borough council. They remember how he threw homeless people into taxis and sent them to the steps of the Foreign Office to show his contempt for homeless people and for people of different ethnic origins. His speech was a disgrace to himself and to this House——

Mr. Allen: And to his party.

Mr. Corbyn: Yes, to his party, too, although plenty of people in his party probably agree with him.

In the hon. Gentleman's speech I detected the seeds of something far more sinister than the nasty prejudices for which he is well known. His speech seemed to contain the seeds of a movement to ban free speech and the freedom to demonstrate one's political opinions in the capital. It suggested a discriminatory policy of preventing people of different cultures from taking part in cultural activities in our capital city. His party should examine carefully the speeches that he makes and the attitudes that he wants to bring to this Chamber. I am glad to see that he has now left the Chamber.

This debate is about policing the inner cities and the subject must be considered in the context of the lives of people in inner-city areas. The area that I represent is very much an inner-city area. It is poor and we have well over 20 per cent. registered unemployment. The poverty is enormous. About one third of the electors in my constituency depend on pensions or state benefits. We have a very high crime rate, and the clear-up rate is comparable to that in the rest of the metropolitan area. We have problems of attacks on the person, sexual and racial assaults, but also crimes against property — theft, burglary and damage to property. Insurance rates are very high. Indeed, in some parts of my constituency people who have had several break-ins find it almost impossible to get insurance for their goods and property. High crime rates affect the poorest people in the poorest parts of the country and that is why we are particularly concerned about them.

I read with interest the report of the Commissioner of Police of the Metropolis. We must examine these matters carefully in the context of the clear-up rate of offences recorded by the Metropolitan police. According to Home Office figures, in 1986, there were 20,000 recorded cases of violence against the person; only 9,950 were cleared up. By the standards of the Metropolitan police, that is a fairly high clear-up rate. The police recorded 3,800 offences of sexual assault; 1,933 were cleared up. They recorded 16,000 offences of robbery, of which 1,900 were cleared up. There were 157,000 cases of burglary, only 16,000 of which were cleared up. These are staggering figures. For theft and handling of stolen goods, 413,000 cases were recorded and only 61,000 were cleared up. The clear-up rate is extremely low by any standards.

The Commissioner of Police of the Metropolis frequently appears on television saying that he needs more manpower. I wish that he would not use that term, because we want to see more women constables as well as male constables in the police. As my hon. Friend the Member for Hammersmith (Mr. Soley) said, increased manpower is not the solution to the problem. Merely increasing manpower, as the Metropolitan police have done consistently, has not increased the clear-up rate or reduced the rate of crime—apart from some marginal changes year-on-year. People may be surprised to know that the force establishment of 27,515 is an increase on the figure of 10 years ago, and in most years the force has been very near to total establishment. The police seem to wish to increase their establishment instead of considering more carefully the causes of crime in London.

I wish to draw attention to some areas where the police have a clear influence and where their advice and recommendations have had an effect. The number of violent crimes in London is related to the availability of knives and other weapons and to the issuing of firearms and shotgun certificates. There is a growing trend of people wanting to open firearms shops. We have discussed the matter with the Home Office, and delegations have met the Minister concerned to express their anxiety.

Someone who wishes to open a gun shop in an inner urban area of London cannot possibly say that the guns will have a legitimate sporting use anywhere in the area. Nowhere in my borough would it be remotely safe to use a gun for any purpose, because it is too densely populated. Indeed, there are only 180 acres of open space in a borough with a population of 186,000. It cannot be safe to sell guns there, and the same applies to neighbouring boroughs. Yet the number of firearms certificates held in the Greater London area increased from 8,957 in 1985 to 9,084 in 1986. The number of current certificates for shotguns increased from 37,147 to 41,814. There has been a slight decline in the numberr of registered firearms dealers from 288 to 287, but I suspect that that has more to do with the reduction in the number of arms fairs during the year than with a reduction in the number of dealers who are selling arms. Any examination of the cause of crime in London must consider the availability of guns, shotguns and weapons such as knives that can be used in offensive attacks.

I realise that there are great difficulties in controlling the sale of knives. Indeed, in some cases it is almost impossible to define the law in such a way as to prevent the sale of a particular type of knife. However, far more work and thought should be given to this matter, otherwise we shall see an outbreak of violent crime, using knives and the like, in the inner urban areas, which will make life difficult for the residents of those areas. The victims of such violence will suffer horrendously.

The police force in London was established in the early part of the 19th century. Since then, there has been little democratic control over that police force. Indeed, the only opportunity available to the elected representatives of the people of London to make any comments about the role of the police force in London is the annual debate on the policing of the metropolis. I understand that that debate will not take place until the autumn. That is not a satisfactory situation by any stretch of the imagination.

The Metropolitan police force is not a small body spending a small amount of money. It has a total expenditure of nearly £1 billion—£925 million in the current financial year. Of that total, £530 million comes from the Government and about £228 million from the ratepayers of London.

Hon. Members representing London strongly criticised the suggestion that there should be super policing arrangements—large police divisions in London. In the

debates of the past two years, we made the specific criticism that we thought the inner-city areas of London would be treated as areas of frontier policing. The main head offices of the new divisional commanders would be set outside those inner-city areas. All those command posts of the divisional police forces, with one exception, have been established well away from the inner urban areas. The police headquarters for my constituency are situated in Chigwell, in Essex. From a social point of view that area could not be more different from the area of Finsbury park.

I strongly believe that we should change the structure of the Metropolitan police so that it is more localised. Above all, we should make the police force in London far more accountable.

The Greater London Council was destroyed by this Government because they did not like the proposals that the GLC put forward and the way it attempted to work on behalf of Londoners nor the elected representatives of the GLC. Every elected council that has elected Labour councillors in the majority and has sought to carry out the policies that were advocated, openly and freely, in democratic elections, have been rate-capped and had their powers severely curtailed. In London, more so than in any other part of the country, we have seen the centralisation of power. Power has been taken away from the people of London and put in the hands of the Government. In that context, it is even more important to consider the democratic accountability of the police force.

We should also consider the legislation that has gone through the House in the past five years and significantly increased the powers of the police—for example, the Police and Criminal Evidence Act 1984 and the Public Order Act 1986. Those Acts, together with the Government's refusal to allow a Bill that sought to make racial harassment and racial crime a criminal offence, have illustrated that the balance of power has been taken from the people of London and given to the Government. That is one of the main reasons why I argue strongly for an elected police authority for London.

What response has the Home Office given to the London Strategic Policy Unit policy document by the police monitoring and research group on police accountability? I know that the Minister has already spoken, but I am sure that he could write to me about this. The policy document said:

"The Police Committee of the strategic authority would have the following powers and duties: to appoint and dismiss the Commissioner of Police . . . to give directions 'for the more efficient administration of the police', to give directions concerning the establishment of the Metropolitan Police, to approve police orders and regulations made by the Commissioner, to appoint the Receiver of Police and civilian heads of departments, to give directions to the Receiver of Police concerning police fund receipts . . . and a duty to keep itself informed as to the working of the police complaints system"—

as per the Police and Criminal Evidence Act 1984.

The borough police committees, which would be for a more local area, would be involved in approving the appointment of borough commanders, approving orders and regulations on matters related solely to the borough, and being consulted by and advising the police committee of the strategic authority on policy matters of a London-wide nature. They would also require the borough commander to provide information and reports on any issue related to local policing, and be consulted on the Metropolitan police budget; they would oversee the general nature of complaints made in the borough and make arrangements for obtaining the views of the community concerning policing within that area, under part of the Police and Criminal Evidence Act 1984.

The Government's continual attacks on labour-controlled local authorities that have tried to set up an elected police authority come ill from a Government who are so hell-bent on centralising everything around themselves. The issue of centralisation of power is important and serious. The Government's cheap attacks on labour-controlled authorities do them no good. My own borough, for example, has worked extremely hard to reduce the crime rate in its area. It has worked hard on security in council estates, on the design of council estates, on giving advice on crime prevention and on how to follow up on crime. There is no way in which our borough council, or any other, supports crime; quite the opposite. It is the poorest people in the poorest parts of the inner-urban areas who suffer the most from that sort of crime. The policing direction of London is not helping the worst-off people of London. There seems to be an obsession within the police force with high-technology policing; incredible amounts of money are being spent on the police air arm, for example, and on high-technology radio equipment, and far less emphasis is placed on the day-to-day concerns of ordinary people and the crimes from which they suffer.

When the Minister thinks about all this afterwards, I hope that he will have a thought not only for the role of policing in the inner-urban areas but for the relationship between the police and the local community. If the police want the support and co-operation of the local community, is it really necessary for thousands of stop-and-search operations to be carried out, as they are all around London—the type of policing that is being conducted in All Saints street now, and that takes place regularly in parts of Haringey and Islington? Regular stop-and-search operations are carried out there, with all the intimidation implicit in them. That is not a recipe for solving crime or for good community relations. The best contribution to good relations between the police and the community would be a democratically accountable police force in London, with the people being able to elect their own police authority.

I ask the Minister to respond to another document produced by the London Strategic Policy Unit, which gives an account of the policing of the Wapping print dispute during the time of the strike—or, rather, the lock-out of people from the News International plant in east London.

Mr. Tredinnick: The hon. Gentleman was right the first time.

Mr. Corbyn: The document concerns the police methods of operation that were used there. I was at the Wapping plant on many occasions during that year-long dispute and I witnessed the sort of violence that went on. I witnessed times when the police were lined up in ranks, as in a medieval battle. If the hon. Member for Bosworth (Mr. Tredinnick) finds that amusing, perhaps he has come to the wrong place. The front line of police consisted of officers with riot shields. They would separate, and snatch squads would rush from behind the line through the gap that had formed, into the crowd, and start picking people out. They would then separate out to the right and left and

[Mr. Corbyn]

a new gap would open up, through which police officers would charge with truncheons flailing. People were seriously hurt and injured in those disputes on many occasions. All of that was filmed by police cameras high on the surrounding buildings and thousands of police were involved. That print plant was partly paid for by the people of London. Rupert Murdoch is not paying rates because the plant is in an enterprise zone. Workers were being thrown out of their jobs and the cowboy tactics of Rupert Murdoch were protected by the Metropolitan police who were present in huge numbers and perpetrated appalling violence during that dispute.

The Minister knows perfectly well the number of occasions during which representatives of the print unions met the police to discuss policing methods. On occasion they reached agreement about communications, but it became obvious to any of us at the Wapping plant on any of the Saturday evenings, or, indeed, on any of the other evenings, that many of the police officers were out of the control of their commanders. They were doing what they wanted to do and using the most appalling and indiscriminate violence against people who were there peacefully to protest about the loss of jobs and the destruction of the industrial economy of Britain.

The people of London expect better than yah boo sucks politics from a Minister who does not represent a London constituency and from a police authority for London that does not have a London Member. They expect some accountability from that police force. The people in the poorer inner-urban areas of London suffer most from high rates of crime and they need and expect a democratically accountable police force. There has been an unaccountable and undemocratic police force since 1829, and it is time for that to stop.

1.43 pm

Mr. David Gilroy Bevan (Birmingham, Yardley): I should like to add my voice in praise of the maiden speeches of my hon. Friends the Members for Sheffield, Hallam (Mr. Patnick), for Warrington, South (Mr. Butler) and for Wyre Forest (Mr. Coombs). They made excellent contributions, especially my hon. Friend the Member for Wyre Forest. I had the honour to serve for the same ward for which my hon. Friend currently serves in Birmingham, Moseley. He still makes a tremendous effort and expends a great deal of energy trying to solve inner-city education problems.

I am delighted that my hon. Friend the Member for Davyhulme (Mr. Churchill) called this debate. I was staggered and surprised by some of the speeches by Opposition Members, especially the speech by the hon. Member for Brent, South (Mr. Boateng), who seemed to want to do nothing other than cast aspersions on the grandfather of my hon. Friend the Member for Davyhulme. My hon. Friend's grandfather had nothing else in mind but to back law and order in the Sidney street siege. My hon. Friend the Member for Davyhulme also backs law and order. Other Opposition contributions showed a marked dislike of the police.

The speech by the hon. Member for Islington, South and Finsbury (Mr. Smith) evokes the response that of course we condemn the actions of a rogue police commando. Everybody condemns such things, because they are extremely regrettable. However, we are pleased that in the British system such things happen very infrequently. As the commissioner for administration said on the radio this morning, it is difficult to know where else to look in convening a court of inquiry than to the training and resources of the police who are specifically dedicated to these purposes.

In highlighting the policing requirements of inner cities, one has to note the differences between different areas not even as far apart as Northumberland and London. They are not even as far apart as Sparkbrook and Solihull, as the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said. They can be close enough to be in the same police division. In Birmingham, Yardley the E division has three sub-divisions with totally different problems, though all have inner-city problems. One sub-division has large estates, both council and private, and fairly low unemployment. In the second sub-division there is older property, higher unemployment and more dereliction. In the third division, in the constituency of the right hon. Member for Sparkbrook, there is an almost unique problem, because the majority of the population are immigrants. That produces a different type and intensity of crime. There is nothing racist in my remarks.

We have had to try to adapt and deploy a police force whose levels of manpower have remained static to an ever-increasing crime rate. The last available statistics are from 1986, but there is another league table with which crimes can be associated, the table of notifiable offences. In the metropolitan district — these are the latest comparable statistics frm 1985 — there were 732,559 notifiable offences. In Greater Manchester and Davyhulme there were 289,948 notifiable offences and in the west midlands there were 243,712. Those notifiable offences bear evidence to the fact that crime in the Manchester and west midlands areas compares favourably with the demand that is thrown up in the Metropolitan division of London. Regrettably, the police facilities and amenities are not the same. In 1981-82 they increased by 12 per cent., by 8 per cent. in 1983-84 and by 10 per cent. in 1985-86. In 1986 more than 250,000 offences were committed in the west midlands. The detection rate rose to more than 30 per cent., which is not a bad achievement, bearing in mind the available facilities.

Crimes that increased in my area were headed by dwelling house burglaries, which rose by 15 per cent. Theft from vehicles, which is a new form known as auto-crime, rose by 25 per cent.; criminal damage rose by 12 per cent.; aggravated burglary rose by 27 per cent.; and wounding rose by 5 per cent. The figures for wounding by knife are not given separately in the statistics. I hope that the Minister's earlier response does not demonstrate that our contributions will be considered at a subsequent date. The figures for wounding by knife cannot be evaluated. But surely there must be a case for a statutory punishment for a crime of this nature when it is on the increase. It commends itself to such treatment.

Other types of crime in the west midlands dropped during that period. Theft decreased by 19 per cent. Murder decreased slightly. Some 40 murders were committed during that period. In my division there were six murders, one of which regrettably has remained unsolved, as did an earlier murder.

The complexity, dimension and type of crime vary, as must the police response, from area to area.

The kind of crime manifestly evinced in the centre of Birmingham today involves predominantly juveniles going

into the city centre to enjoy the "fun pubs" and nightclubs. At what is colloquially known a "throwing-out time" a type of violence is produced which demands a new form of police presence and back-up. That may have been the kind of operational unit involved in Islington. There is a clear case for at least 1,000 more operational uniformed police to be made available in the west midlands. Indeed, a year or two ago a case was made for some 7,200, but that figure has never been approached.

There are new types of crime such as that highlighted recently on west midlands radio. That case concerned the import from America of what I submit is a new type of firearm, although it may not be classified as such. The "stun gun" is apparently capable of delivering shocks of some 40,000 volts and paralysing people for at least 15 minutes. This weapon, imported by a northern Welsh gun shop, luckily remains undistributed, having been impounded in the Customs shed. I trust that that weapon will be classified appropriately and banned permanently. Weapons of that kind can only lead to further muggings, violence, rape and criminal abuse. I hope that they will be sent back to the country of origin. In the meantime, I suggest to the Home Secretary that he should consider carefully into which category such weapons are placed and thus the way in which the law will deal with them.

In relation to the different levels of crime, I draw attention to a statement made the day before yesterday and reported in the *Birmingham Evening Mail*. It comes from an individual who was one of the principal officers responsible for the introduction of unit beat policing in Handsworth. That officer said

"the gap between police and the Black community appears to have widened."

That statement was made in his capacity as the area liaison panel chairman on the community relations council. In my view, it was a most frightening and unwise statement. He continued:

"A community policeman is much less likely to have bricks thrown at him if he regularly visits the youth clubs in his area. If he is in riot gear, however, he is a prime target for a brick."

The morning after the Handsworth riots I was present when my right hon. Friend the Home Secretary visited the area. My right hon. Friend was not in riot gear, but he was assailed by bricks.

The officer who made the statement that I have quoted had been primarily responsible prior to the riots for seeing that the prosecution of crime went ahead, but he dealt with it in such a soft manner that Handsworth almost became a no-go area in terms of the detection and punishment of crime. Regrettably, that allowed the mammoth increase in drug trafficking to continue. In 1986, trafficking in the west midlands increased by 50 per cent. for heroin, 100 per cent. for amphetamines and 900 per cent. for cannabis. In one arrest that year 2 kg of heroin were found, worth £1 million. The day before yesterday in my constituency £75,000 worth of cocaine was turned up by the police. There were five arrests.

There must be no no-go areas or differentiation in the policing applied to immigration or other areas. That would be counter-productive and would give rise to matters such as the rioting that took place in the past. We must impress upon people the necessity for making the punishment fit the crime. Therefore, I plead not only for the extra police who are needed in the west midlands, in uniform branches, in cadet training, in special constabulary, and in extra community watch schemes, excellent though the first 24 were in 1956 before their extension. I further plead for photograph identity cards that will protect the innocent and that only the guilty would have reason to fear. It could become a powerful weapon that the forces of law and order can use in the prevention and detection of crime in the inner cities.

1.55 pm

Mr. Graham Allen (Nottingham, North): This important debate, if it has proved anything, has proved that the Conservative party has forfeited the title "the party of law and order", if only because of the tremendous statistical contribution in the more serious part of the speech of the hon. Member for Davyhulme (Mr. Churchill). The 1979-83 Government had the worst crime record of any Government since the war. Being an enlightened population, the British people gave the offenders yet another term in office to see whether the Government could do any better. Unfortunately, their record in 1983-87 was worse than it was in 1979-83. I hope that from 1987 onwards such recidivism will diminish and that the Government will bring about a society in which people can walk freely in any part of our cities, and our inner cities in particular.

Unfortunately, the record does not bear close examination. From 1979 onwards, inner-city riots began to develop as a feature of our society. Offences of all kinds were up by 41 per cent. and violent crime increased on average by 42 per cent. a year. There was a 52 per cent. increase in burglaries, and that was overtaken by a 73 per cent. increase in the incidence of vandalism and criminal damage. Unfortunately, that trend is broken by only one downward statistic, and that is the clear-up rate. Two out of every three crimes are never cleared up, and the offenders get away scot-free.

I was interested to hear the contribution of the hon. Member for Birmingham, Yardley (Mr. Bevan). He referred to new crimes, such as the possession of stun guns, and so on. One new crime that is occurring in ever greater numbers under the Government is insider dealing in the City of London. The no-go area of financial crime is slowly being broken down. Even the Government now recognise insider dealing as a criminal offence.

The hon. Member for Davyhulme did an exceptional job as prosecuting counsel against his own Government and their record. His belief that

"street crime is being reduced and public confidence improved in some of the worst inner-city areas"

is a contradiction of his earlier contribution. Those words were a direct quotation from the 1983 Conservative party manifesto. Conservative Members should consider those words and the statistics for crime carefully before making any pronouncements in the Chamber.

There is a fundamental flaw in the Conservative party's philosophy on law and order — it is narrow and concentrates on only one aspect of law and order. It is not so much about fighting and preventing crime as about what is to be done about alleged criminals and how long they must serve. The Conservative plan is to send more people to prison. The Home Secretary's statistics show that 58 per cent. of convicted criminals who are sentenced to three months imprisonment or more are back inside prison within two years. They show that 69 per cent. of young offenders taken into custody become recidivists and go back to prison.

[Mr. Graham Allen]

The Conservative philosophy is narrow. It relies essentially on the emotional feelings that we all have towards those who commit crime. The popularism with which Conservatives treat the issue might be beneficial electorally, but I am afraid that it does nothing, as we have seen, to reduce the crime statistics. It might make Conservative Members feel better, but it brings no comfort to the victims of crime and no succour to future victims of an ever-rising crime wave.

Conservatives treat the symptoms and present their view of law and order without tackling the causes that generate the illness. Specific Tory policies will make many types of crime more likely and weaken the community in its fight against crime.

Let us imagine how a perverse mind might devise a society in which crime would breed. To create that society we would abolish those things which support our community and which immunise and inoculate vast numbers of people against the temptations of crime. We might take away £20 billion in rate support grant, housing subsidy and other grants to local communities. That would stir the pot and encourage crime.

If we wanted to stoke up the crime wave, we would cut housing investment for local communities perhaps by two thirds in eight or nine years. We would throw in the slashing of public transport and reduce spending on health, education, pensons, child benefit and social security. That would give us the prime cocktail that would encourage crime. That is the Government's record. That is what Tory Members have supported night after night in the Lobbies since 1979. They have produced, not the economic climate which Conservatives so often mention, but the social climate in which crime can take root and flourish.

Local authorities are another example. They are denied sufficient resources adequately to light streets and ensure that dark corners on housing estates are illuminated. Housing cuts mean that individuals are forced to live in a place where they do not want to live and where the environment is not conducive to a better way of life.

On the Crabtree estate in my constituency it looks as though some mad experiment has taken place to design an environment to promote crime. That the majority of the people on that estate are law abiding, although they are the victims of crime—as the poor are so often in our society — is a great tribute to them. Cuts in spending and ceilings imposed on local authorities, notably the city council in Nottingham, means fewer caretakers, port-keepers and attendants to look after those public places where the incidence of graffiti and vandalism can grow. It means longer periods before graffiti and vandalised phone booths can be remedied. It means tht the whole tone of an area degenerates.

That is the reality of the policies of the Conservative Government — they affect the environment in which crime can breed. When public transport is reduced, that, too, contributes to increasing crime. It means more people waiting around at isolated bus stops and stations, where they are targets for harassment and crime. Women in particular suffer when public transport is reduced. For those fortunate enough, it also means that more people use their own transport. That means more cars left unattended in dark places at night, and, again in Nottingham, a vast increase in the rise of autotheft and autocrime.

It is not an apocryphal tale. We all say of either our own generation or of a previous generation that when we were young we could leave the doors to our houses open. In tough and hard areas of Nottingham, such as the Hyson Green area, where my family came from, that was always the case. In Stepney, where I was a councillor and chairman of the police committee, people say exactly the same, that they could walk out of the door and leave it open. They could do that because there was community spirit, because people looked after each other, because people were not isolated and because they made their community from the environment. Unfortunately, everything that the Conservative party has done has reduced that community spirit, increased individualism and isolation and thereby created a breeding ground for crime.

Those in our society without a secure and established place may see little reason to work with the rest of the community against crime. We must give them hope and a desire to be a part of and to work with the rest of the community. Nowhere is that more pressing than in crimes against children, which is one of the more horrendous crimes in the inner city. Each year 50 to 60 children die at the hands of their parents. Hundreds of children are physically injured by people close to them. One child in every 10 is sexually assaulted and three out of four assaults on children are committed by someone who knows the child.

I am speaking generally quite deliberately, because it is deplorable that certain Members in the House over the past few weeks have used the issue to enhance their personal publicity, if not their reputations. The present level of violence against children is a threat not only to the present generation but to future generations. Child abusers often tend to be people who suffered child abuse. People who are violent towards their families often come from violent families.

Just as the Conservative party has lost its title of the party of law and order, so it has lost the title of the party of the family. Policies for the family need more than just moral outrage when particular incidents occur. Policies for the family should bolster jobs, give adequate housing and be effective in meeting people's needs, be they for benefits for social security or public services that reduce the stress in family situations that contributes to crime and child abuse.

Practical policies for the family to end crimes against children are far more important than cashing in on the consequences of those crimes for party political purposes. Those policies should include giving all children aged three or four the chance of nursery education. It may be that the Conservative party would prefer another halfpenny or penny off income tax, but there is a different way in which the Government can exercise their responsibility.

They should ensure that children under the age of three have better access to good quality child care and provide parents with more financial support through increased child benefit and one-parent benefit. There should be greater practical help for parents in caring for their children from the community and the Health Service, including safe play facilities. There should be measures to ensure, perhaps expensively, but essentially for the well-being of our society, that children can be taught how to protect themselves from physical attack and sexual abuse.

by including child assault prevention techniques in the school curriculum. We should encourage telephone hotlines for abused children.

Crimes against children are the most heartrending crimes in the inner city and elsewhere and we must take action to ensure that the incidence of them is reduced. We should encourage discussion between local education authorities, teachers and the police about the appropriate relationship between the police and schools, with the aim of developing young people's understanding of the law, respect for the rights and duties of individuals and trust for the police. The police must earn that trust through their policies and practices to both children and the community. That, in my view, is where there is a clear distinction between a police service and a police force. We should ensure that the police work more closely with social workers in cases of child abuse and ensure that they are given special training in interviewing child victims.

A permanent advisory committee drawn from all agencies responsible for children should be set up to advise on further measure so improve the safety and welfare of children. We can all benefit by looking at the Scottish model, the children's panel, especially in individual child abuse cases. That panel is responsible for bringing together the professionals and making a proper assessment.

Without such policies, covering not just crime against children, but crimes across the board, the Government will continue to create the breeding ground for crime. They will not be directly responsible for individual criminals, but they will create the background and climate in which crime will flourish. Conservative Members cannot hide from their responsibility. Crime has its roots in our society. When confrontation is deliberately provoked, bitterness is stirred up and envy is aroused, and when more and more people are frustrated, living without hope and made to feel that society has rejected them, crimes of every sort are more likely to be permitted. We must give those people hope for the future. We must give people the opportunity and will to work with the community, not against it.

Under the Tory Government there is little ground for hope. Their answer to lawlessness is to give extra powers to the police and to change public order law. However, new police powers and new laws on public order offer no hope to those in the inner cities, black and white, with no prospect of a job, no opportunity for training and no chance of a decent home.

The aim of the Labour party is to bring the community together to achieve a free and orderly society where the need for order is accompanied by tolerance of the right to express dissent within the law. That involves the police working with local people to reduce crime and to help its victims. It means ensuring that people protect the lives and property of all other people and that the police uphold our liberty and are more integrated within the framework of democracy and the life of the community. Our aim is to make all of us partners against crime.

2.14 pm

Mr. John Wheeler (Westminster, North): In the closing moments of this debate, I am glad to have the opportunity to say a few words about this subject. However, before I do so, I offer my congratulations to my hon. Friends the Members for Sheffield, Hallam (Mr. Patnick), for Warrington, South (Mr. Butler) and for Wyre Forest (Mr. Coombs), who made superb maiden speeches and contributed some telling and worthwhile points. I should like to thank and congratulate also my hon. Friend the Member for Davyhulme (Mr. Churchill) for choosing this subject and enabling us to have this debate. I hope, Mr. Deputy Speaker, that, when I sit down, my hon. Friend will catch your eye so that he may make some closing remarks.

We have heard much from Opposition Members about their wish to see what they call a democratically-elected police authority in the Metropolitan police area. I have rarely heard more arrant nonsense about that subject than this morning. One would not have thought that there had been a general election only a month ago or that the Conservative party holds 58 of the parliamentary constituencies in London, with a mere 23 Socialist seats, many of which are marginals and will no doubt fall to us in the early 1990s. I remind the House that the Metropolitan police area extends beyond the area of the 32 London boroughs and includes nine outer districts, so that there are no fewer than 67 Conservative Members of Parliament representing constituencies that fall within the Metropolitan police area. To suggest that it would be possible to create what Opposition Members call an elected authority for such a large area is irrelevant and unnecessary. Indeed, my 66 right hon. and hon. Friends who represent those constituencies have no wish for that and are perfectly satisfied with the special arrangements that exist for the police authority in the Metropolitan police area and with our relationship with my right hon. Friend the Home Secretary.

We have discussed police resources. I am glad that my hon. Friend the Member for Grantham (Mr. Hogg), speaking for the Government, has made it clear that resources will be made available to the police when there is a valid and sensible reason for them. However, he also made it clear that the random and uniform patrolling by police officers will not have any influence on the reduction of the great mass of crime. He is absolutely right—it will not. As we know, at least 96 per cent. of recorded crime is against property; for example, motor vehicle or auto crime is committed against private property. Such crimes must be prevented by a crime prevention strategy. I endorse and support entirely my hon. Friend's comments about the Government's plans and intentions for that.

Both Labour and Conservative local authorities are increasingly beginning to prevent property crime. My own authority, the city of Westminster, ever innovative, has spent substantial sums of money—nearly £1·5 million during recent years—on fencing for its council estates, on security packages to improve lighting, on entry phones, on warden-call systems to protect the elderly and on the abolition of walkways. One of the most important keys to preventing this mass of opportunistic property crime is to allow people to occupy property which they control and over which they have influence. I am glad that local authorities throughout the country are beginning to do that.

I should like to speak briefly about armed robberies and guns. We shall not prevent armed robberies by having a firearms amnesty. That is attractive, and will bring people's unwanted firearms out of their homes. Although that may be a good thing, it will certainly not reduce the incidence of armed robberies. That involves detection officers in the boring, painstaking task of spending a great deal of time in pubs and clubs, collecting intelligence and

[Mr. John Wheeler]

information and putting it together to enable arrests to be made when these terrible crimes are about to be committed. There is no alternative to that.

I do not believe that we can have any influence over the control of armed robberies by introducing an extensive licensing system for shotguns. No armed criminal would find that a threat or a difficulty to overcome. It would take the time of the police in establishing yet another bureaucracy which is unwanted.

That leads me to make a quick point about the Police and Criminal Evidence Act 1984. That Act was important to define the powers and responsibilities of the police and to ensure a balance of accountability. We have heard in the debate how some hon. Members wish to see the police made accountable. The Act achieves that balance and it can be irksome to the police in their work. Nevertheless, accountability requires some form of structure and control.

I would be much more comforted if the Opposition would abandon entirely their attack on the police which we see going on in many places. The Manchester area has "Police Watch". We saw what happened during the Wapping dispute and the miners' strike. At least nine of the Left-wing London boroughs continue to fund, through ratepayers' pockets, "Policing London". The latest edition for July and August has just come out and is yet another stream of attacks on the police as an institution. That does nothing to create or encourage a climate of opinion among the public towards crime prevention which is what we all want and what the most reasoned voices on both side seek to achieve.

The fear of crime is a concern and is partly met by uniformed police officers patrolling. To that extent, we all welcome the presence of the police on the beat. I hope that the police will be more selective in the use of their resources. We could suggest to the police that they should abandon using extensive police resources over many hundreds of hours to prosecute elderly ladies in Notting Hill who provide remarkable services for gentlemen who visit their property. I do not understand who the victim of that crime was. Apart from entertaining the nation at their breakfast tables in the morning as they read their daily newspapers, I fail to see what advantage there is to the public. I would prefer to see those police resources rededicated to street patrols and the investigation of armed robberies as I have described.

Sometimes the police fail to make the best use of their resources. We want to be constructively critical about the use of police time and resources and I hope that my hon. Friend the Minister will bear that point in mind when he next meets the Commissioner and his senior officers.

I know that other hon. Members wish to catch your eye, Mr. Deputy Speaker. We are at the end of a debate which has been useful and we have all profited from it.

2.23 pm

Mr. David Tredinnick (Bosworth): I am grateful for the opportunity of catching your eye, Mr. Deputy Speaker, at the end of this debate because I spent three years at Oxford university researching the problems of policing ethnic minorities in Britain and of their relations with the police. I am watching the clock the whole time and I shall be brief.

Opposition Members, especially the hon. Members for Hammersmith (Mr. Soley) and for Nottingham, North (Mr. Allen), have blamed the Government for the increase in crime. That is incorrect. We would have had that crime increase anyway. I have consulted figures in the Library and calculated the growth rate in recorded crime in 14 major industrial countries. The figures show that the number of offences—usually serious offences—recorded in the national statistics for England, Wales and Scotland lies somewhere in the middle. The growth in crime since 1980 is in the middle of that range and the growth of crime in the 1970s is recorded as being very much the same.

For example, the annual average percentage increase in crime from 1970 to 1980 was 4·9. The growth rate was much higher in other industrialised countries. In Canada it was 6·3 per cent., in France 7·5 per cent., in southern Ireland 9 per cent., and in the Netherlands 10·3 per cent. It makes no sense at all to blame the Government for the increase in crime.

Although there has been a general increase in crime in the United Kingdom, under the Conservative Government crimes of violence have increased more slowly than under the Labour Government. Between 1979 and 1986 crimes against the person increased by 32 per cent., but during the previous Labour Administration they increased by 49 per cent. That suggests that the Government's extensive measures have had an effect in contrast to the policies and inaction of previous Labour Governments. In particular, I refer to the introduction of panda cars for the police under Roy Jenkins in the 1960s which caused tremendous problems. Secondly, the previous Labour Government ran down the police force so that we were 7,000 men short when we came to power, and that, too, caused enormous problems. The introduction of panda cars made the police much more remote from the people they serve. My wife has had an ex-panda car—a Morris Minor—for 15 years and it is a wonderful car. All that we have ever had to do is to take the blue flashing light off the top! I only wish that the policing system at that time had been as good as the car.

I had intended to speak on the subject of police consultative procedures and accountability, but unfortunately time does not permit it. However, the Opposition's claim that the police are not accountable is absolute nonsense.

In conclusion, I must say, with some regret, that to me the Opposition seem to want to put the handcuffs on the police and not on the criminal.

2.29 pm

Mr. Churchill: We have heard three excellent maiden speeches. I warmly congratulate my hon. Friends the Members for Sheffield, Hallam (Mr. Patnick), for Wyre Forest (Mr. Coombs), and for Warrington, South (Mr. Butler), whom I welcome as my immediate political neighbour on the banks of the Manchester ship canal. My hon. Friends have made a valuable contribution to our debate and the House will look forward to hearing from them in the years ahead.

I thank my hon. Friends for supporting me today and I thank Opposition Members for taking part in this lively and, I venture to say, worthwhile debate on a very important topic. I am especially grateful to my hon. Friend the Parliamentary Under-Secretary of State for his reply and for undertaking carefully to consider the points that I have made. I ask him to explore with my right hon. Friend the Home Secretary the basis on which the authorised police manpower strengths are arrived at for

the various police forces. It is not sufficient to rely on the relationship between the number of police, on the one hand, and the size of population, on the other. We should move towards a closer relationship between police strengths and the numbers of crimes committed.

The Government must tackle crime in the inner cities with new vigour and determination. I do not suggest that more police manpower is the only solution to crime in the inner cities, but it must be a key element in the regeneration of the fabric of society in the decaying inner cities, where we are trying—this is warmly applauded in the country—to bring new life to housing, enterprise and employment——

It being half-past Two o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance Bill may be taken at any sitting of the House.—*[Mr. David Hunt.]*

DARTFORD-THURROCK CROSSING BILL

Ordered,

That Mr. Adam Ingram be discharged from the Select Committee on the Dartford-Thurrock Crossing Bill and that Mr. George Galloway be added to the Committee.—*[Mr. David Hunt.]*

Legal Profession

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

2.30 pm

Mr. Ivan Lawrence (Burton): I am grateful for this opportunity to do something that barrister Members of Parliament seldom do in this place, and that is to speak up in defence of an honourable professional system that is often attacked, unfairly, as an outdated and inefficient way of delivering legal services to those who need them. I can do that because the House today is not full of the usual jeering jesters who derive from Jack Cade's rebellion in the middle ages the belief that all lawyers should be hanged—and certainly that none of them should be elected to Parliament. When those very colleagues need our help, it is remarkable how quickly their tune changes.

Coolly and calmly and, I hope, intelligently and briefly, I shall state the case for maintaining the separation of the barrister and solicitor branches of the legal profession. I trust that I shall secure in reply the clear commitment of the Government to the maintenance of that separated system.

The demand by solicitors for their right of audience to be extended from magistrates courts, county courts, tribunals and matrimonial hearings in chambers in the High Court, to the Crown court, the open High Court, the Chancery court and the Courts of Appeal has nothing necessarily to do with the call for a fused legal profession and is too often confused with that call. Whatever the rights and wrongs of the case for extending the right of audience, it is difficult to think of any serious defect in the operation of our legal system which would be cured by the fusion of the barrister's profession with that of the solicitor's.

First, let us consider the accusation of high legal costs. A barrister is like a taxi driver. Like the taxi driver on the cab rank, the barrister who stays in his chambers waiting to be booked for a case by a solicitor, can be booked for service by whichever solicitor wants him whenever he is available. The analogy illustrates why the Bar usually provides a cheaper service than do solicitors. Unless one is a commercial traveller, it is usually cheaper to take a taxi than to run a car full-time. As with a taxi, one pays for a barrister only when one needs him, and one pays for a service which usually has much lower overheads. For, like the taxi driver, the experienced barrister knows the quickest, most efficient and, therefore cheapest route to his destination.

If one went into any Bar law library, one would see young men with first-class honours degrees preparing legal arguments for a fraction of the price that they would charge if they were junior partners in a firm of solicitors. So even where solicitors do have the right of audience, they usually brief a barrister to do the work. Perhaps the most startling achnowledgment of the comparative cheapness of the Bar can be seen in the fees being offered for court work by the new Crown Prosecution Service in London. Solicitors were to receive £250 a day for magistrates' court work. The Bar asked for £150 and, I believe, received £95 for exactly the same work. I would be grateful if my right hon. and learned friend the Attorney-General could give me any update on those figures. One has to conclude that the allegation that fusion would be cheaper is ill-founded.

Mr. Graham Allen (Nottingham, North): I was interested in the analogy that the hon. and learned Gentleman made between a barrister and a taxi driver. What will happen to those who can only afford public transport, notably the vast majority of people who find barristers' and solicitors' fees expensive and who depend upon legal aid and advice centres?

Mr. Lawrence: If such people depend upon legal aid, they can go to solicitors or barristers on legal aid. They can also go to advice centres, and the Government have been most active in helping to establish advice centres in those areas of the country where they are needed. I shall come back to this matter if the hon. Gentleman is worried about it.

The second accusation that is often made concerning the existing system is that of legal delay. There are always barristers waiting on the taxi cab rank. Let us suppose that they left that cab rank to become part of a firm of solicitors. Would solicitors, whose trial lawyers were up to their necks in work, seek the advice of an advocacy specialist in a rival firm? Of course not. Given those circumstances, a case would not be dealt with any quicker. What would happen is that the solicitor would apply to postpone the court hearings and if it was granted, there would be more delay. Although delays occur at the moment with busy barristers, it happens rarely because applications to the court for a postponement to suit the barrister are frequently refused. If such an application by a solicitor was refused, it would mean that the solicitor who began the case would no more be able to follow that case through to the end than the barrister can now. The accusation that the present system does not always ensure that someone gets the advocate that he wants or started with would not be cured by the fusion of the professions.

As regards the trial, it is usually quicker and therefore cheaper to use the specialists waiting on the cab rank. The barrister working daily in the criminal courts is trained and experienced by constant practice in the law of evidence and the presentation of cases. The barrister, compared with the solicitor who may be an occasional advocate, inevitably becomes more efficient and wastes less time. The civil barrister becomes a faster and more efficient drafter of pleadings and negotiator of settlements. As the law becomes more complex and specialist, the value of the experienced barrister will grow.

The barrister also builds up a reputation with judges before whom he often appears. They trust him without the need to waste judicial time finding out whether he knows what he is doing. We can therefore afford to operate a system where our judges, starting in ignorance of the details of the case, are led through its intricacies by counsel in oral hearings. Such hearings continue without interruption until the judge's prompt and extemporary judgments are delivered.

Such trust springs not only from reputation, but from the detatchment and objectivity of counsel. That virtue of the system might well be lost where a solicitor becomes personally involved with the client. That would naturally tend to happen if a solicitor was concerned with the client's wills, divorces, conveyances or contracts over many years.

The United States has a fused system and judges there tell me that they cannot rely so often upon the skill of their advocates. As a result, evidence in those courts is more often documentary. Hearings are more protracted and interrupted for days at time while judges go over the arguments again. Judgments are more often reserved. One of the features of our system that is greatly admired by American lawyers is its speed, which is one direct result of the separation of the legal professions. No less an authority than Chief Justice Warren Berger highlighted the faults of the fused United States system and unashamedly preferred the British way.

Let us next consider the availability and quality of legal services, which will, perhaps, have some bearing on the point made by the hon. Member for Nottingham, North (Mr. Allen). Almost two thirds of solicitors' firms have only one or two principals. On the cab rank analogy, any solicitor's firm, however small or far out in the country it may be, can brief the best advocate in the land. If Marshall Hall had been a partner in a firm of solicitors, how many other solicitors would have had access to him? The answer is none. Worse still, would not solicitors who were inexperienced in a particular branch of the law try to handle matters entirely themselves, rather than run the risk of losing a client? With a fused profession, how long would it be before the best firms of solicitors would be attracting the best counsel to join them? Large firms would inevitably grow larger and smaller firms would disappear because they could not compete. Those larger firms would tend to concentrate in the more prosperous parts of towns and cities and the run-down, inner-city areas, the small towns and villages—the places where advice centres are also so necessary — would lose their small, local solicitors. Solicitors are already growing considerably fewer in number in those parts, with the loss of the conveyancing work that resulted from a decision that the House inadvisedly took a short time ago. Therefore, legal advice would become far less personal and friendly; and it would become more expensive, as it would involve travelling to towns and cities to get anywhere near a solicitor. Fewer people would feel like seeking it. The inevitable result would be less access to the legal services than there is now.

Of course, mergers occur now and firms grow larger, but with fusion that would happen more often. The larger the firms, the less competition there would be, the higher the legal costs would be and the less well would the public be served by their lawyers. It is precisely because fusion would not bring about a service that would be cheaper, speedier, more available or of better quality—whatever the myth may be — that the public interest is better served by the separation of the two legal professions.

The Royal Commission on the provision of legal services and the recent decision of the Court of Appeal in the case of Abse *v.* Smith confirmed that conclusion. It is an open secret that some members of the Royal Commission started their work less sympathetic to the idea of the existing separated system than they were when they finished.

Of course, fusion works in some countries. It might work well enough in the United States, the remarks of Chief Justice Berger notwithstanding, or in Germany, France or Italy, but the whole systems of those countries are different. What suits the fabric of one country's legal system will not necessarily suit that of others. Even so, the elements of our system that are most admired by lawyers from those countries who visit Britain and observe how we proceed are the cheapness, speed, availability and the quality of the services that we provide.

I hope that no one will think that this conclusion is complacent. There is, as I have said, much that is wrong with our legal system. It is often too slow; legal advice is

too seldom sought; too many guilty people are acquitted; and our court buildings are often a disgrace. Of course, steps must be taken by the Government and the legal profession to deal with those problems.

My case has been, I hope, shortly deployed. It has been that whatever steps ought effectively to be taken to improve the system, fusion of the solicitors' and barristers' branches is simply not one of them. I hope that I have convincingly made out that case and that the Government remain convinced of the case. I hope that my right hon. and learned Friend who graces the post of Attorney-General will confirm that the Government have no intention of interfering with the balance of a system that has served, and will continue to serve, the nation well.

2.45 pm

The Attorney-General (Sir Patrick Mayhew): I congratulate my hon. and learned Friend the Member for Burton (Mr. Lawrence) on securing an Adjournment debate on this extremely important subject. The structure of the legal profession must be such as to secure the efficient provision of high quality legal services for the public. The due administration of justice, and, therefore, in a democracy the preservation of freedom, depends upon a strong and independent legal profession.

Both branches of the profession are now working together on a committee which they have established jointly and which consists of six barristers, six solicitors and six lay persons, chaired by Lady Marre, to consider the future of the profession and to produce ideas for its development. The Government await with interest the report of the Marre committee. Meanwhile, I am glad to have this opportunity to outline on behalf of my noble and learned Friend the Lord Chancellor the Government's own perception of the professional framework that is necessary.

My hon. and learned Friend concentrated on the issue of freedom and referred to the recurring argument that the public interest would be better served if the two branches of the profession were to be amalgamated. There would then no longer be a division of function and of organisation between barristers and solicitors. He summarised the arguments that are principally advanced for fusion and subjected them to a stringently critical analysis. His conclusion that the public interest would be ill-served by fusion is in line, as he said, with the conclusion of the Royal Commission on legal services expressed in its report in 1979 which the Government accepted.

That commission, which was chaired by Sir Henry Benson, now Lord Benson, comprised a majority of lay members. That is important. It was established in 1977 to inquire into the provision of legal services in England, Wales and Northern Ireland. It also had to consider whether any changes were desirable in the public interest in the structure or organisation of the legal profession. The commission duly undertook the most comprehensive examination ever made of our legal services and of the arrangements for their provision. Arguably, its major recommendation was that the legal profession should continue to be organised in two branches, those of barristers and solicitors.

Representations to the commission had been made from a number of sources that fusion might avoid unnecessary duplication of work, might ensure that the client saw only one lawyer throughout the proceedings in which he was concerned and that that would be a general advantage. At the end of the day the commission attached greater weight to the factor that fusion would be more likely to lead to an unacceptable reduction in the number and distribution of smaller firms of solicitors—a point that my hon. and learned Friend forcibly made—and to the dispersal of the specialist service that is now provided by the Bar.

While it accepted that some saving of costs might accrue in smaller cases, the commission anticipated that the expense of litigation might turn out to be greater in the more substantial cases. Accordingly, the unanimous conclusion of its members was that it was in the public interest for the profession to remain organised in its two branches.

As to the issue of costs, my hon. and learned Friend the Member for Burton adverted to the Crown Prosecution Service. It is true that solicitors who are employed as agents by the Crown Prosecution Service to prosecute in magistrates' courts are paid more than barristers, but that is not by a margin that is judged to be greater than the increased overheads that they must pay. That matter has been carefully assessed by the Treasury.

Mr. David Ashby (Leicestershire, North-West): Will my right hon. and learned Friend give an undertaking to review payments to the Bar for prosecution work if the resolution of the Inns of Court is passed that commercial rents should be paid on premises that are used by the Bar? In other words, barristers' costs will relate more closely to those of solicitors.

The Attorney-General: I take that point, which was well made by my hon. Friend. Remuneration for lawyers who do publicly funded work is kept under close review.

The conclusion of the Royal Commission was, as I have said, accepted by the Government in their response to the report. That opinion remains unchanged. The weight of evidence before the commission strongly suggested that a two-branch profession was more likely to secure the high standard of advocacy which is indispensable to the administration of justice, and the commission so concluded. The Government remain of the view that this consideration bears as much force today as it did in 1979. We have not seen evidence in the intervening eight years which persuades us that circumstances have now changed so as to lead us to revise our acceptance of the commission's conclusion with regard to fusion.

There is an important additional argument upon which my hon. and learned Friend touched. It regards the width of choice that is available. In a rather graphic illustration, he said that Marshall Hall would not be available to those other than clients of the firm of which he would have been a partner. The width of choice that is available to a solicitor on behalf of his client is an immensely important advantage that the present system provides to the lay client.

That brings me to the question of rights of audience. Here I part company with my hon. and learned Friend because I think that it is an issue that is related to the debate about fusion. The present position is that, in criminal proceedings, solicitors acting for a defendant have limited rights of audience in the Crown court, whereas they have unlimited rights of audience in magistrates' courts. Section 83 of the Supreme Court Act 1981 gave the Lord Chancellor power, in order to ensure that the public is adequately served, to extend solicitors'

[The Attorney-General]

rights of audience, having had regard to any shortage of counsel in a particular area, to any rights of audience that were previously exercised by solicitors and to any other circumstances affecting the public interest.

It is against the background of considerations such as those that solicitors have, for many years, enjoyed wide rights of audience in the Crown court in Bodmin, where it is recognised that counsel are not readily available all the time. Solicitors also enjoy full rights of audience before a judge of the Crown court when he is sitting in chambers and before a High Court judge similarly. Section 4 of the Prosecution of Offences Act 1985, which set up the Crown Prosecution Service, gives the Lord Chancellor similar powers in respect of prosecution work, but the Government made it clear during the passage of that Act that they were not considering the question of any general extension of rights of audience, and that the new power would be used only to the same limited extent as that in the 1981 Act.

In its report, the Royal Commission pointed out that few solicitors had the experience in advocacy that was necessary to enable them to practise with wider rights of audience, and that the practising Bar was more than adequately equipped to meet the needs of the public. It recognised that the suggested extension of solicitors' rights of audience in the superior courts would involve considerable changes in the profession. The Royal Commission held that these would distract the profession from meeting the needs of the public for other services which solicitors could and should provide. The commission concluded accordingly that there was little sense in making a change which would put additional burdens on the solicitors' branch, which was already overloaded, and at the same time would erode the position of the Bar, in particular its junior members. The Government, in their response to the commission's report, accepted that conclusion. Moreover, in the recent White Paper on legal aid we reiterated that we did not intend to extend rights of audience in the Crown court. We do not at present see any reason to revise that decision, nor to give further consideration to extending solicitors' rights of audience in other areas.

It is right, however, that over the past few years each branch of the profession should have been looking closely at its organisation, and at the whole range of its professional practices, to see where its service to the public could be improved. That has been done, and to good effect in that reforms within each branch have resulted which are aimed at producing a speedier, more cost effective and more proficient service to clients.

Both branches of the profession have improved their arrangements for the recruitment and training of new members. The Law Society has introduced a programme of continuing education under which all solicitors admitted after August 1985 are obliged to attend training courses during the three years immediately following their admission. Some of the courses, which are frequently attended by senior practitioners on a voluntary basis, are geared towards the acquisition of such basic skills as client communication and office management, but many are set up for the purpose of developing practitioners' specialist knowledge.

Only in the last fortnight, proposals have been published by the Law Society to improve access to the courts for those who are not eligible for legal aid, or who are not adequately covered by legal aid—a point raised by the hon. Member for Nottingham, North (Mr. Allen). The scheme proposed would be run on insurance lines under which litigants would pay a fixed and moderate fee for entry into the scheme and be protected against liability for costs in the event of the litigation being unsuccessful. In addition, the accident legal advice scheme has just been launched with a view to removing the difficulties that many potential plaintiffs in personal injury cases encounter in identifying a firm of solicitors willing to help them. The scheme provides for free initial advice on the possibility of a claim.

The Bar Council, for its part, is aiming to provide an increased number of scholarships to cover the period of study at the School of Law, where training is being substantially remodelled so as to place less emphasis on academic study and more on the acquisition of practical skills, in client communication long neglected, in my personal view as well as in advocacy. The Bar Council envisages that most of the 200 to 300 new barristers who start practice every year will receive significant financial help while at the School of Law and during their subsequent year's training in pupillage.

Those initiatives are warmly welcomed by the Government. The Government are also grateful for the way in which both branches of the profession have been examining, with officials of the Lord Chancellor's Department, further ways of saving cost to the public and of improving productivity.

There is only one criterion against which the structure of the legal profession may properly be judged, and that is the public interest. No tradition, practice, rule or privilege, however deeply entrenched, can be sustained unless it meets that test. I believe that the profession itself, in each of its branches, seeks no other test and acknowledges that none other would be justified. The initiatives to which I have referred illustrate the reality of that commitment; and that, too, is the standard which the Government will apply to the legal profession, no less stringently than in any other area of service to the public.

Question put and agreed to.

Adjourned accordingly at one minute to Three o'clock.

Written Answers to Questions

Monday 6 July 1987

TRADE AND INDUSTRY

Inner City Task Forces

Mr. Rooker asked the Chancellor of the Duchy of Lancaster what account the inner city task forces take of the level of political profile of groups seeking financial support; and if he will make a statement.

Mr. Kenneth Clarke: The aim of our inner cities Initiative is to improve employment and enterprise in the inner cities. If projects meet that aim, and as long as it is clear they have no ulterior political purpose, it is likely they will receive help. The political opinions of people putting forward projects are of no concern to us when we evaluate projects, but we have no intention of financing political campaigning of any kind.

Inner City Areas (Business)

Mr. Tony Lloyd asked the Chancellor of the Duchy of Lancaster what new initiatives he intends to take to encourage the establishment and survival of business in inner city areas.

Mr. Kenneth Clarke: The Government are continuing to develop the measures outlined before the election, including my Department's inner cities initiative, for targeting assistance more effectively on the problems of the inner city. I shall ensure that my Department's programmes take proper account of the need to encourage the establishment and revitalisation of businesses in the inner city areas.

European Trade Mark Office

Mr. Mills asked the Chancellor of the Duchy of Lancaster (1) what future plans he has for his action group set up to promote the United Kingdom's bid for the proposed European Community trade mark office;

(2) what action he has taken to support the United Kingdom's bid for the proposed European Community trade mark office.

Mr. Butcher: My Department is continuing the active role it has taken in support of the United Kingdom bid. Future arrangements for the action group may need to take account of any new developments in Brussels and will be considered in the near future.

Mr. Mills asked the Chancellor of the Duchy of Lancaster if he has allocated funds to support the United Kingdom's bid for the proposed European trade mark office.

Mr. Butcher: The Prime Minister told the House on 2 July that the Government are backing their bid with generous financial support. This would, of course, be subject to parliamentary approval, which would be sought at an appropriate time.

Rover Group (Istel)

Mr. Forth asked the Chancellor of the Duchy of Lancaster when he expects the Rover group to complete the sale of Istel.

Mr. Atkins: The Rover group announced on 10 June that it had concluded the sale of 75 per cent. of Istel to a consortium comprising management, employees and institutional investors for £26·25 million. The Rover group is retaining a 25 per cent. shareholding in the company.

Following the completion of the sale of Istel, and not withstanding Rover group's minority shareholding, the Government will accept no further responsibility for ensuring the obligations of the company are met.

PRIME MINISTER

European Council

Mr. Spearing asked the Prime Minister if, further to her statement to the House of 1 July, she will state if the financial proposals placed before the Heads of Government meeting of the European Economic Community were there in the Commission Document 87, COM. 101; and if she will make a statement.

The Prime Minister: The Commission proposals on Community financing in documents COM(87) 100 and 101 have formed the basis for discussion in the Council of Ministers since February. These proposals remain on the table, but the present state of discussion is reflected in the presidency conclusions of the European Council, copies of which have been placed in the Libraries of both Houses.

Overseas Visits

Mr. Tom Clarke asked the Prime Minister (1) if she will list her official visits abroad, with countries visited and appropriate dates since 10 July 1986;

(2) if she will give the reason for each of her official visits abroad since 10 July 1986;

(3) if she will give details of her official engagements on a daily basis on all overseas trips which she has undertaken since May 1979.

The Prime Minister: The information is as follows:

Date	*Country visited*	*Reason for visit*
1986		
11-13 July	Canada	Opened British week at Expo' 86. Talks with Mr. Mulroney.
11-12 September	Norway	Talks with Norwegian Government.
16-17 September	Germany	Anglo-German bilaterals. Visit to British forces.
14-15 November	United States of America	Talks with President Reagan.
21 November	France	Anglo-French bilaterals.
8-9 December	France	Report to the European Parliament on the outcome of the European Council in London.
1987		
7 March	Belgium	Zeebrugge ferry disaster.
23 March	France	Talks with President Mitterrand.
	Germany	Talks with Chancellor Kohl.
28 March-1 April	Soviet Union	Talks with Soviet leaders.
8-9 June	Italy	Economic summit.
29-30 June	Belgium	European Council.

More detailed information can be supplied only at disproportionate cost.

Blowpipe Missiles (Member's Questions)

Mr. Dalyell asked the Prime Minister why, in the light of her substantive answer to the hon. Member for Linlithgow of 29 June, *Official Report*, column *29*, about the alleged presence and source of Blowpipe missiles in Nicaragua, she made the statement in her reply of 2 July to an identically worded question from the hon. Member about Afghanistan, that it was not the practice of Her Majesty's Government to comment on matters of this kind.

The Prime Minister: The British public well understand the differences between the situation in Nicaragua and the Soviet occupation of Afghanistan. In central America, it is our declared policy that the use of force is not the way to solve the problems of the region. In the exceptional circumstances of that case, we thought it right to make clear that, in line with our policy, exports of defence equipment were not, as had been alleged, taking place. This was an exception to our well-established policy of not commenting on matters of this kind.

Parliamentary Pensions

Mr. Dalyell asked the Prime Minister if, in calculating increases in pensions paid under sections 26 and 29 of the Parliamentary and Other Pensions Act 1972, any acount is taken of differences between the increased salary payable under the Ministerial and Other Salaries Act 1972 and the actual salary paid to the office holder.

The Prime Minister: No.

Salary

Mr. Dalyell asked the Prime Minister if she will list for 1 July each year from 1979 to 1987 (i) the annual salary payable to the Prime Minister under the Ministerial and Other Salaries Act 1972 and (ii) the annual salary actually paid to the Prime Minister; and if she will estimate the new pension currently payable under the Parliamentary and Other Pensions Act 1972 to anyone relinquishing the office of Prime Minister after 1 January 1987.

The Prime Minister: The first column in the table sets out the annual salary payable to the Prime Minister under the Ministerial and Other Salaries Act 1975. The second column sets out the annual salary actually paid to the Prime Minister. In addition to a salary under the Ministerial and Other Salaries Act 1972, the Prime Minister receives the reduced parliamentary salary payable to all Ministers and other office holders in the House of Commons. This is set out in the third column. The fourth column sets out the total salary the Prime Minister is entitled to from both sources. The fifth column sets out the total salary actually paid to the Prime Minister.

The pension payable to anyone relinquishing the office of Prime Minister after 1 January 1987 is currently £16,791 per year.

Following is the table:

	(1) *Salary payable to Prime Minister* £	*(2)* *Salary drawn by Prime Minister* £	*(3)* *Reduced Parliamentary salary* £	*(4)* *Total salary entitlement* £	*(5)* *Total salary actually drawn* £
1 July 1979	22,000	22,000	5,265	27,265	27,265
1 July 1980	33,000	22,000	6,930	39,930	28,930
1 July 1981	36,725	27,825	8,130	44,855	35,955
1 July 1982	38,200	28,950	8,460	46,660	37,410
1 July 1983	38,987	29,367	9,543	48,530	38,910
1 July 1984	40,424	30,304	10,626	51,050	40,930
1 July 1985	41,891	31,271	11,709	53,600	42,980
1 July 1986	43,328	32,208	12,792	56,120	45,000
1 July 1987	44,775	33,145	13,875	58,650	47,020

Non-Government Organisations (Grants)

Mr. Pawsey asked the Prime Minister if she will give the total amount of grants made to tax receiving independent non-government organisations in 1986-87 and the likely amount in 1987-88.

The Prime Minister [*pursuant to her reply*, 2 July 1987, c. *144*]: Such organisations would cover all bodies which are in the receipt of any tax rebates or exemptions, including nearly all commercial organisations, but would exclude some voluntary sector bodies. Information on grants made to these organisations is not held centrally and could be provided only at disproportionate cost.

Mr. Pawsey asked the Prime Minister what are the criteria used in awarding grants to tax receiving independent non-government organisations; and if she is satisfied that the taxpayer gets value for money.

The Prime Minister [*pursuant to her reply*, 2 July, c. *144*]: Grants awarded by Government Departments to independent organisations are made according to criteria which depend on the nature of the grant.

For instance, grants to voluntary organisations by the Home Office Voluntary Services Unit are subject to criteria agreed administratively, and these organisations must normally be working at a national level. Grants made under the urban programme by the Department of the Environment are governed by statutory authority, providing that urban aid be directed to particular geographic areas, that the projects meet the current objectives of the urban programme, and that they have the support of the local authority, which has to bear 25 per cent. of the cost. Grants made by the Manpower Services Commission for the provision of training are subject to criteria laying down the nature of the training and the numbers involved.

All Departments are aware of the requirement to ensure value for money.

NORTHERN IRELAND

Licensing Laws

Mr. Nicholas Winterton asked the Secretary of State for Northern Ireland what discussions he has had with Christian churches in Northern Ireland concerning the proposed alteration to public house licensing laws.

Mr. Needham: Copies of the proposals for draft orders, together with their explanatory documents, were sent to all the main churches in Northern Ireland. Written comments were received from a number of them, but of the main bodies only the Presbyterian Church asked for a meeting, which I held with it on 15 December 1986.

Mr. Nicholas Winterton asked the Secretary of State for Northern Ireland what discussions he has had with political parties in Northern Ireland concerning the proposed alteration to pub licensing laws.

Mr. Needham: The views of the main political parties were sought in 1984 when the Government published their consultative document on Sunday opening and the range of premises permitted to sell intoxicating liquor. In March 1985 the Northern Ireland Assembly reported to the Government on that document. When the proposals for the draft Licensing (Northern Ireland) Order and the draft Registration of Clubs (Northern Ireland) Order were published in October 1986 my right hon. Friend the Secretary of State for Northern Ireland wrote to the heads of the main political parties inviting their comments on the proposals. Only the Social Democratic and Labour party responded.

ATTORNEY-GENERAL

Legal Aid

Mr. Fraser asked the Attorney-General what information he has on the delays in the issue of legal aid certificates which are taking place in Area 1, London; and what steps he is taking to eliminate those delays.

The Attorney-General: The average time taken in Area 1 from application to issue of a certificate — in non-contributory cases — or the issue of an offer — in contributory cases — was 118·6 days for the financial year 1986-87 as compared with 139·9 days for 1985-86. I understand that the legal aid administration of the Law Society has recently implemented a number of changes designed further to reduce the delays, as a result of a review by independent consultants of working methods in Area 1.

Crown Prosecution Service

Mr. Bermingham asked the Attorney-General (1) how many posts there were for each of the Crown Prosecution Service areas in the London areas and throughout England and Wales as at 30 May 1987 for *(a)* professional and *(b)* non-professional personnel;

(2) how many persons were in post in each Crown Prosecution Service area as at 30 May 1987. in *(a)* professional and *(b)* non-professional posts.

(3) how many posts there were for the Crown Prosecution Service areas in the London area and throughout England and Wales as at 30 May 1986 for *(a)* professional and *(b)* non-professional personnel;

(4) how many persons were in post in each Crown Prosecution Service area as at 30 May 1986 for *(a)* professional and *(b)* non-professional posts;

(5) how many persons are in posts as *(a)* chief crown prosecutors, *(b)* branch prosecutors, *(c)* senior crown prosecutors and *(d)* crown prosecutors, indicating how many are male; and female;

(6) whether he proposes to take any steps to bring into line the pay of those who transferred into the Crown Prosecution Service from the county prosecution service, as senior crown prosecutors and those recruited as senior crown prosecutor or promoted to senior crown prosecutor from within the service;

(7) how many staff who resigned from the Crown Prosecution Service were *(a)* chief crown prosecutors, *(b)* branch prosecutors and *(c)* senior crown prosecutors and *(d)* crown prosecutors, between 1 April 1986 and 30 March 1987;

(8) what representations he has received from the Commissioner of Police of the Metropolis and chief constables elsewhere with regard to the performance of the Crown Prosecution Service; and if he will make a statement;

(9) what steps he intends to take to attract further recruits into the Crown Prosecution Service in order to fill the vacant posts, particularly in London and the home counties;

(10) how many persons have been seconded to other areas to meet or assist in the shortfall of staff in London and elsewhere in the Month of May 1987; and what has been the average cost of secondment per person in the payment of expenses.

The Attorney-General: I will reply to the hon. Member when the information has been obtained.

Solicitors and Barristers (Training Courses)

Mr. Bermingham asked the Attorney-General what training courses he proposes to introduce in advocacy for inservice training for *(a)* solicitors who have just been admitted, *(b)* barristers who have completed no pupilage and *(c)* barristers who have completed no more than six months training.

The Attorney-General: I will reply to the hon. Member when the information has been obtained.

Committed Papers

Mr. Bermingham asked the Attorney-General what qualifications will be required of those persons not professionally qualified in law whom he proposes to employ to prepare and vet committal papers.

The Attorney-General: I will reply to the hon. Member when the information has been obtained.

Magistrates' Courts (Agents)

Mr. Bermingham asked the Attorney-General what is the average weekly cost of appointment of agents in the magistrates' courts in each of the London areas and throughout England and Wales.

The Attorney-General: I will reply to the hon. Member when the information has been obtained.

Case Papers

Mr. Bermingham asked the Attorney-General what steps he proposes to take to ensure that case papers for agents, solicitors or barristers are provided, at the latest, the night before the hearings.

The Attorney-General: I will reply to the hon. Member when the information has been obtained.

EMPLOYMENT

Youth Training Scheme

Mr. Rooker asked the Secretary of State for Employment what are the current numbers of YTS-employed status trainees; and if he will make a statement outlining the procedure by which employers are made aware of the scheme.

Mr. Cope: It is estimated that around one in ten of YTS trainees have employment status. Employers are made aware of the scheme in a number of ways: the Manpower Services Commission makes information and literature available to employers; individual managing agents may approach employers to be involved as work experience providers; and local and national employer organisations encourage their members to take part in YTS.

Remploy

Mr. Alan Williams asked the Secretary of State for Employment in each year since 1979 what has been Remploy's *(a)* turnover, *(b)* profitability, *(c)* grant from Government and *(d)* grant per employee from Government.

Mr. Lee: Remploy's turnover in each year since 1979 was as follows:

	£ million
1978-79	29·9
1979-80	33·1
1980-81	39·0
1981-82	41·7
1982-83	49·4
1983-84	55·6
1984-85	62·7
1985-86	70·8
1986-87	[1]77·6

[1] Provisional.

Remploy does not make a profit, but the excess of expenditure over income generated through sales for each year was as follows:

	£ million
1978-79	22·6
1979-80	27·2
1980-81	34·9
1981-82	42·2
1982-83	43·4
1983-84	46·3
1984-85	49·3
1985-86	53·0
1986-87	[1]50·9

[1] Provisional

The level of revenue subvention from Government for each year was as follows:

	£million
1978-79	22·6
1979-80	27.2
1980-81	35·2
1981-82	39·2
1982-83	42·4
1983-84	44·6
1984-85	47·8
1985-86	48·5
1986-87	[1]47.9

[1] Provisional.

Dividing the total revenue subvention by the average number of disabled employees in each year, gives the following results:

	£
1978-79	2,800
1979-80	3,311
1980-81	4,304
1981-82	4,640
1982-83	4,850
1983-84	5,109
1984-85	5,362
1985-86	5,449
1986-87	[1]5,356

[1] Provisional.

Mr. Alan Williams asked the Secretary of State for Employment how many people were employed by Remploy in each year since 1979, and in what product areas.

Mr. Lee: The average number of people employed by Remploy by product group in each year since 1982 was as follows:

Total average employees by product group

	1982	*1983*	*1984*	*1985*	*1986*	*1987*
Head Ofice	214	191	195	207	166	150
Furniture and Medical	2,876	3,627	3,587	3,398	3,370	3,196
Leather and Textiles	3,436	3,668	3,594	3,735	3,763	3,624
Packaging and Assembly	4,331	3,639	3,751	4,023	3,969	4,047
Total Employees	10,857	11,125	11,127	11,363	11,268	11,017
of which Section 2 disabled	8,448	8,742	8,730	8,915	8,900	8,944

Information is not available by product group prior to 1982.

Jobcentre Recruitment

Mr. Janner asked the Secretary of State for Employment what methods he is considering for the improvement of jobcentre recruitment.

Mr. Lee: We are constantly looking for ways of improving jobcentre recruitment services. Existing methods are varied according to local managerial judgment of labour market conditions, availability of resources and the wishes of employers. Jobcentres have been remarkably successful with this, as with other parts of their services and last year placed almost 2 million people in jobs.

Mr. Janner: asked the Secretary of State for Employment whether he will consider proposals that jobcentres should accept curricula vitae as part of their recruitment methods.

Mr. Lee: As the hon. Member may know, long-term unemployed people in job clubs are trained to prepare CVs and encouraged to use them as part of their job search activity.

So far as the job broking activities of jobcentres are concerned, it is unlikely that greater usage of CVs would increase recruitment to employer's vacancies. Very few employers using jobcentres for recruitment ask for CVs, often requiring a speedy response and preferring to gain such information on job application forms or when interviewing candidates. Most jobcentre vacancies are successfully filled by self-service methods which do not lend themselves to the use of CVs.

Tourism (Upper Waiting Hall)

Miss Fookes asked the Secretary of State for Employment if he has considered an application for an exhibition relating to tourism to be displayed in the Upper Waiting Hall.

Mr. Lee: To date I have not received any such application, but I would welcome such a request in the future.

Wages Inspectorate

Mr. Janner asked the Secretary of State for Employment whether he has any plans to increase the strength of the Wages inspectorate.

Mr. Nicholls: No.

Mr. Janner asked the Secretary of State for Employment whether he will make a statement on the number of actions taken by the Wages inspectorate against illegal activities by employers in accordance with the rules.

Mr. Nicholls: In 1986 two employers were successfully prosecuted for offences under wages council legislation.

So far in 1987, four employers have been successfully prosecuted and a further three cases are expected to be heard shortly.

FOREIGN AND COMMONWEALTH AFFAIRS

Hong Kong

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs (1) whether the People's Republic of China has accepted the compulsory jurisdiction of the International Court of Justice to resolve any dispute over implementation or interpretation of the joint declaration on the future of Hong Kong; and if he will make a statement;

(2) whether the United Kingdom has accepted the compulsory jurisdiction of the International Court of Justice to resolve any dispute over implementation or interpretation of the joint declaration on the future of Hong Kong; and if he will make a statement.

Mr. Eggar: The People's Republic of China has not accepted the compulsory jurisdiction of the International Court of Justice and the United Kingdom's acceptance of compulsory jurisdiction is subject to reciprocity. Nevertheless, both Governments have made it clear that they are firmly committed to the full and faithful implementation of the joint declaration in the interests of maintaining the stability and prosperity of Hong Kong. We intend to honour the agreement to the full and are confident that the Chinese Government intend likewise.

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs what judicial procedures will be used after 1 July 1997 to resolve any dispute between the United Kingdom and the People's Republic of China over implementation or interpretation of the joint agreement on the future of Hong Kong; and if he will make a statement.

Mr. Eggar: There is no provision in the joint declaration for the judicial resolution of disputes. It would be for us and the Chinese Government to seek to resolve any differences of view by whatever methods seemed appropriate at the time. There is close co-operation between our two Governments and we are fully satisfied with the progress that has been made in the implementation of the joint declaration.

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs how many visas for emigration from Hong Kong have been issued in the past five years; if he will list the totals by country of destination; and if he will make a statement.

Mr. Eggar: Hong Kong people are free to come and go as they wish. Exit visas are not required and travellers are not questioned on the purpose of their journey. In these circumstances, statistics on the numbers emigrating are not available. However, we estimate that on average about 20,000 people have emigrated in each of the past five years.

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs if, following his consultations, he will state whether the National People's Congress of the People's Republic of China, after 30 June 1997, maintain rights to amend the basic law of the special administrative region of Hong Kong and to review the constitutionality of the local laws of the special administrative region; and if he will make a statement.

Mr. Eggar: Under the Chinese constitution, the power to amend the basic law, like other Chinese statutes, rests with the National People's Congress. However, the joint declaration provides that the basic policies set out in that agreement—which will be stipulated in the basic law—will regain unchanged for 50 years from 1 July 1997. In accordance with the terms of the joint declaration, laws

enacted by the Legislature of the Special Administrative Region which are in accordance with the basic law and legal procedures will be regarded as valid.

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs if the statement by Sir Sze-Yuen Chung, a senior member of the Hong Kong Executive Council, concerning the totality of the control which will be exercised over Hong Kong by the People's Republic of China after 30 June 1997, and concerning the degree of local control over political affairs, represents Her Majesty's Government's policy; and if he will make a statement.

Mr. Eggar: Sir Sze-Yuen Chung has made clear that in his statement he was putting forward his personal views. Our general position is made clear from our signature of the Sino-British joint declaration. This provides *inter alia* that from 1 July 1997 the Hong Kong Special Administrative Region will enjoy a high degree of autonomy, except in foreign and defence affairs which will be the responsibilities of the Central People's Government of the People's Republic of China.

Human Rights Conventions (China)

Mr. Ashdown asked the Secretary of State for Foreign and Commonwealth Affairs which of the following United Nations human rights international instruments have been signed and ratified by the People's Republic of China: *(a)* the international covenant on economic, social and cultural rights, *(b)* the international covenant on civil and political rights, *(c)* the convention relating to the status of refugees, *(d)* the convention relating to the status of stateless persons and *(e)* the convention on the political rights of women; and if he will make a statement.

Mr. Eggar: The People's Republic of China has not signed and ratified or acceded to *(a)*, *(b)*, *(d)* or *(e)*. It acceded to both the convention and the protocol relating to the status of refugees on 24 September 1982 *(c)*.

Cultural Relations

Mr. Faulds asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's policy on cultural relations.

Mr. Eggar: I refer the hon. Member to the answer that I gave to my hon. Friend the Member for Salisbury (Mr. Key) on 1 July, at columns *476* and *477*.

Korea

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy on the peaceful reunification of Korea; and if he will make a statement.

Mr. Eggar: As the hon. Member was informed by my hon. Friend the then Minister of State for Foreign and Commonwealth Affairs, the Member for Mid Sussex (Mr. Renton) on 14 April 1986, at columns *244* and *245*, our policy to support progress towards reunification by means of direct dialogue between the Koreans.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have any plans to commence diplomatic relations with the Democratic People's Republic of Korea; and if he will make a statement.

Mr. Eggar: We have no plans to open diplomatic relations with North Korea.

AIDS

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs what additional funds are being made available to the International Planned Parenthood Federation for work in AIDS-related campaigns; and for what precise purpose such funds are intended.

Mr. Chris Patten: We are providing an additional £1·6 million over three years to enable the federation to develop information and counselling services on AIDS for its health workers and clients.

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs what funds are being made available to CAFOD for work in AIDS-related campaigns; and for what precise purpose such funds are intended.

Mr. Chris Patten: We have made no grants to CAFOD for AIDS-related campaigns or projects. We believe the best way to tackle the AIDS problem is to work within national AIDS programmes, and we are encouraging other donors and voluntary agencies to do the same. These programmes are being developed with the assistance of the World Health Organisation's special programme on AIDS, to which we have so far contributed £3·25 million.

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make it his policy to ensure that the basis of any AIDS campaign run by voluntary organisations overseas, using British Government funds, is that chastity before marriage and fidelity within it should be promoted as being more likely to tackle the spread of AIDS than promiscuous sexual behaviour protected by condoms.

Mr. Chris Patten: We believe assistance in this field, including that from voluntary organisations, should be provided within the framework of national AIDS programmes. The responsibility for developing these, which will include appropriate measures to prevent sexual transmission of the desease, rests with national Governments.

European Trade Mark Office

Mr. Mills asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has made in the foreign affairs deliberations of the Council of Ministers on London as the location for the proposed European Trade Mark Office.

Mrs. Chalker: The Commission has yet to make a recommendation on the location of the Community Trade Mark Office and the issue has not therefore been discussed in the Council. My right honourable and learned Friend and I have, in discussions with other EC member states, sought support for London as the best site.

South Africa (Trade Unionists)

Mr. Nellist asked the Secretary of State for Foreign and Commonwealth Affairs if, pursuant to his answer to the hon. Member for Coventry, South-East on 1 July, he will state which nine trade unionists' cases were raised by Her

Majesty's Government's ambassador in Pretoria on 19 December 1986; and what was the outcome of those discussions.

Mrs. Chalker: The nine trades unionists are Mr. Moses Mayekiso, Mr. Denis Dickinson, Mr. Peter Seabela, Ms. Patricia Dlungwana, Mr. George Hlabizulu, Mr. Alexander Kgagodi, Mr. Joseph Timane, Mr. Madla Cele, Mr. Philip Majara.

The South African Government were left in no doubt of the Twelve's strong concern in the matter of their detention.

St. Helena (Television Programmes)

Dr. Marek asked the Secretary of State for Foreign and Commonwealth Affairs if he will consider the possibility of transmitting BBC1 and BBC2 television by satellite to St. Helena.

Mr. Eggar: St. Helena has no television service and the islanders would require special facilities to receive television programmes broadcast by satellite. We are aware of the potential opportunities offered by satellite broadcasting, but the question of Government involvement raises fundamental policy issues.

TRANSPORT

Women's Needs

Ms. Richardson asked the Secretary of State for Transport what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. Channon: Women have special needs relating to their use of public transport services and various road safety issues. These reflect factors such as more restricted access to private cars and greater fears for personal safety. These matters are given due weight in the formulation of policy on these issues, and in the monitoring of developments such as bus deregulation. The Department consults organisations representing the interests of women when this is appropriate although in general the policy is to consult organisations representing all those concerned with particular issues.

Equal opportunities training, including that designed to increase awareness of the needs of women, is included in all the Department's main management training courses.

M66 (Inspector's Report)

Mr. Andrew F. Bennett asked the Secretary of State for Transport if he will set out the timetable for receipt and publication of the inspector's report on the M66 from Denton to Middleton; and when he will expect construction to start if the inspector recommends construction.

Mr. Peter Bottomley: The inspector's report is expected shortly. I shall make an announcement after I have considered it. The scheme is included in the national trunk road programme for a start of work in the period April 1989 to March 1991.

BR (Punctuality)

Mr. Pawsey asked the Secretary of State for Transport what information he collects from British Rail about its punctuality performance, region by region.

Mr. David Mitchell: None. But I receive quarterly information now by sector.

Mr. Pawsey asked the Secretary of State for Transport what reasons have been supplied to him by British Rail for the trends in punctuality over the last six months *(a)* nationally and *(b)* in the London Midland Region.

Mr. David Mitchell: British Rail has been making efforts to improve its performance, on which it will be reporting in its annual report, as I asked the chairman last October. I am glad to say that punctuality has improved over the last six months. I do not monitor punctuality regionally.

Mr. Pawsey asked the Secretary of State for Transport what information he has about the punctuality performance of railways in other European Economic Community countries in comparison with that of British Rail.

Mr. David Mitchell: None. Comparisons with foreign rail services are of limited use because circumstances vary from country to country.

BR (Accident Record)

Mr. Pawsey asked the Secretary of State for Transport what information he has about British Rail's accident record over the last six months *(a)* nationally and *(b)* in the London Midland Region.

Mr. David Mitchell: Section 6 of the Regulations of Railways Act 1871 and orders made under it—currently the Railways (Notice of Accident) Order 1986, SI 1986 No. 2187—requires statutory railway authorities to report specified accidents and dangerous occurrences to the Department. In the case of British Rail these are made as individual reports or on monthly bulk returns depending on the nature and severity of the accident or incident. In each case the region of BR is identified. All the reports and returns are collated, analysed by the Railway Inspectorate and any adverse trends are thereby identified. The accident statistics, together with an analysis and commentary, are included in the Railway Inspectorate's annual report, published for each calendar year by HMSO. Based on the reports received so far, the accident record during the past six months, both of BR and of London Midland region, appears relatively satisfactory and in line with the improved overall safety performance achieved in recent years.

British Rail (Derelict Land)

Mr. Pawsey asked the Secretary of State for Transport what is the total amount of derelict land in the ownership of British Rail; and what was the equivalent figure for 1979.

Mr. David Mitchell: The amount of vacant and underutilised land owned by British Rail at 31 March 1987 was 1,246 sites, totalling 9,404 acres. The equivalent figure at the end pf 1979 was 2,823 sites, totalling 18,333 acres.

Motorway Bridges (Graffiti)

Mr. Pawsey asked the Secretary of State for Transport what action he intends to take to remove graffiti from motorway bridges.

Mr. Peter Bottomley: The removal of graffiti from trunk road bridges is left to the judgment of the local highway authorities acting as the Department's agents. The mormal practice is to remove obscene or racist graffiti quickly. To save money and lane closures, the treatment of the remainder is undertaken as soon as possible within the routine maintenance works programme.

Mr. Pawsey asked the Secretary of State for Transport what assessment he has made of the implications for road safety of graffiti on motorway bridges.

Mr. Peter Bottomley: There is no evidence that graffiti on a motorway bridge poses a problem for road safety. The danger is for those placing the graffiti.

Federation of Professional Railway Staff

Mr. Hayes asked the Secretary of State for Transport if he will meet the chairman of British Rail to discuss recognition of the Federation of Professional Railway Staff.

Mr. David Mitchell: No. This is a management matter for the Railways Board.

Heathrow Airport

Mr. Parry asked the Secretary of State for Transport what representations he has received about excessive charges by duty-free shops at Heathrow airport.

Mr. Peter Bottomley: No one has made representations to us in the last two years.

Shipping Disasters (Inquiries)

Mr. Adley asked the Secretary of State for Transport, pursuant to his answer to the hon. Member for Christchurch on 29 June, *Official Report*, column *236*, to which inquiries he was referring when he stated that in relation to previous public inquiries into matters analogous with the Herald of Free Enterprise disaster, a policy of not bringing criminal charges had been applied.

Mr. David Mitchell: My right hon. Friend was referring to formal investigations ordered under section 55 of the Merchant Shipping Act 1970. But the same policy is applied in relation to all such inquiries, as evidenced in the Government's response to recommendation 22 of the Royal Commission on Tribunals of Inquiry 1966, Cmnd. 3121.

Watermead Country Park

Mr. Vaz asked the Secretary of State for Transport if he will give reasons why his Department is resisting proposals for alternative access to Watermead country park from the A46 rather than through Alderton Close, Rushey Mead, Leicester.

Mr. Peter Bottomley: The A46 in Leicester is a heavily used dual carriageway road. Introducing a new access or intensifying the use of an existing access to this type of road is to be avoided on safety grounds.

Our advice was sought informally about the proposed alternative access to the Watermead country park because here the A46 is a trunk road and we are the highway authority. Our advice has been confined to this access as the A46 at Alderton close is no longer a trunk road. Here it is a principal road and Leicestershire county council is the highway authority. Nevertheless, the traffic and road safety implications would still need to be considered.

We understand that a planning application is to be formally submitted at which time when we have seen the details we would hope to discuss with Leicestershire county council and the planning authority how the access to the park should be best accommodated along this section of the A46.

A46-A47

Mr. Vaz asked the Secretary of State for Transport if he will make it his policy to defer implementing Leicestershire county council's proposals for the extension of the A46-A47 until full public consultation has taken place; and if he will authorise a further public inquiry.

Mr. Peter Bottomley: No. Implementation of the proposals for the A46-A47 link is a matter for Leicestershire county council as highway authority. The council has recently stated there will be public consultation on the detailed proposals.

Pembury and Sidcup Bypasses

Mr. Speed asked the Secretary of State for Transport what is his current estimate of the opening dates for the A21 Pembury bypass and the A20 new Sidcup bypass.

Mr. Peter Bottomley: Both of these new bypasses are due to be completed next spring. I understand that the contractor for the A20 Sidcup bypass hopes to finish early, to allow opening by the end of this year.

M20 (Hollingbourne-Ashford)

Mr. Speed asked the Secretary of State for Transport if he has yet received the report of the inspector into the inquiry into the Hollingbourne-Ashford section of the M20 motorway; and if he will make a statement.

Mr. Peter Bottomley: The inspector's report was received in February. I hope to make an announcement soon.

Birmingham Relief Road

Mr. Richard Shepherd asked the Secretary of State for Transport if he will list the sites that have been and are currently under consideration as suitable for service facilities on the Birmingham northern relief road.

Mr. Peter Bottomley: We are not yet ready to announce proposals for a site for an MSA on this road. We hope to be able to do so later in the year when indicating the proposed alignment of the road.

Mr. Richard Shepherd asked the Secretary of State for Transport when he expects to publish the draft line order for the Birmingham northern relief road.

Mr. Peter Bottomley: We expect to publish the draft line order in September.

Burntwood Bypass

Mr. Richard Shepherd asked the Secretary of State for Transport what representations his Department has received from Walsall metropolitan borough council with respect to the proposed Burntwood bypass.

Mr. Peter Bottomley: The Department has been discussing road proposals in this area with both Walsall and Staffordshire councils. Any decision to build a Burntwood bypass is essentially one for these authorities to make. This Department is considering how best such a scheme could link to the proposed Birmingham northern relief road.

Brownhills (Traffic Surveys)

Mr. Richard Shepherd asked the Secretary of State for Transport if any recent traffic surveys have been carried out in the Brownhills area by his Department; and if he will make a statement.

Mr. Peter Bottomley: The last full surveys in Brownhills were taken in 1985. Automatic traffic counts are in regular use alopg the A5 between Weeford and M6.

Motorcycle Helmets

Mr. Neil Hamilton asked the Secretary of State for Transport what information he has as to the availability of motorcycle helmet visors complying with the new regulations on abrasion resistance; and if, to avoid insurance complications for motorcyclists unable to comply with the new regulations, he will waive temporarily the new requirements.

Mr. Peter Bottomley: I will answer this question shortly.

South Wales—Heathrow (Rail Link)

Mr. Win Griffiths asked the Secretary of State for Transport if, when considering the study of a new rail link from central London to Heathrow, he will look at the question of providing a direct rail link from south Wales to Heathrow on the journey to Paddington.

Mr. David Mitchell: It would be for British Rail to bring forward the case for such an investment. If it could be justified commercially, I would be happy to approve it.

Channel Tunnel

Mr. Alfred Morris asked the Secretary of State for Transport if he will make provision in the Channel Tunnel Bill for adequate facilities to ensure the safety, comfort and convenience of people with disabilities travelling on trains through the proposed Channel tunnel.

Mr. David Mitchell: Eurotunnel's original submission to the Governments showed that they realised the need to make provision on their shuttle services for people with disabilities. They are now working closely with representatives of disabled people's organisations to establish their requirements and see how they can best be met; British Rail has a firm commitment to providing for the needs of passengers with disabilities on all their major services; and the safety authority will need to be satisfied by the arrangements proposed.

Provision in the Channel Tunnel Bill is therefore unnecessary.

Merchant Fleet

Mr. MacDonald asked the Secretary of State for Transport what plans Her Majesty's Government have to arrest the annual decline in the registered tonnage of the British merchant fleet.

Mr. David Mitchell: The Government's interest is twofold: first, to ensure adequate merchant shipping resources to meet the country's need in emergency or war. Plans for this include new measures aimed at encouraging the retention of British seafarers on British-owned vessels.

Second, to help the competitive position of the United Kingdom merchant shipping fleet, a number of important initiatives have been taken at the level of the EEC and on a wider international basis, aimed at providing improved access to trading opportunities.

NATIONAL FINANCE

Afforestation

Dr. David Clark asked the Chancellor of the Exchequer what return to the nation is expected for new afforestation proposals made by the Forestry Commission; and if he wil publish any guidelines on this subject which have been issued by his Department to the Forestry Commission.

Mr. Major: The overall financial targets set for the Forestry Commission are to achieve an overall return, in real terms, of 3 per cent. on its forest estate and 5 per cent. on its commercial recreation investment. It also has objectives in the fields of rural employment, recreation and the environment. The commission's performance over the period from 1982 to 1987 will be reviewed later in the year when the accounts for 1986-87 are completed and performance targets for the next three years will then be set

Income Tax

Mr. David Atkinson asked the Chancellor of the Exchequer if he will list the lowest rates of income tax for Italy, Japan, West Germany, the United States of America and France.

Mr. Norman Lamont: The lowest nominal rates of national income tax for the countries concerned are:

	per cent.
Italy	12·0
Japan	10·5
West Germany	22·0
United States of America	11·0
France	5·0

Mr. Hunter asked the Chancellor of the Exchequer what would be the immediate revenue cost of abolishing the 60 per cent. tax band, thus making the maximum rate of tax 50 per cent.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Mr. Hunter asked the Chancellor of the Exchequer what would be the immediate revenue cost of abolishing the 60 per cent. and 50 per cent. tax bands, thus making the maximum rate 40 per cent.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Mr. Harry Greenway asked the Chancellor of the Exchequer if he has any plans to seek to reduce rates of income tax; and if he will make a statement.

Mr. Norman Lamont: As we said in our election manifesto, our aim is to cut income tax still further and reduce the basic rate to 25p in the pound as soon as we prudently can.

Mortgage Interest Relief

Mr. Hunter asked the Chancellor of the Exchequer what would be the increase in tax collected if mortgage interest relief was restricted to the basic rate of income tax only.

Mr. Norman Lamont: The direct revenue yield in a full year, at 1987-88 levels, from restricting relief to the basic rate is estimated at £340 million. This makes no allowance for the effect of any consequential changes to the distribution of outstanding mortgages.

Mr. Speed asked the Chancellor of the Exchequer how many representations he has received in the past 12 months about the more favourable tax treatment of mortgages for unmarried people living together rather than that given to married couples; and what reply he has sent.

Mr. Norman Lamont: My right hon. Friend the Chancellor of the Exchequer has received about 200 representations on the subject in the past 12 months. Replies have referred to last year's Green Paper on the reform of personal taxation, which suggested that one possibility would be to apply mortgage interest relief to the residence so that two or more people borrowing to buy a house would share the relief limit between them, whether they were married or unmarried.

Exchequer Income

Dr. Cunningham asked the Chancellor of the Exchequer if he will publish the estimated total yield of *(a)* income tax, *(b)* value-added tax, *(c)* all other taxes, *(d)* all Customs and Excise duties and *(e)* all miscellaneous income to the Exchequer, other than borrowing, *(f)* public sector borrowing and *(g)* rates in each year from 1979-80 to 1987-88, estimated.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

General Election (Costs)

Mr. Kaufman asked the Chancellor of the Exchequer what is the estimated total cost to public funds of the recent General Election.

Mr. Lawson: £27 million.

VAT

Mr. Gardiner asked the Chancellor of the Exchequer whether he proposes to take steps to ease the cash flow problems caused for many companies whose value added tax refunds are held up by the Civil Service strike; and whether he will allow them to use their monthly pay-as-you-earn payment to the Inland Revenue to make good the shortfall.

Mr. Norman Lamont [*pursuant to his reply*, 3 July 1987, c. *177*]: The Customs and Excise computer system is working again and repayments of value added tax are now being made, together with the addition of repayment supplement—5 per cent. of the tax to be repaid—where appropriate. It will take some days for the backlog to be cleared.

In considering a request for deferral of tax payments, Inland Revenue collectors of tax have general discretion to take account of temporary financial difficulties which a business faces.

CIVIL SERVICE

Unions (Meetings)

Mr. Campbell-Savours asked the Minister for the Civil Service when he next intends to meet the Civil Service unions.

Mr. Luce: I have no plans at present to meet representatives of the Civil Service trade unions, but I meet them informally from time to time. Matters of mutual interest are discussed.

THE ARTS

Women's Needs

Ms. Richardson asked the Minister for the Arts what are the main needs of women in the policy areas within the sphere of his Department's activities; what he has done to indentify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. Luce: I am delighted that women play a strong and active part in every field of artistic activity. I should like to see more women appointed to the trustee and similar governing bodies of the organisations for which I am responsible and am pleased to receive suggestions for suitable candidates.

British Museum (Shoreditch)

Mr. Dalyell asked the Minister for the Arts what requests the British museum has received from *(a)* Ghana and *(b)* Papua New Guinea for the return of tribal art treasures stored in Shoreditch; what reply was sent; and if he will make a statement.

Mr. Luce: The British museum received requests from Ghana in 1974 and 1975 about the return of material in its collections; it was explained at the time that the museum was prevented by Act of Parliament from disposing of its holdings.

The museum has received no request from Papua New Guinea for the return of any material.

Ethnographic material not on general display in the British museum is available for inspection and study.

Library Authorities

Mr. Lawrence asked the Minister for the Arts what he is doing to assist library authorities in developing management costing systems.

Mr. Luce: I am very glad to announce the publication today, as No. 17 in the Library information series, of "A

Costing System for Public Libraries". This report sets out the basis of a costing system that will, I believe, be of real value to librarians and the authorities they serve.

Nowadays the public sector has to show that it uses the taxpayer's and ratepayer's money efficiently and effectively, so good cost information is essential. I hope that the report will engage the commitment of the library service to a sustained and systematic process of reviewing and improving its management techniques and thus its service delivery. Copies of the report have been placed in the Libraries of Parliament.

ENERGY

Electricity Industry (Privatisation)

Mr. Barron asked the Secretary of State for Energy what discussions he has had with the chairman of the Electricity Council about privatisation.

Mr. Parkinson: I have had preliminary discussions with the chairman of the Electricity Council on a wide range of issues, including privatisation. The Government will be undertaking a great deal of preparatory work, in consultation with the industry and others, before bringing forward its proposals for privatisation.

WALES

Ministerial Visit

12. **Mr. Wigley** asked the Secretary of State for Wales on how many occasions he has visited Wales since his appointment.

Mr. Peter Walker: Since my appointment I have each week visited Wales, I have had many meetings with my officials to obtain a full and detailed briefing on all matters affecting Wales, I have met a number of Welsh local authority leaders and I have had a number of meetings with Welsh MP's and I have arranged a substantial number of future meetings and visits.

Roads

13. **Mr. Livsey** asked the Secretary of State for Wales what plans he has for investment and improvement of the road system in Wales.

Mr. Wyn Roberts: The Government's programme for improvement of the road network in Wales is set out in "Roads in Wales 1985".

Sir Raymond Gower asked the Secretary of State for Wales what road improvements are now included in the preparation pool.

Mr. Wyn Roberts: The concept of a preparation pool of schemes was discontinued some time ago. The Government's programme for road improvements is set out in "Roads in Wales 1985".

Rhondda Valley

14. **Mr. Allan Rogers** asked the Secretary of State for Wales when he next plans to visit the Rhondda valley.

Mr. Peter Walker: I hope to find a suitable opportunity to visit the Rhondda and many other places in the months ahead.

Agricultural Land

16. **Mr. Ieuan Wyn Jones** asked the Secretary of State for Wales what representations he has had proposing the designation of the whole of Ynys Môn as marginal agricultural land; and if he will make a statement.

Mr. Peter Walker: There have been 321 representations from individual farmers against exclusion of their own land from the less-favoured area. Representations have also been received from the farming unions.

Labour Statistics

17. **Mr. Barry Jones** asked the Secretary of State for Wales if he will give his estimate of the number of people in full time employment in Wales in 1987, to the latest available date, compared with 1979.

Mr. Peter Walker: Data for male employment do not distinguish between full and part-time workers. The total of full-time and part-time male and full-time female employees in December 1986, the latest available, is estimated to have been 678,000; the corresponding estimate for December 1979 was 865,000. Between June 1979 and June 1986 self employment in Wales increased by 30,000 to 154,000. Since December 1986 unemployment in Wales has fallen by nearly 11,000.

Sir Raymond Gower asked the Secretary of State for Wales what were the numbers of notified vacancies in Wales, in south Glamorgan and in the area of the Vale of Glamorgan at the latest convenient date; how those compare with the figures for a year previously.

Mr. Peter Walker: The number of vacancies notified to jobcentres and careers offices in Wales and south Glamorgan on 8 May 1987 and 2 May 1986 are given in the following table. This information is not available on a constituency basis.

	Jobcentres	*Careers Offices*	*Total*
8 May 1987			
Wales	13,017	336	13,353
South Glamorgan	1,662	87	1,749
2 May 1986			
Wales	11,925	129	12,054
South Glamorgan	1,728	41	1,769

Cynon Valley

18. **Mrs. Clwyd** asked the Secretary of State for Wales what resources he will make available to deal with the housing and health situation in the Cynon valley.

Mr. Grist: The Cynon valley will continue to receive its fair share of available public resources in relation to its needs.

Railways

19. **Mr. Anderson** asked the Secretary of State for Wales when he next intends to meet the chairman of British Rail to discuss rail communications in south Wales.

Mr. Peter Walker: My predecessor met the chairman of British Rail on 25 November 1986. I have at present no specific plans to do so.

Delyn Enterprise Zone

20. **Mr. Raffan** asked the Secretary of State for Wales if he will support Delyn borough council's application to extend the Delyn enterprise zone.

Mr. Grist: Decisions on applications submitted by local authorities, including Delyn borough council, to adjust boundaries or create new zones, will not be taken until [1]consultants' report on the performance to date of enterprise zones, just received, has been considered.

[1] PA Cambridge Economic Consultants.

Welsh Water Authority

21. **Mr. Rowlands** asked the Secretary of State for Wales whether he will make a statement on the future development of the Welsh water authority.

Mr. Grist: This is a matter for the Welsh water authority, I understand it will be publishing within the next two weeks its annual plan, which outlines future developments.

Industrial Regeneration

22. **Sir Raymond Gower** asked the Secretary of State for Wales whether any of the actions to be taken to meet the needs of the inner cities in England will be devoted to areas in Wales such as the industrial valleys and areas where the old major industries have declined.

Mr. Peter Walker: I intend to give priority to measures aimed at speeding up the regeneration of those areas in Wales suffering from urban decline, including the south Wales valleys. In doing so I shall have regard to the particular circumstances of Wales and I shall examine all available mechanisms to ensure that they are deployed and co-ordinated to the best possible effect.

Primary Schools

23. **Mr. Alex Carlile** asked the Secretary of State for Wales if he will make a statement on the future of village primary schools in Wales.

Mr. Wyn Roberts: Where proposals for the closure of rural primary schools come before my right hon. Friend they are decided on the merits of the individual case, taking account of all the information available. The effects of the proposals upon the quality of education are a prime consideration.

"Housing for Senior Management"

24. **Mr. Gareth Wardell** asked the Secretary of State for Wales if he will withdraw Circular 30/68: "Housing for Senior Management".

Mr. Grist: No.

Council House Sales

Sir Raymond Gower asked the Secretary of State for Wales how many council dwellings had been sold to tenants, up to the latest convenient date.

Mr. Grist: A total of 48,477 council dwellings have been sold to sitting tenants under the right-to-buy scheme since its introduction in October 1980, up to 31 March 1987.

In addition, 2,211 council dwellings were sold under voluntary agreements during the same period.

Alcoholism

Sir Raymond Gower asked the Secretary of State for Wales what reports he has received concerning the level of alcoholism in Wales; and if he will make a statement.

Mr. Grist: Earlier this year the Health Education Advisory Committee for Wales published its report "Dealing with Alcohol Problems in Wales", a copy of which is in the Library of the House. This report proposes a comprehensive health promotion strategy to tackle the problem. The Welsh Health Promotion Authority is considering the report and I look forward to receiving their recommendations.

Farming (Diversification)

Sir Raymond Gower asked the Secretary of State for Wales what are his conclusions regarding the scope for diversification of farming in Wales; and what particular measures he has in mind.

Mr. Peter Walker: On 9 February a number of new policy initiatives were announced designed to encourage alternative uses of farm land, increase diversity on farms and in the rural economy generally, and enhance environmental protection. They include a scheme to encourage the development of farm woodlands, further designations of environmentally sensitive areas and the introduction of a scheme offering new grants towards on-farm diversification.

Specific proposals for the farm woodland and diversification schemes have been the subject of consultation documents. Both have been generally welcomed in Wales. While it is too early to assess the likely take-up I am sure that these two schemes, and the further proposed designations of environmentally sensitive areas announced by my predecessor on 15 May, will be of benefit to Welsh farmers wishing to diversify.

Historic Monuments

Mr. D. E. Thomas asked the Secretary of State for Wales (1) what proportion of *(a)* the full-time and *(b)* the part-time employees of Cadw are Welsh-speaking;

(2) how many of the *(a)* full-time and *(b)* part-time employees of Cadw deal directly with the public in their work; and what proportion of these are Welsh-speaking;

(3) how many people are at present employed by Cadw and, of those, how many are employed on *(a)* a full-time basis and *(b)* a part-time basis.

Mr. Wyn Roberts: The position relating to staff working for Cadw as at 1 July is:

	Full-time	*Part-time*
Total	197	18
Those who:		
—speak Welsh	51	—
—deal with the public[1]	21	16
—deal with the public and speak Welsh	11	—

[1] These figures relate to custodians but other staff have varying degrees of contact with the public.

Housing Associations

Mr. D. E. Thomas asked the Secretary of State for Wales how many housing units are operated or owned by housing associations opeating in Wales.

Mr. Grist: At 31 March 1987, registered housing associations operating in Wales held 19,000 dwellings in their housing stock.

Mr. D. E. Thomas asked the Secretary of State for Wales how many people are at present housed by each of the housing associations operating in Wales.

Mr. Grist: This information is not held centrally.

Mr. D. E. Thomas asked the Secretary of State for Wales what information he has as to which of those housing associations operating in Wales are based *(a)* in Wales and *(b)* outside Wales.

Mr. Grist: Of 115 registered housing associations operating in Wales 94 are based in Wales and 21 outside Wales. Following is a list:

(a) Housing associations operating in Wales — based in Wales

Abbeyfield (Abergavenny)
Abbeyfield (Aberystwyth)
Abbeyfield (Abergele)
Abbeyfield (Anglesey)
Abbeyfield (Bangor)
Abbeyfield (Barry)
Abbeyfield (Bridgend)
Abbeyfield (Caerphilly)
Abbeyfield (Cardiff)
Abbeyfield (Colwyn Bay)
Abbeyfield (Dolgellau)
Abbeyfield (Llandudno)
Abbeyfield (Llangollen)
Abbeyfield (Llanfairfechan and Penmaenmawr)
Abbeyfield (Mountain Ash)
Abbeyfield (Mold)
Abbeyfield (Monmouth)
Abbeyfield (Newport)
Abbeyfield (Penarth)
Abbeyfield (Prestatyn)
Abbeyfield (Rhondda)
Abbeyfield (Ruthin)
Abbeyfield (Rhyll)
Abbeyfield (St. Asaph)
Abbeyfield (Swansea)
Abbeyfield (Usk)
Abbeyfield (Wrexham)
Adamsdown Housing Association
Almshouse Charity of Letitia Cornwallis
Baneswell Housing Association
Bangor Diocesan Housing Association
Bath Lee Co-ownership Housing Society
Beaumaris Housing Association
Bro Myrddin Housing Association
Caerleon Co-ownership Housing Society
Cardiff Housing Co-operative
Carmel Housing Association
City of Cardiff Old Peoples Welfare Committee
Charles Jones Almshouses
Clwyd Alyn Housing Association
Corlan Housing Association
Cymdeithas Tai Brenig
Cymdeithas Tai Efengylaidd Gymru
Cymdeithas Tai Clwyd
Cymdeithas Tai Meirionydd Nant Conwy
Cymdeithas Tai Dyffryn Teifi
Cymdeithas Tai Eryri
Cymdeithas Tai Pumlumon
Cymmer Corrwg Housing Co-operative
Cynon Taf Housing Association
Eastern Valley Housing Association
Ellen Glyn Almshouses
Family Care Housing Association
Family Housing Association (South Wales)
Family Housing Association (Swansea)
Gilbertscliffe Co-ownership Housing Society
Grove Lodge Co-ownership Housing Society
Gwalia Housing Society
Gwalia (Rest Bay) Co-ownership Housing Society
Gwent Homes Housing Association
Hafod Housing Association
Henry Burtons Almshouses
Lovett Homes
Llewellyn Almshouses
Methyr Tydfil Housing Association
Mid Wales Housing Association
Monmouth and Llandaff Housing Association
Moors Community Housing Association
Newydd Housing Association
North Wales Housing Association
Pembrokeshire Housing Association
Polish Housing Association
Pontypridd and District Housing Association
Rachel Herbert Almshouse Charity
Rhondda Housing Association
Rhydaman Housing Society
Ruabon Almshouse Charity
Ruthin Hospital Charity
Secondary Housing Association for Wales
Second Cathays Housing Society
Slocombe Cottages for the Aged and Infirm
Soroptimist (Carmarthen)
Soroptimist (Cardiff)
Soroptimist (Tenby)
South Wales Federated Housing Association
St. Davids Diocesan Housing Association
Swansea Housing Association
Swansea Hillside Housing Association
Taff Housing Association
Tirion Housing Association
Wales and West Housing Association
Wrexham and District Housing Society
Western Permanent Housing Society
Roger Williams and Queen Victoria Almshouses

(b) Housing Associations operating in Wales—based outside Wales

Royal British Legion Housing Association
Baptist Housing Association
United Reform Church Housing Association
Elim Housing Association
Northern Counties Housing Association
Johnnie Johnson Housing Association
Habinteg Housing Association
Hanover Housing Association
Carinthia Housing Association
Licenced Victuallers Housing Association
Stonham Housing Association
Muir Group Housing Association
Piorhead Housing Association
John Groom Housing Association
Airways Housing Association
Douglas Haig Memorial Housing Association
YMCA Housing Association
YWCA Housing Association
North British Housing Association
Richmond Fellowship Housing Association
United Kingdom Housing Trust
New Era Housing Association

Teacher Training

Dr. Marek asked the Secretary of State for Wales if, pursuant to his answer of 1 July, he will place a copy of the joint UGC/WAB working group report on initial teacher training at Cartrefle college in the Library.

Mr. Wyn Roberts: I have placed a copy of the report in the Library of the House.

SCOTLAND

Women

Ms. Richardson asked the Secretary of State for Scotland what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Lord James Douglas-Hamilton: Information about the action taken in relation to women's needs by the Department of my right hon. and learned Friend was published in April 1987 in the review of the Nairobi forward-looking strategies for the advancement of women, copies of which have been placed in the Library. Government Departments, including that of my right hon. and learned friend, consult and are consulted by organisations representative of the interests of Scottish women, for example, in correspondence and through participation in seminars. In line with other Government Departments, the Scottish Office gives training to its staff on equal opportunity matters, including the importance of guarding against prejudicial assumptions about the skills and expectations of women on promotion or recruitment boards and in assessing staff performance.

Labour Statistics

Mr. Dunnachie asked the Secretary of State for Scotland what is the current level of unemployment in Glasgow, Pollok expressed as a percentage of the total population available for work under each of the following headings *(a)* full-time male, *(b)* part-time male, *(c)* full-time female, *(d)* part-time female and *(e)* young people between the age of 16 and 21 years; and what steps he is taking to reduce these figures.

Mr. Lang: It is not possible to relate unemployment figures to claimants' employment status in their last jobs, and percentage rates are not calculated for localities smaller than travel-to-work areas. The information requested is not therefore available.

However, the numbers of male and female unemployed claimants in the Glasgow Pollok parliamentary constituency, together with the numbers and rates for Glasgow TTWA, on 14 May, the latest date for which information is available, were as shown below.

	Glasgow Pollok parliamentary constituency	*Glasgow travel-to-work area*	*Percentage*
Males	5,619	79,572	22·2
Females	1,677	29,310	10·9
Total	7,296	108,882	17·3

In addition, on 9 April, the latest date for which age breakdowns are available, the number of unemployed claimants aged 19 and under, and aged 20-24, in the Glasgow Pollok parliamentary constituency totalled 1,278 and 1,686 respectively.

This information is available in the Library.

The key to achieving reductions in the level of unemployment lies in the Government's policy of keeping inflation down, stimulating enterprise, restoring competitiveness to industry and establishing a strong private sector, thereby encouraging the creation of more jobs. The full range of the Government's employment, enterprise and training measures is also available to assist the unemployed. While the situation in Scotland remains far from satisfactory, the fall in the unemployment figures in recent months and the high level of vacancies are very encouraging.

Electoral Register

Mr. Home Robertson asked the Secretary of State for Scotland what steps are taken by electoral registration officers to ensure that all people qualified to be electors are included on the electoral register; what staff and resources are provided for this purpose; and how often a full canvass is conducted for the purposes of updating the register.

Lord James Douglas-Hamilton: A full canvass is conducted each year in the weeks leading up to the qualifying date of 10 October to update the electoral register. All reasonable steps are taken by means of door-to-door canvass or delivery of form A to each household to ensure that all those who are qualified to be electors are included on the electoral register. The onus rests on each householder, or person owning or occupying the premises, to provide the information required by the registration officer.

The staff and resources for this purpose are determined and provided by regional and islands area councils which appoint the registration officers.

Mr. Home Robertson asked the Secretary of State for Scotland how many official poll cards were returned to returning officers by the Post Office in each Scottish constituency of the recent general election either because of errors in the electoral register or because the electors had moved away.

Lord James Douglas-Hamilton: This information is not available centrally and could not be obtained without disproportionate cost.

Lothian and Borders Police Force

Mr. Steel asked the Secretary of State for Scotland (1) if he will make a statement on the level of establishment of the Lothian and Borders police force;

(2) if he will make it his policy to make an increase in establishment of the Lothian and Borders police force.

Mr. Rifkind: The present authorised police establishment of Lothian and Borders police is 2,393 and at 31 March the actual strength (taking into account secondments to central service posts or to the Scottish crime squad) was 2,434. In terms of section 3 of the Police (Scotland) Act 1967, any proposal to increase the authorised establishments is in the first instance a matter for the Lothian and Borders police board.

Charities (Community Charge)

Mr. David Steel asked the Secretary of State for Scotland if he will make it his policy to give a discount from collective community charges to charities at a level no less than the existing rate relief.

Mr. Rifkind: It would be inappropriate to carry over into the community charge system provided for in the Abolition of Domestic Rates Etc (Scotland) Act 1987

precise equivalents of the reliefs available under the domestic rating system. The Act therefore makes no special arrangements for charities in the community charge system. The present structure of reliefs, including those for charities, will continue to apply to non-domestic rates.

I have, however, made it clear that people who are solely or mainly resident in hospitals, nursing homes, residential care homes and certain hostels will be exempt from personal community charge liability, and this will apply to many establishments run by charities. They will remain subject to non-domestic rates, with reliefs as appropriate.

Council House Sales

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the number of council homes sold to their tenants in each Scottish local authority area in each of the last five years; and what percentage this represents of the total council house stock in each area.

Mr. Rifkind: The information requested is set out in the table.

Sales of Local Authority dwellings to sitting tenants

District	*Sales to Sitting Tenants*					*Total Sales*	*Sales as a percentage of stock at 30 September 1981*
	1982	*1983*	*1984*	*1985*	*1986*		
SCOTLAND	10,904	12,711	11,860	10,948	10,036	56,459	6·33
Borders	273	358	466	329	210	1,636	10·45
Berwickshire	44	65	93	52	75	329	11·59
Ettrick and Lauderdale	80	140	191	143	99	653	13·27
Roxburgh	101	97	142	107	21	468	7·51
Tweedale	48	56	40	27	15	186	11·19
Central	577	1,074	1,141	823	681	4,296	7·63
Clackmannan	90	168	121	102	95	576	6·02
Falkirk	431	728	691	510	342	2,702	8·07
Stirling	56	178	329	211	244	1,018	7·67
Dumfries and Galloway	513	463	381	420	452	2,229	10·69
Annandale and Eskdale	171	103	96	102	99	571	11·08
Nithsdale	180	170	143	163	215	871	10·25
Stewartry	81	49	46	54	59	289	11·54
Wigtown	81	141	96	101	79	498	10·63
Fife	1,375	1,785	1,714	1,236	1,024	7,134	12·44
Dunfermline	612	834	701	385	330	2,862	12·44
Kirkcaldy	461	567	742	627	487	2,884	10·97
North East Fife	302	384	271	224	207	1,388	17·28
Grampian	1,124	1,730	1,711	1,508	1,100	7,173	9·83
Aberdeen	492	761	676	602	325	2,856	7·26
Banff and Buchan	166	322	399	357	301	1,545	11·96
Gordon	237	274	276	149	144	1,080	17·70
Kincardine and Deeside	73	90	71	96	61	391	11·10
Moray	156	283	289	304	269	1,301	11·75
Highland	552	506	361	408	390	2,217	8·56
Badenoch and Strathspey	29	28	21	16	44	138	12·42
Caithness	104	103	42	83	60	392	9·26
Inverness	232	176	103	137	97	745	10·36
Lochaber	50	47	52	52	65	266	7·66
Nairn	27	31	35	29	16	138	11·84
Ross and Cromarty	70	86	77	60	78	371	5·94
Skye and Lochalsh	6	10	18	14	25	73	9·71
Sutherland	34	25	13	17	5	94	5·48
Lothian	1,772	1,753	2,113	1,610	1,356	8,604	8·04
East Lothian	387	341	436	279	248	1,691	10·39
Edinburgh	801	733	933	850	710	4,087	7·36
Midlothian	411	421	430	239	176	1,677	12·71
West Lothian	173	258	254	242	222	1,149	5·22
Strathclyde	3,460	3,784	2,848	3,526	3,864	17,482	3·81
Argyll and Bute	105	126	141	142	130	644	7·59
Bearsden and Milngavie	23	53	49	25	35	185	10·14
Clydebank	77	91	83	72	138	461	3·88
Clydesdale	22	40	50	88	55	255	2·63
Cumbernauld and Kilsyth	23	36	38	49	72	218	4·94
Cumnock and Doon Valley	38	67	69	52	98	324	3·13
Cunninghame	130	172	217	191	176	886	3·82

District	Sales to Sitting Tenants					Total Sales	Sales as a percentage of stock at 30 September 1981
	1982	1983	1984	1985	1986		
Dumbarton	124	62	113	76	121	496	3·77
East Kilbride	31	22	23	33	28	137	8·58
Eastwood	22	42	26	35	42	167	8·64
Glasgow	1,245	1,330	589	827	826	4,817	2·78
Hamilton	189	236	127	169	249	970	4·21
Inverclyde	95	182	104	293	224	898	4·55
Kilmarnock and Loudoun	76	169	181	199	231	856	4·72
Kyle and Carrick	148	258	306	354	400	1,466	8·01
Monklands	122	101	71	122	190	606	2·12
Motherwell	193	172	188	213	290	1,056	2·63
Renfrew	624	466	385	411	416	2,302	5·84
Strathkelvin	173	159	88	175	143	738	6·74
Tayside	1,108	1,083	1,043	991	862	5,087	7·16
Angus	388	305	372	324	259	1,648	11·34
Dundee	236	222	323	411	366	1,558	3·87
Perth and Kinross	484	556	348	256	237	1,881	11·52
Orkney Islands	21	20	7	21	22	91	6·38
Shetland Islands	65	69	26	28	28	216	8·17
Western Isles	64	86	49	48	47	294	12·03

Nurses

Mr. Dewar asked the Secretary of State for Scotland if he will give the number of nurses who have left the National Health Service in Scotland for reasons other than retirement in each year since 1979.

Mr. Rifkind: This information is not held centrally.

Homelessness

Mr. Dewar asked the Secretary of State for Scotland if he will give the total number of homeless families and individuals in Scotland in each year since 1979.

Mr. Rifkind: Information held centrally relates to applications under the Housing (Homeless Persons) Act 1977 and is shown in the table below.

Year ended 31 March	Total Applications	Accepted by local authorities as homeless	Accepted by local authorities as potentially homeless
1979	16,030	7,490	4,053
1980	15,460	7,440	2,770
1981	14,868	7,025	2,443
1982	15,955	8,270	1,988
1983	16,539	8,664	2,080
1984	15,516	8,086	2,301
1985	20,312	9,826	3,454
1986	23,315	10,867	4,561

Earnings

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the Scottish average weekly wage for *(a)* full-time male employees, *(b)* part-time male employees *(c)* full-time female employees and *(d)* part-time female employees in (i) cash terms and (ii) real terms based on 1987-88 prices for each year since 1979.

Mr. Rifkind: The following information has been derived from the new earnings survey, conducted by the Department of Employment in April each year.

Average gross weekly earnings of adult employees in Scotland whose earnings were not affected by absence

(£/week)

	Full-time males[1]	Full-time females[2]	Part-time females[2,3]
(i) *Cash terms*			
1979	101·2	60·4	27·6
1980	123·1	74·7	35·1
1981	140·0	87·1	37·9
1982	154·5	95·0	41·1
1983	167·5	104·0	45·5
1984	181·5	110·4	47·3
1985	192·5	118·4	51·2
1986	204·2	129·3	53·9
(ii) *At April 1986 prices*[4]			
1979	182·0	108·6	49·6
1980	181·9	110·4	51·9
1981	191·1	118·9	51·7
1982	186·2	114·5	49·5
1983	194·1	120·5	52·7
1984	200·0	121·6	52·1
1985	198·4	122·0	52·8
1986	204·2	129·3	53·9

[1] aged 21 years and over.
[2] aged 18 years and over.
[3] figures for 1984 onwards estimated from data for those on adult rates.
[4] the constant price estimates have been made using the Retail Prices Index.

Owing to the size of sample used in the survey, figures for part-time males are not available, and all figures are subject to variability.

Crime Statistics

Mr. Dewar asked the Secretary of Scotland if he will give the total number of recorded crimes for Scotland in each year since 1979 classified by category.

Mr. Rifkind: Statistics on crimes recorded by the police in Scotland are published annually in the Scottish Home and Health Department Statistical bulletin "Recorded

Crime in Scotland". Bulletins No. 2/1985, 2/1986 and 4/1987 which are available in the Library contain the information requested.

HIDB (Grants)

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the total value of grants made by the Highlands and Islands Development Board to companies or projects in Scotland in each year since 1979 in *(a)* cash terms and *(b)* real terms on 1978-88 prices.

Mr. Lang: Expenditure on grants to businesses by the Highlands and Islands Development Board under its section 8 scheme is shown in the table. The board under the same scheme also makes loans on concessionary terms and takes equity shares in businesses. Under other schemes the board makes grants to research, business advisory, marketing, training and social development projects but information in the form requested on the total value of these grants is not readily available.

Year	*Cash* £000s	*At 1987-88 prices*[1] £000s
1979-80	4,582	7,969
1980-81	6,428	9,431
1981-82	7,031	9,391
1982-83	8,717	10,869
1983-84	11,933	14,237
1984-85	12,109	13,849
1985-86	12,694	13,665
1986-87	13,586	14,203

[1] Calculated using the gross domestic product deflator taken from the Treasury "Financial Statement and Budget Report 1987-88".

SDA (Grant Aid)

Mr. Dewar asked the Secretary of State for Scotland (1) if he will publish a table showing the total numbers of applications for grant aid made to the Scottish Development Agency in each year since 1979 and the number and percentage of these which were accepted in each year;

(2) if he will publish a table showing the total value of grants made by the Scottish Development Agency to companies or projects in Scotland in each year since 1979 in *(a)* cash terms and *(b)* real terms on 1987-88 prices.

Mr. Rifkind: I shall reply to the hon. Member as soon as possible.

Redundancies

Mr. Dewar asked the Secretary of State for Scotland if he will list the number of closures of factories or businesses in Scotland which have involved more than 50 redundancies in each year since 1979; and if he will give the total number of jobs lost in each of these years as a result of these closures.

Mr. Malcolm Rifkind: The table shows the number of closures confirmed to the Manpower Services Commission as due to occur in Scotland, involving more than 50 redundancies in each year since 1979, and the number of workers involved.

Closures involving more than fifty redundancies in Scotland from January 1979 to June 1987
Total number of redundant workers involved in these closures

Year	*Number of closures*	*Number of workers*
1979	24	3,882
1980	84	12,499
1981	66	13,564
1982	60	7,581
1983	61	8,289
1984	38	3,784
1985	39	5,566
1986	37	5,503
1987[1]	16	1,905
	425	64,573

Notes:
[1] To June.
(1) Workers not made redundant but transferred to other company plants when their own plant closed are not included in the table.
(2) The 1987 figures are provisional and include only those closures which have been confirmed as due to occur up to June 1987 and where all the redundancies have taken place by that date.

Forestry Commission (Planting Proposals)

Dr. David Clark asked the Secretary of State for Scotland if the Forestry Commission consults the Nature Conservancy Council about its planting operations or planting proposals within Caithness and Sutherland; and if he will list those Forestry Commission planting proposals which have been forwarded to the Nature Conservancy Council for comment.

Lord James Douglas-Hamilton: The Forestry Commission has consulted the Nature Conservancy Council about its planting programme in Caithness and Sutherland. The properties concerned are listed below.

Inversbin
Dyke
Achormlarie
Tannach Hill
Cnoc a' Mhoid
Sallachy
Stroupster

Forestry Grants Scheme

Dr. David Clark asked the Secretary of State for Scotland if he will list those forestry grants scheme applications received by the Forestry Commission for land in Caithness and Sutherland which have been forwarded to the Nature Conservancy Council for comment; and if he will indicate the outcome where appropriate with each case.

Lord James Douglas-Hamilton: Since 17 February 1987, when the Forestry Commission undertook to consult the Nature Conservancy Council on all planting proposals in Caithness and Sutherland, forestry grant scheme applications relating to the following properties have been forwarded to the Council for comment:—

Yellow Moss*
Lairg Estate
Newport, Berriedale
North Burn*
Loubcroy*
Ben Bhraggie
Skitten
Strathy East
Cnoc na Main*
Braelangwell
Torrish

Cnoc Bacach
Limekiln/Whitewell*
Eriboll
Kirkton Farm*
Sciberscross*
Glencalvie
Glencalvie (Native pine)
Achany
Dhonnadh
Jubilee Wood

The Nature Conservancy Council has lodged objections to the planting proposed in the cases marked with an asterisk. In the remaining cases — with the exception of Dhonnadh and Jubilee wood on which their comments are still awaited—the council has signified its agreement to the proposals made.

Druim Carn na Muc (Afforestation)

Dr. David Clark asked the Secretary of State for Scotland if he will make a statement on the natural hazards, windthrow risk and soil capability for afforestation of that land at Druim Carn na Muc in Caithness which is owned by the Forestry Commission; and if he will state the estimated internal rate of return that would accrue from a plantation on this land.

Lord James Douglas-Hamilton: There are no special natural hazards which would affect forestry on this site. The windthrow risk is assessed as class 5, which is typical for many parts of Scotland; the soil is a nutrient-rich peat, which would give a good average yield class of timber; and the estimated internal rate of return to the Forestry Commission is between 2 per cent. and 2·5 per cent.

Community Charge

Mr. Cohen asked the Secretary of State for Scotland what additional advice will he give to community charge registration officers as to the sale of names and addresses of people contained in the community charge register, when the sale of the names and addresses takes place without the consent or knowledge of the data subject.

Mr. Lang: My right hon. and learned Friend is considering what notice should be given to persons registered as liable to pay the community charges of the availability for sale of the publicly available part of the register, as provided for by section 20(4) of the Abolition of Domestic Rates Etc. (Scotland) Act 1987.

Prisons

Mr. Tom Clarke asked the Secretary of State for Scotland what additional revenue resources have been allocated for the administration of the new extension to Her Majesty's prison, Shotts.

Lord James Douglas-Hamilton: Approximately £2,800,000 for 1987-88.

Ayr Bypass

Mr. Dunnachie asked the Secretary of State for Scotland what steps he proposes to take to prevent the proposed Ayr motorway bypass from being constructed in Glasgow, Pollock; and if he will make a statement.

Lord James Douglas-Hamilton: I assume the hon. Member is referring to Strathclyde regional council's section of the proposed A77 Ayr road route. My right hon. and learned Friend is at present considering objections which have been lodged against the proposals, and he will decide shortly whether to arrange for a public local inquiry to be held.

Guinness plc

Mr. Michael J. Martin asked the Secretary of State for Scotland when he next intends to meet the chairman of Guinness plc to discuss the implications for the Scottish economy and, in particular, for employment in the Port Dundas area of the Glasgow, Springburn constituency, of the future development of the company.

Mr. Lang: My right hon. and learned Friend and I have met the chairman of Guinness on a number of occasions and will do so again if we judge a meeting to be appropriate. We fully recognise that the future success of the company will be beneficial to the Scottish economy in general and to the prosperity of the hon. Member's constituency in particular.

McKinnon's Knitwear

Mr. Tom Clarke asked the Secretary of State for Scotland what information he has had on the current ownership of Mackinnon's Knitwear at Coatbridge; and if he will make a statement.

Mr. Lang: I understand that the Mackinnon's Knitwear Company at Coatbridge is currently still owned by Dawson International plc. However, I believe that the Coblecrook dyeing works at Alva has been sold by Dawson International plc to Mr. David Hodgson of David Hodgson Ltd. also in Alva. Approximately 107 of the 160 jobs at Coblecrook will be preserved.

Lead Plumbing

Mr. Ron Davies asked the Secretary of State for Scotland what is the number of properties in Scotland with lead plumbing; and what proportion of the total this represents.

Mr. Rifkind: The information is not held centrally.

Ferry Service (Tenders)

Mr. Macdonald asked the Secretary of State for Scotland what was the difference in cost between the lowest tender for the new Caledonian MacBrayne ferry to serve South Uist, Barra, Coll and Tiree and the successful tender from the Appledore Ferguson yard.

Lord James Douglas-Hamilton: Details of tenders submitted are confidential, for commercial reasons.

Western Isles (Road Equivalent Tariff)

Mr. Macdonald asked the Secretary of State for Scotland what would be the extra cost of introducing a road equivalent tariff to the Western Isles; by how much it would reduce fares for commercial and private users; and when he now expects to introduce road equivalent tariff.

Lord James Douglas-Hamilton: This information is not available. There are no plans to introduce a road equivalent tariff, for the reasons given by the then Secretary of State for Scotland in his statement to the House on 21 February 1984 at column 697-698.

EDUCATION AND SCIENCE

City Technology Colleges

Mr. Spearing asked the Secretary of State for Education and Science if he will state those features of the curriculum proposed for city technology colleges which will differ from or be additional to his proposed core curriculum for the comparable age group in other secondary schools.

Mrs. Rumbold: City technology colleges will be independent schools outside the scope of statutory provisions for the national curriculum but they will be required as a condition of grant to implement the substances of the national curriculum. The time allocated to the foundation subjects will also enable city technology colleges to develop distinctive characteristics and they will be expected to use this opportunity to give special emphasis to the teaching of science and technology.

Ravensbourne College of Art and Design

Mr. Mullin asked the Secretary of State for Education and Science what representations he has received concerning the charging by Ravensbourne college of art and design of mandatory levies of up to £150 per course to pay the cost of equipment for students taking B/TEC HND courses in communications engineering and design; and what is his policy with regard to such levies.

Mr. Dunn: None. The charging of such levies is a matter for determination by the individual institution.

Conservative Central Office (Correspondence)

Mr. Matthew Taylor asked the Secretary of State for Education and Science whether his Private Office composed and typed replies to letters received regarding ministerial business on Conservative Central Office headed paper during the general election; and if he will make a statement.

Mr. Kenneth Baker: Replies on Conservative Central Office headed paper were handled by Central Office or by my political adviser.

SOCIAL SERVICES

Retirement Pension

Mr. Stanbrook asked the Secretary of State for Social Services if he will give the real value of the state retirement pension, expressed as a percentage of the value of the pension payable in 1978-79, for each subsequent year.

Mr. Scott: The real value of basic retirement pension, expressed as a percentage of its value in November 1978, is as follows for each subsequent year:

Date of increase	*Real value in November 1987 terms*	
	Single per cent.	*Married couple per cent.*
November 1979	101·8	101·8
November 1980	102·9	102·9
November 1981	100·2	100·1
November 1982	104·6	104·6
November 1983	103·4	103·5
November 1984	103·6	103·6
November 1985	105·1	105·1
July 1986	104·5	104·5
April 1987	102·1	102·2

London Hospitals (Infectious Outbreaks)

Mr. Cohen asked the Secretary of State for Social Services if he will make a statement on the effect on London hospitals of the outbreak of the infection of multi-resistant staphylococcus aureus; and what steps are being taken to deal with this problem.

Mrs. Currie: Methicillin-resistant staphylococcus aureus (MRSA) has spread widely throughout hospitals in London and to a lesser extent elsewhere. In 1986, MRSA was reported by 170 hospitals participating in a national survey. A large proportion of reported cases are in North East Thames RHA where a working party has been looking at the problem and further recommendations are now being considered.

The effect of an outbreak on a hospital include the isolation of infected patients; restrictions on the transfer of patients between hospitals; possible restrictions on routine admissions and the swabbing of all staff.

Preventive measures include the maintenace of high standards of hygiene for both patients and staff and the thorough cleaning of infected wards. Infection control nurses have an increasingly vital role to play in the maintenance of hygiene standards and avoidance of cross-infection through effective liaison with all levels of hospital staff, including the organisation of training programmes for health care workers.

A national survey of MRSA is in continual progress. This survey, conducted jointly by the division of hospital infection of the public health laboratory service and the communicable disease surveillance centre, makes its results available to microbiologists allowing them to know whether patients and staff transferred to their hospitals come from areas where MRSA is prevalent.

Guidance on the control of multi-resistant staphylococcus aureus is available. The joint public health laboratory services/DHSS hospital infection working group has produced draft guidance on hospital infection in general. This document is presently out for consultation.

A copy of a fact sheet on MRSA was placed in the Library on 28 April 1987.

Local Office (Newham)

Mr. Cohen asked the Secretary of State for Social Services what recent changes there have been in the service offered to the public at the Woodgrange Park road, Newham office of his Department; how many hours *(a)* a day and *(b)* a week the office is currently open; what alternative arrangements have been made for claimants; and if he will make resources available for the restoration of a full service.

Mr. Portillo: From the beginning of the year, public opening hours at Woodgrange Park office have been reduced intermittently from the normal 9.30 to 3.30 pm. From 10-20 June callers to the office were seen by appointment only, with an effective system to identify and admit instances of special need. These restrictions in the

service were caused by trained staff vacancies and industrial action by some staff. Since then with the assistance of additional staff from regional reserve resources, normal opening hours have been maintained. The exception to this was 25 and 26 June when the office was again closed as part of a national campaign of industrial action. The regional reserve staff currently working at this office will be retained until an additional 24 permanent posts, recently added to the office's complement, are recruited and trained.

Conceptions

Mr. Nicholas Winterton asked the Secretary of State for Social Services on what date he expects the figures for 1985 relating to the number of conceptions in England and Wales by age of the mother to be made available.

Mrs. Currie: No date has yet been set for the publication of these statistics but it is expected that they will be published during August or September.

Contraceptives (Minors)

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) if, on the forthcoming publication of the figures for 1985 relating to the number of conceptions in England and Wales by age of the mother, he will review the current policy concerning the prescription of contraceptives to minors without parental consent;

(2) if, in view of the recent report by Sheffield health authority that the drop in attendances at family planning clinics by children aged under 16 years during the period in 1985 when it was deemed illegal to prescribe contraceptives to minors without parental consent did not lead to any increase in the number of births or abortions in that age group, he will reassess his policy on the prescription contraceptives to minors.

Mr. Newton: Policy is kept under review in the light of all the relevant factors and new information which becomes available, including such studies as that conducted in Sheffield.

Motor Neurone Disease Association

Mr. McCrindle asked the Secretary of State for Social Services what grants have been made available by his Department to the Motor Neurone Disease Association since 1983; whether consideration is being given to the long-term funding of research into motor neurone disease; and if he will make a statement.

Mr. Portillo: In 1986 the Department awarded the Motor Neurone Disease Association a three-year grant at £10,000 per year under section 64 of the Health Services and Public Health Act 1968 in support of its patient care services. In 1984-85 the association was given a grant of £6,000 towards the cost of a computer.

The main Government-funded agency for the promotion of medical and related biomedical research in this country is the Medical Research Council, which receives its grant-in-aid from the Department of Education and Science. I understand that the council is currently carrying out research into this disease and is always prepared to consider further soundly based scientific proposals for funding through its grants scheme in competition with other applications.

Foreign Visitors (Surgery)

Mr. McCrindle asked the Secretary of State for Social Services (1) how many foreign visitors received non-urgent surgery in hospitals in the United Kingdom in each of the past eight years; and if he will make a statement;

(2) what consideration has been given to restricting non-urgent surgery to British patients and imposing full charges on non-British patients who contracted their disease abroad; and if he will make a statement.

Mrs. Currie: Information on the nationality of patients treated in National Health Service hospitals in England is not collected centrally. (Information for the rest of the United Kingdom is a matter for my right hon. Friends, the Secretaries of State for Wales and Northern Ireland and my right hon. and learned Friend the Secretary of State for Scotland.)

It is residence in the United Kingdom, rather than citizenship or nationality, which is the basis of eligibility for free NHS treatment. Under regulations effective since October 1982, anyone not ordinarily resident is liable to charges for hospital treatment unless covered by a reciprocal health care agreement or other specific exemption.

Hospital Treatment (Fees)

Mr. McCrindle asked the Secretary of State for Social Services if he will consult insurance companies on lifting the seven-day statutory period for claims for fees for emergency treatment by hospitals; and if he will make a statement.

Mrs. Currie: Under section 155 of the Road Traffic Act 1972, an emergency treatment fee is payable by the person using the vehicle in respect of each individual given emergency treatment immediately following a road traffic accident. The fee may be claimed by a doctor attending the scene of an accident or by a hospital, and section 156 of the Act requires that it be requested within seven days of the treatment being given.

The Government intend to introduce legislation to abolish the emergency treatment fee payable to hospitals at the earliest convenient opportunity.

Pupils (Work Experience)

Mr. Rooker asked the Secretary of State for Social Services if he will consider introducing help towards travelling costs for school pupils taking part in work experience whose parents are in receipt of supplementary benefit.

Mr. Portillo: It is not the purpose of the supplementary benefits scheme to help with educational expenses, including those arising from participation in a work experience scheme. I understand the matter of such expenses is covered in Department of Education and Science circular 7/74 and Welsh Office Circular 135/74 which fall within the responsibilities of my right hon. Friends the Secretaries of State for Education and Science and for Wales.

Ethnic Minorities (Languages)

Mr. Janner asked the Secretary of State for Social Services what percentage of (*a*) Asian men and (*b*) Asian women (i) in Leicester and (ii) in the United Kingdom speak little or no English.

Mr. Portillo: I regret that these figures are not available.

Mr. Janner asked the Secretary of State for Social Services how many interpreters are available in offices of his Department (*a*) in Leicester and (*b*) in the United Kingdom in areas where there is a significant ethnic minority population.

Mr. Portillo: DHSS offices do not employ interpreters as such, but most offices with catchment areas containing significant ethnic minority populations do have staff ready to use skills in ethnic minority languages to help claimants who have little or no English and have no one to help them. No record is maintained of numbers who do this. Leicester offices have staff proficient in Asian languages and ready to help in this way.

Mr. Janner asked the Secretary of State for Social Services what leaflets other than the "Which Benefit?" guide are available to ethnic minority claimants seeking to exercise their rights in respect of social security benefits.

Mr. Portillo: "Which Benefit?" is the only social security leaflet nationally produced in Asian languages.

Mr. Janner asked the Secretary of State for Social Services whether he will take steps to ensure the effective distribution of information concerning benefits translated into ethnic minority languages.

Mr. Portillo: The leaflet "Which Benefit?", which describes the whole range of social security benefits is published in six Asian languages. These are Bengali, Chinese, Gujerati, Hindi, Punjabi and Urdu. It is planned to produce a Turkish version in 1988. There is insufficient demand for other forms or leaflets in these or other minority languages to justify national production.

On their own initiative a few local and regional offices have produced additional advice and information in ethnic minority languages. Local information officers continuously liaise with ethnic minority communities to supplement this.

Mr. Janner asked the Secretary of State for Social Services whether he will take steps to ensure training for appropriate staff of his Department concerning the need for proper explanation to people from ethnic minorities who have language difficulties concerning their rights.

Mr. Portillo: The Department's staff training branch is currently developing a training course to be entitled "Service to the Multi-Racial Community". In addition to focusing the attention of staff on attitudes towards people from ethnic minorities and discussing racism, the course, of two-day's duration, will examine the problems of communication encountered by people of minority backgrounds, especially those of Afro-Caribbean and Asian origin.

The course which in its development has built on the experience the Department gained from earlier training exercises in this field, will be available in the autumn of 1987. Whilst no language training as such is provided for our staff, financial assistance is readily available under the further education and external training schemes for those staff who wish to further their personal interest or development by learning a modern language, as it is, of course, for a wide range of other subjects.

Clients with little or no command of English are encouraged to enlist the help of friends, relatives or voluntary agencies in pursuing their claims. Many DHSS offices whose catchment areas contain sizeable ethnic minorities do maintain lists of staff willing and able to use second language skills to help claimants in difficulties.

Departmental Pamphlets

Mr. Janner asked the Secretary of State for Social Services what was the total cost of providing pamphlets in (*a*) the English language and (*b*) minority languages to inform actual or prospective applicants for social security benefits of their rights, during the last year for which records are available; and what is the estimated cost in 1987.

Mr. Portillo: In 1985-86 (the last year for which figures are available) £1,237,469 was spent on production of English language leaflets. £28,531 was spent on reprints of leaflets in six Asian languages. In 1987-88 the budget for social security leaflet production is £5,465,000. It is planned to spend about £120,000 on new editions of minority language leaflets. All figures are for nationally produced leaflets only.

Breast Milk Substitutes

Mr. Battle asked the Secretary of State for Social Services (1) what consultations have taken place with the British Medical Association about the advertising of breast milk substitutes; what was the outcome; and if he will make a statement;

(2) what plans are there to bring the United Kingdom voluntary code on breast milk substitutes into line with the World Health Organisation's code, "WHO International Code of Marketing of Breast Milk Substitutes"; and if he will make a statement;

(3) what are the enforcement responsibilities of the United Kingdom code monitoring committee with regard to breast milk substitutes; and if he will make a statement;

(4) what guidelines exist on advertising of breast milk substitutes; and if he will make a statement.

Mrs. Currie: The aim and principles of the World Health Organisation code as far as infant formulae are concerned are secured in the United Kingdom by the Food Manufacturers Federation's code, which includes advertising guidelines, the health Circular HC(83)13 and the FMF monitoring committee. We understand the committee is currently preparing a report for Government and when it is received we shall consider whether changes to the present arrangements are necessary. The relevant BMA committees were consulted before the present arrangements were established.

Kidney Stones (Treatment)

Mr. Battle asked the Secretary of State for Social Services if he will name those district health authorities which have the new machines for treating patients with kidney stones by means of lasers, rather than by use of surgery; and how many machines his Department are planning to purchase in this financial year.

Mrs. Currie: The names of district health authorities which use lasers to treat kidney stones are not recorded centrally. A different form of treatment, known as extracorporeal shockwave lithotripsy, uses shock waves to disperse kidney stones. This service is being developed on

a regional basis and it is for regional health authorities to plan their purchases of lithotripters. We are, however, aware that within the National Health Service, lithotripters are in use in the West Lambeth and South Manchester health authorities. A machine is being installed in Sheffield.

Supplementary Benefit (Appeals)

Mr. Atkinson asked the Secretary of State for Social Services if he will make a statement on the backlog in the number of appeals to the local supplementary benefit tribunal serving the Bournemouth area.

Mr. Scott: The Bournemouth social security appeal tribunal covers the Department's Bournemouth and Poole local offices. The number of appeals awaiting action at these offices has decreased from 207 on 10 February 1987 to 82 on 30 June 1987.

Family Credit

Mr. Fatchett asked the Secretary of State for Social Services whether he has made any assessment of how many low-income families in (*a*) the Leeds, Central constituency and (*b*) the Leeds metropolitan district council area will be worse off when the new family credit is introduced.

Mr. Portillo: I regret that it is not possible to make estimates on such a localised basis. On the illustrative assumptions in the technical annex to the White Paper "Reform of Social Security" (Cmnd 9690), family credit would be expected to reach about double the number of families now helped by family income supplement, and in all but a few families the amount of family credit payable would be greater than FIS. For the overall effect of the social security changes on the disposable income of working families (on the illustrative assumptions) I refer the hon. Member to tables 12(ii) of the technical annex.

Mr. P. J. Johnson

Mr. Terry Fields asked the Secretary of State for Social Services when his Department intends to reply to correspondence from Mr. P. J. Johnson of 40 Gloucester Road, Liverpool 6, a constituent of the hon. Member for Liverpool, Broadgreen, which was dispatched on 16 January; when his Department intends to reply to correspondence from Mr. P. J. Johnson which was dispatched, by recorded delivery, on 18 May; if he will return documents included in correspondence to Mr. P. J. Johnson; and if he will make a statement.

Mr. Portillo: I shall let the hon. Member have a reply as soon as possible.

Conductive Education

Mr. Nellist asked the Secretary of State for Social Services when the application for assistance towards the cost of a four-year evaluation of the conductive education project being established in Birmingham by the National Foundation for Conductive Education was received by his Department; how much financial assistance is being sought; what meetings have been held with the national foundation; when it is anticipated a decision will be reached; and if he will make a statement.

Mrs. Currie: the application by Birmingham university for assistance towards the cost of evaluating the four-year conductive education project being established in Birmingham was received in this Department on 2 March 1987. The original provisional estimate amounted to £245,200 with the proviso that this would need to be increased to allow for the increase in academic salaries. A revised estimate of £325,857 was received on 1 July. Officials from the Department of Education and Science and the Department of Health and Social Security had previously met the director of the National Foundation for Conductive Education on 23 January 1987 to discuss the evaluation project. A decision on the application will be made as soon as possible.

Kidney Patients

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services how many kidney patients on average requiring dialysis are now being treated per million of the population; and if he will publish the figures for each of the regional health authorities.

Mrs. Currie: According to provisional information provided by the European dialysis and transplant association, the number of patients receiving dialysis treatment per million population in each regional health authority on 31 December 1986 was as follows:

Patients per million population

Region	*Patients*
Northern	158·1
Yorkshire	116·1
Trent	153·4
East Anglian	110·5
North West Thames	103·8
North East Thames	179·7
South East Thames South West Thames	[1]105·1
Wessex	66·8
Oxford	113·1
South Western	124·9
West Midlands	117·9
Mersey	96·5
Northern Western	126·3

[1] Regions have arrangements for shared service.

These figures should be treated with caution because patients do not always receive dialysis in the region in which they reside. Patients with a functioning transplant are excluded.

The statistics imply an average figure for England of 122·4 patients per million population receiving all forms of dialysis on 31 December 1986: the corresponding figure for the whole of the United Kingdom was 120·9.

Patient Costs

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what is the average cost of treating a patient on the National Health Service; and if he will break the figure down in terms of hospitalisation, drugs, surgery and general medical care.

Mrs. Currie: I shall let my hon. Friend have a reply as soon as possible.

AGRICULTURE, FISHERIES AND FOOD

Women

Ms. Richardson asked the Minister of Agriculture, Fisheries and Food what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. MacGregor: I refer the hon. Member to the section on agriculture and food in the review of the forward-looking strategies for the advancement of women published recently by the ministerial group on women's issues. This section discusses the position of women in these areas and various ways in which my Department and others are giving help. Consultation takes place in my Department with a wide range of interested bodies

including women's organisations, and training is given to my staff which, as appropriate, takes account of the position of women.

Food Exports (Radioactivity)

Mr. Win Griffiths asked the Minister of Agriculture, Fisheries and Food what British food exports have been returned to Britain over the past 12 months as a result of unacceptable levels of radioactivity, listing the quantities and the value of each product; and if he will make it his policy to reduce the maximum acceptable level within the United Kingdom to 600 becquerels a kilo.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

HOME DEPARTMENT

Women's Needs

Ms. Richardson asked the Secretary of State for the Home Department what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. John Patten: I shall reply as soon as possible.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department if he will state the current number of entries, and the maximum and minimum number of entries, for each index of the police national computer over the last year.

Mr. Douglas Hogg: The current number of records and the maximum and minimum number of records in the year to 30 June 1987 for each substantive index of the police national computer are as follows:

	Number of entries on 30 June 1987	*Maximum in last 12 months*	*Minimum in last 12 months*
1. Stolen and suspect vehicles	437,450	437,450	381,482
2. Vehicle Owners	35,384,795	38,146,538	34,612,382
3. Chassis (Engine numbers)	711,873	711,873	646,343
4. Fingerprints	3,751,499	3,751,499	3,672,707
5. Fingerprints scene of crime	6,930,988	6,930,988	6,621,971
6. Criminal Names	5,164,206	5,164,206	5,126,840
7. Wanted/missing persons	99,341	107,093	98,008
8. Disqualified drivers	326,173	326,173	313,498
9. Convictions	1,872,045	1,872,045	1,239,405
10. Major Investigations	376,868	376,868	119,646
11. Crime Pattern Analyses	13,896	14,199	11,904

Telephone Tapping

Mr. Steinberg asked the Secretary of State for the Home Department if he will make it his policy to respond to inquiries from right hon. and hon. Members as to whether named constituents are subject to telephone tapping; and if he will make a statement.

Mr. Hurd: Anyone who believes that the interception of his or her telephone communications has been authorised may apply to the Tribunal established under the Interception of Communications Act 1985 for an investigation.

I shall continue the longstanding policy of successive Governments never to cofirm or deny whether interception has been authorised in any particular case, irrespective of whether interception has been authorised or not.

Trans-frontier Television and Broadcasting

Sir Dudley Smith asked the Secretary of State for the Home Department if he will make a statement on the latest progress achieved in formulating a Council of Europe Convention on trans-frontier television and broadcasting.

Mr. Renton: Six meetings have been held in Strasbourg since March to discuss the formulation of the Convention and good progress is being made. The relevant interests in the United Kingdom are currently being consulted on the latest draft text before discussions resume at the beginning of September.

Although there are still a number of issues to be resolved, we are hopeful that agreement can be reached on a final text before the end of the year.

Parliamentary Boundary Commission

Mr. Arnold asked the Secretary of State for the Home Department what information he has about the timetable of work of the Parliamentary Boundary Commission; and if he will make a statement.

Mr. Douglas Hogg: I will reply as soon as possible.

Korea

Mr. Parry asked the Secretary of State for the Home Department how many applications have been made for visas to enter the United Kingdom from the People's Republic of Korea in each of the past eight years; and how many were granted.

Mr. Renton: I regret that the information requested is not available.

Foreign Visitors

Mr. McCrindle asked the Secretary of State for the Home Department if he will introduce a requirement that all foreign visitors should have to give a written undertaking when applying for a visa that they are free from disease; and if he will make a statement.

Mr. Renton: No. Entry clearance officers already have the power to refer for medical examination any applicant for entry clearance who:

(*a*) intends to remain in the United Kingdom for more than six months;

(*b*) mentions health or medical treatment as a reason for his visit;

(*c*) appears not to be in good health; or

(*d*) appears to be mentally or physically abnormal

Entry clearance officers also have discretion, which the immigration rules require them to exercise sparingly, to refer for examination in any other case.

Isle of Man Free Port

Mr. Foulkes asked the Secretary of State for the Home Department (1) when he was informed by the Isle of Man Government of the proposals by a South African company to operate in the Isle of Man free port site; what observations he made on the proposal; and if he will make a statement;

(2) whether he was consulted by the Isle of Man Government on the proposals by a South African company to develop on the Isle of Man free port site; and if he will make a statement.

Mr. Douglas Hogg: The Isle of Man authorities informed Her Majesty's Government in January 1987 of the possibility of a United Kingdom subsidiary of a South African company operating in the free port. The Isle of Man authorities were informed that there was no reason why the use of the free port by the company concerned for the purpose of its operations would be contrary to United Kingdom policy.

The Isle of Man authorities have given clear assurances that under no circumstances would any arrangements be entered into which would run counter to United Kingdom policy regarding restrictive measures on trade with South Africa, and we are satisfied that they have established for this purpose appropriate legal and administrative controls over the use of the free port.

Polish War Veterans

Mr. Fatchett asked the Secretary of State for the Home Department if he will waive the naturalisation fee for those Polish war veterans who wish to become British citizens; and if he will make a statement.

Mr. Renton: No: it is reasonable to expect those who wish to become British citizens to pay for the cost of dealing with their applications, and concessions to one group would only increase the costs to others.

Woodlands Crescent, Knutsford

Mr. Neil Hamilton asked the Secretary of State for the Home Department when his Department plans to sell its four remaining properties in Woodlands crescent, High Legh, Knutsford, Cheshire; and for how long and why they have been empty.

Mr. John Patten: There are at present five empty prison staff quarters in Woodlands crescent, High Legh, Knutsford, Cheshire, two of which are surplus to operational requirements. One of the two properties has been sold, subject to contract, and the other is about to be placed on the market. These surplus properties have remained empty since 1982 but had been retained in the expectation that they would be required for use by staff at Her Majesty's Youth Custody Centre, Thorn Cross. Of the remaining three properties, which have been empty since May this year, one has been allocated and the other two await allocation to prison staff.

Captain Simon Hayward

Mr. Gorst asked the Secretary of State for the Home Department if he has received any request from the Swedish defence lawyer appointed to represent Captain Simon Hayward to provide evidence only available from official British sources that could assist him in the defence of his client; and if he will give an assurance that any such evidence held by police or other authorities in the United Kingdom and material to proving the innocence of Captain Hayward, in the event of charges being preferred against him, will not be withheld or suppressed.

Mr. Douglas Hurd: We have no record that such a request has yet been received in the Home Office. The release of information held by the police or other authorities in this country is a matter for those authorities to decide. It is normal practice for the police forces of member countries of Interpol to make available to each other evidence which might assist the conduct of a criminal investigation.

Juries (London Area)

Sir Dudley Smith asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis into allegations that there is a gang in Great Britain, particularly in the London area, which has funding of at least £1,000,000 and which brings illegal pressure to bear on jurors selected to serve on court cases of a serious nature.

Mr. Douglas Hogg: I understand from the Commissioner of Police for the Metropolis that the police have no evidence that such a gang exists.

Insider Dealing

Mr. Cryer asked the Secretary of State for the Home Department if he will introduce legislation to provide increased penalties for insider dealing involving mandatory prison sentences for serious offences; and if he will make a statement.

Mr. John Patten: Clause 42 of the Criminal Justice Bill will raise the maximum penalty for insider dealing from two to seven years' imprisonment. We do not intend to make imprisonment mandatory, however, or otherwise to interfere with the courts' discretion in sentencing, which enables them to take account of all the aggravating or mitigating factors in a particular case.

ENVIRONMENT

Community Charge

Mr. Allen asked the Secretary of State for the Environment what is his best estimate of the average pyment of the poll tax to be levied upon each adult in Nottingham in each of the years (*a*) 1990, (*b*) 1991 and (*c*) 1992.

Mr. Howard: Since the new system will not come into effect until 1990, it is not possible to say what the level of

the community charge in Nottingham will be when it is introduced. However, I refer the hon. Member to the answer my right hon. Friend gave to the hon. Member for Copeland (Dr. Cunningham) on 29 June, at column *44*.

Mr. Heddle asked the Secretary of State for the Environment what amendments he proposes to introduce following the introduction of the community charge to existing legislation which bases levels of compensation upon gross or rateable values; and if he will make a statement.

Mr. Howard: Alternative methods of assessing statutory compensation payments which are currently based on rateable or annual value are under consideration. Non-domestic rateable values will of course continue.

Dog Wardens

Mr. Andrew F. Bennett asked the Secretary of State for the Environment what information he has as to how many local authorities employ dog wardens; and how many dog wardens are employed in each case.

Mr. Moynihan: This information is not collected by the Department, but I understand that the joint advisory committee on pets in society estimates that some 200 local authorities in Great Britain currently operate dog warden services. No reliable information is available as to how many dog wardens are employed in each case.

Parish Councils

Mr. Pawsey asked the Secretary of State for the Environment if he has any plans to extend the powers of parish councils, particularly in planning.

Mr. Waldegrave: No.

Greenwich (Inner Area Programme)

Mr. Cartwright asked the Secretary of State for the Environment when his Department received the London borough of Greenwich's bid for the 1987-88 inner area programme; what approvals have so far been given and at what annual cost; what projects remain to be approved and at what annual cost; and when he expects to announce decisions on the remaining projects.

Mr. Trippier: The bid was received on 1 December 1986. Subsequently there have been consultations with Greenwich and other Government Departments. Approval has been given to continuing commitments arising from the traditional urban programme and other designated district arrangements at a cost of £799,000 in 1987-88. Decisions are outstanding on 12 projects costing in total £743,000 in 1987-88. I shall write to the hon. Member shortly.

Inner Area Programme

Mr. Cartwright asked the Secretary of State for the Environment if he will list the inner area programme bids received from each of the inner London boroughs for 1987-88 indicating which have been approved and the date of approval.

Mr. Trippier: The information is shown in the following table.

Borough	*Provisional Inner Area Programme Allocation*[1] *£ million*	*Bid Received* *£ million*	*Date of Approval*
Greenwich	1·6	1·5	[2]
Hackney	10·8	13·9	[2]
Hammersmith and Fulham	5·0	7·9	[2]
Haringey	2·0	3·2	10 April 1987
Islington	10·0	17·6	[2]
Kensington and Chelsea	1·25	1·2	29 April 1987
Lambeth	12·8	20·8	31 March 1987
Lewisham	1·5	1·5	22 April 1987
Southwark	1·75	3·5	31 March 1987
Tower Hamlets	4·5	9·3	[2]
Wandsworth	4·5	6·5	[2]

[1] Announced by Minister for Housing, Urban Affairs and Construction on 30 January 1987; see *Official Report*, 30 January.
[2] Approvals have been given to continuing commitments from 1986-87 on these inner area programmes

Nuclear Waste

Mr. Dalyell asked the Secretary of State for the Environment what proposals he now has for the disposal of nuclear waste.

Mr. Moynihan: As my right hon. Friend made clear in his statement on 1 May, it is now for UK NIREX Ltd. to come forward with proposals for the development of a deep multi-purpose facility for the disposal of low and intermediate-level radioactive waste.

Planning Appeals

Mr. Redwood asked the Secretary of State for the Environment how many planning appeals have been submitted to his Department in each of the years 1984, 1985 and 1986 in respect of planning applications that have been turned down by the Wokingham district council; and how many planning appeals in each of those years have resulted in the decision of Wokingham district council being overturned.

Mr. Waldegrave: The number of planning appeals received from the Wokingham district council area in 1984, 1985 and 1986 is given in the table together with the number of planning appeals that were allowed in each of those years.

	1984	*1985*	*1986*
Appeals received	79	104	105
Appeals allowed	20	27	35

Local Authorities (Rates and Precepts)

Dr. Cunningham asked the Secretary of State for the Environment (1) if he will list in descending order all English local authorities on the basis of the percentage change in their local rate or precept from 1981-82 to 1987-88, showing in each case the percentage change in current expenditure in the same period;

(2) if he will list in descending order all English local authorities on the basis of the percentage change in their current expenditure from 1981-82 to 1987-88, showing in each case the percentage change in the local rate or precept in the same period.

Mr. Ridley: I have today placed the information in the House of Commons Library.

Tenanted Housing

Mr. Allen asked the Secretary of State for the Environment if he will list any request for disposals of tenanted housing, other than to sitting tenants, awaiting his consideration for special consent.

Mr. Waldegrave: The only outstanding applications for consent to dispose of tenanted housing are by Ashford borough council, for disposal of the freehold of two flats, and by the London residuary body, for the disposal of the freehold of eight flats.

Local Authorities (Grant-related Expenditure)

Dr. Cunningham asked the Secretary of State for the Environment if he will list in descending order, using their 1987-88 budgets, all English local authorities on the basis of the percentage above or below their grant-related expenditure assessments for 1987-88.

Mr. Ridley: I have today placed the information in the House of Commons Library.

Urban Development Grants

Dr. Cunningham asked the Secretary of State for the Environment how many projects to date are covered by urban development grants; how much public expenditure is involved in the current financial year; and how much is committed thereby in future years.

Mr. Ridley: A total of 242 projects have been approved for urban development grant to date. The total public expenditure on these projects is estimated at £124 million, of which £65 million had been incurred up to the end of 1986-87. Of the remaining £59 million, it is estimated that £25 million will be incurred in the current financial year.

Non-domestic Rates

Dr. Cunningham asked the Secretary of State for the Environment if he will publish the total of non-domestic rates paid to local authorities in Great Britain in each year from 1974-75 to 1987-88.

Mr. Ridley: The informaion is as follows:

Total rates paid by non-domestic ratepayers in Great Britain

	£ billion
1974-75	2·0
1975-76	2·6
1976-77	2·8
1977-78	3·1
1978-79	3·4
1979-80	4·0
1980-81	5·0
1981-82	6·1
1982-83	6·9
1983-84	7·2
1984-85	7·6
1985-86	8·2
1986-87	9·2
1987-88	9·8

Departmental Communications

Dr. Cunningham asked the Secretary of State for the Environment if he will publish *(a)* the circulars, *(b)* the circular letters, *(c)* the statutory instruments and *(d)* other communications sent to all authorities, or all authorities in a class, by his Department in England in each year from 1 April 1981 to the present date.

Mr. Ridley: Copies of statutory instruments and numbered circulars issued by my Department since 1 April 1981 are available in the Library. I shall write to the hon. Member with a list of circular letters issued by my Department, and will arrange for that list to be placed in the Library. Details of other communications to all local authorities could only be produced at disproportionate cost.

Regional Development Fund

Dr. Cunningham asked the Secretary of State for the Environment if he will make a statement about the number of applications made to his Department by local authority enterprise boards for grants from the European regional development fund.

Mr. Ridley: No applications have been received from local authority enterprise boards for European regional development fund grants since 1980. However, under the main fund regulation we have received a total of three applications from enterprise trusts and enterprise agencies.

Derelict Land

Dr. Cunningham asked the Secretary of State for the Environment if he will publish in the *Official Report* for each of the metropolitan district council areas *(a)* the total acreage and *(b)* the proportion of all land designated as derelict at the latest available date.

Mr. Ridley: The information is given in the following table. The figures in column *(b)* are based on information available at 1 April 1982, the date of the last survey of derelict land in England. The figures shown in brackets represent the proportion of derelict land which is considered to justify reclamation.

A further survey of derelict land is planned for April 1988.

Metropolitan District Council	*(a) Council area (acres)*	*(b) Proportion of land which is derelict*
Greater Manchester		
Bolton	34,572	2·8 (2·7)
Bury	24,511	4·8 (4·8)
Manchester	28,720	2·5 (2·4)
Oldham	34,871	2·5 (2·3)
Rochdale	39,306	1·4 (1·1)
Salford	23,942	4·0 (3·3)
Stockport	31,153	1·0 (0·9)
Tameside	25,510	2·5 (2·5)
Trafford	26,129	1·7 (1·4)
Wigan	51,461	6·4 (6·4)
Merseyside		
Knowsley	24,065	1·6 (1·6)
Liverpool	27,819	5·7 (5·7)
St. Helens	32,201	3·5 (n.a)
Sefton	36,325	1·2 (1·2)
Wirral	38,420	1·7 (1·7)
Tyne and Wear		
Gateshead	35,373	2·9 (2·9)
Newcastle Upon Tyne	27,643	1·2 (1·2)
North Tyneside	20,700	3·2 (3·2)
South Tyneside	15,711	3·0 (3·0)

Metropolitan District Council	(a) Council area (acres)	(b) Proportion of land which is derelict
Sunderland	33,962	3·2 (3·2)
West Yorkshire		
Bradford	90,572	0·9 (0·8)
Calderdale	89,851	1·0 (0·9)
Kirkless	101,294	1·3 (1·2)
Leeds	138,911	1·4 (1·1)
Wakefield	82,336	1·8 (1·8)
South Yorkshire		
Barnsley	80,048	1·2 (1·1)
Doncaster	143,698	0·5 (0·4)
Rotherham	69,877	0·9 (0·8)
Sheffield	90,785	0·5 (0·4)
West Midlands		
Birmingham	64,822	0·9 (0·9)
Coventry	23,845	0·9 (0·9)
Dudley	24,202	5·9 (5·99)
Sandwell	21,150	2·8 (2·8)
Solihull	44,495	0·2 (0·2)
Walsall	26,266	4·1 (4·0)
Wolverhampton	17,000	3·6 (3·6)

Dr. Cunningham asked the Secretary of State for the Environment if he will list the amount of derelict land grant made available to individual local authorities for each year since 1979, and where appropriate split these into class A and class B grants.

Mr. Ridley: I shall answer this question shortly.

Local Authority Expenditure

Dr. Cunningham asked the Secretary of State for the Environment if he will publish for each authority selected for rate limitations in 1987-88, the percentage increase or decrease in its 1987-88 budgeted total expenditure compared with its original 1986-87 budget.

Mr. Ridley: The information, based on 1986-87 expenditure data used for the purposes of the rate limitation report 1986 and the latest 1987-88 budget figures supplied by authorities to my Department, is as follows:

	Percentage
Basildon	−0·2
Brent	−1·6
Brighton	−14·2
Camden	+3·9
Gateshead	+2·3
Greenwich	−11·7
Hackney	+6·9
Haringey	−7·6
Hounslow	−8·0
Islington	+0·2
Lambeth	−9·2
Lewisham	+4·9
Middlesbrough	+0·4
Newcastle-upon-Tyne	−3·8
Newham	+3·4
North Tyneside	−0·9
Sheffield	−4·6
Southwark	−0·4
Thamesdown	−4·4
Tower Hamlets	+0·6

Community Charge (Ministers of Religion)

Mr. Nicholas Winterton asked the Secretary of State for the Environment (1) what representations he has received concerning special provision under the proposed community charge for ministers of religion;

(2) whether he intends to make special provision under the community charge for ministers of religion.

Mr. Howard: I shall answer these questions shortly.

Callywhite Lane Industrial Estate

Mr. Harry Barnes asked the Secretary of State for the Environment what requests he has received to meet a deputation from firms, councils and others directly affected by the underground fire burning on Callywhite lane industrial estate in Dronfield, Derbyshire to discuss ways and means by which his Department will assist in overcoming this emergency.

Mr. Trippier: In addition to the hon. Member's request to my right hon. Friend to meet a deputation to discuss this matter, we have received similar requests from the right hon. Member for Chesterfield (Mr Benn) the former hon. Member for Derbyshire, North-East, Mr. Ellis, industrialists on the estate, solicitors acting for landowners, the North-East Derbyshire district council and the Dronfield town council.

Churches and Charities (Local Government Finance)

Mr. David Atkinson asked the Secretary of State for the Environment what arrangements are envisaged for churches and charities under the proposed reform of local government finance.

Mr. Howard: So far as non-domestic properties are concerned the existing exemptions and reliefs from rating will continue broadly unamended. This will apply to properties such as churches and other places of public worship, church halls, sheltered workshops and charity shops. Institutions, such as convent schools, will be apportioned as between non-domestic and domestic parts. Existing reliefs will be availble in respect of the non-domestic parts.

Those individuals who live in properties owned by churches or charities will be treated in the same way as all other individuals, that is those under 18 — or over 18 and in full-time schooling — will not be liable for the community charge, nor will patients resident in hospitals, homes for the elderly and other similar caring institutions. Students will pay 20 per cent. of the community charge. Those on low incomes will be eligible for rebates of up to 80 per cent. of the community charge. Benefit entitlements will be increased to assist those on the lowest incomes in paying the 20 per cent. contribution.

Community Charge

Mr. Teddy Taylor asked the Secretary of State for the Environment what assessment he has made of the likely cost to local authorities of collecting a community charge as opposed to domestic rates; and if he will make a statement.

Mr. Howard [*pursuant to his reply*, 1 July 1987, c. *100*]: Our preliminary estimate is that the cost of collecting the community charge may be, broadly, up to

twice the cost of collecting domestic rates. However, much depends on individual local authorities. The introduction of a wholly new system offers the opportunity for a reappraisal of existing practices, with the aim of reducing unit costs for example, by the wider use of direct

DEFENCE

Plutonium

Mr. Benn asked the Secretary of State for Defence from where plutonium exported to the United States for military use since May 1979 came; and whether there are any plans for future exports of plutonium for military use under the 1959 amendment of the 1958 UK-US mutual defence agreement on atomic energy.

Mr. Sainsbury: On the export of plutonium to the United States, I refer the right hon. Member to the answer given by my hon. Friend the Member for Eddisbury (Mr. Goodlad) to the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) on 19 November 1984 at column *25*, which quoted several earlier replies, including that given by my hon. Friend the Member for Chertsey and Walton (Sir G. Pattie) to the right hon. Member for Manchester, Wythenshawe (Mr. Morris) on 25 April 1984 at column *506*, which may now be updated to read, "during the past 16 years". On the second part of the right hon. Member's question, I have nothing to add to the answer given by my right hon. Friend the Prime Minister to the hon. Member for Yeovil (Mr. Ashdown) on 19 February 1985 at columns *406-7*.

Warsaw Pact

Ms. Ruddock asked the Secretary of State for Defence in what conventional force categories the Government consider the Warsaw pact to have serious or overwhelming superiority.

Mr. Ian Stewart: I refer the hon. Member to annex A and paragraphs 108 and 109 of the "Statement on the Defence Estimates 1987" (Cmnd. 101-I).

Trident Submarines

Ms. Ruddock asked the Secretary of State for Defence whether his Department has considered equipping the Trident submarines with C4 and D5 warheads should the INF talks be concluded successfully.

Mr. Ian Stewart: The decision made on 11 March 1982, announced at columns 975-7, to purchase the Trident D5 missile rather than the C4 missile remains the basis of the United Kingdom Trident programme and is unrelated to the progress of current negotiations on INF.

Ms. Ruddock asked the Secretary of State for Defence whether the yield of Trident warheads is intended to be greater than that of the modernised Chevaline warheads.

Mr. Sainsbury: It has been the practice of successive Governments not to comment on the yield of British nuclear warheads. However, as the essay "The Minimum Deterrent" which appears on pages 39 to 42 of the "Statement on the Defence Estimates 1987" makes clear, Trident, when introduced into service, will represent no more than a minimum deterrent.

Cruise Missiles

Ms. Ruddock asked the Secretary of State for Defence (1) whether, following the nuclear planning group meeting at Stavanger, he has held further discussions on the possibility of basing air-launched cruise missiles at Fairford, Lakenheath or Upper Heyford or on whether these bases will be used to host planes carrying air-launched cruise missiles;

(2) whether, following the nuclear planning group meeting at Stavanger, he has held further discussions on the possibility of basing sea-launched cruise missiles at Holy Loch and other United States bases in Britain.

Mr. Ian Stewart: It remains NATO policy to maintain the minimum forces necessary for deterrence. The NATO Alliance continually assesses its nuclear capability and makes whatever adjustments are necessary to maintain deterrence, taking account of arms control proposals and other developments. Various possible adjustments are under consideration within NATO on a confidential basis.

Chemical Weapons

Ms. Ruddock asked the Secretary of State for Defence whether, following the United States congressional vote stipulating that at least one ally should store binary chemical weapons before existing stocks are removed, the Government have been approached by the United States to be that ally.

Mr. Ian Stewart: No. The position remains as set out in the essay on chemical weapons and arms control in chapter 2 of the "Statement on the Defence Estimates 1987" (Cmnd. 101).

Neutron Weapons

Ms. Ruddock asked the Secretary of State for Defence whether he will publish in the *Official Report* information on whether British troops have been trained for the use of neutron weapons or have participated in exercises requiring this training.

Mr. Freeman: No British units have been trained in the use of enhanced radiation weapons, nor have they participated in exercises requiring this training.

Ballistic Missiles

Ms. Ruddock asked the Secretary of State for Defence if the Government have revised their view of the necessity for anti-tactical ballistic missile defence in anticipation of a successful conclusion to the INF talks.

Mr. Ian Stewart: The progress of the INF talks will, of course, be taken into account in the evaluation of the threat from tactical ballistic missiles. The current NATO studies, in which the United Kingdom is participating, are examining the threat from conventional missiles and possible counters to this, and there is no reason to discontinue them.

Low-flying Training

Mr. Campbell-Savours asked the Secretary of State for Defence what consideration has been given to alternatives to low flying over land as methods of training service pilots.

Mr. Freeman: The RAF training programme already uses simulators as much as possible. However there are limits to their training value as they cannot simulate all aspects of flying. Low-flying training is therefore necessary to give pilots full experience in realistic conditions, and this generally needs to be over land as there is very limited training value in flying over flat and featureless areas of ocean.

Mr. Campbell-Savours asked the Secretary of State for Defence what assessment he has made of the military value of low-flying exercises over land.

Mr. Freeman: Low-flying training and exercises over land are essential to enable the RAF to master the necessary techniques to fulfil its tasks whilst avoiding detection by enemy radar.

Mr. Campbell-Savours asked the Secretary of State for Defence what assessment he has made of the implications for public support for the services of the disturbance from low-flying training exercises.

Mr. Freeman: We recognise public concern about the disturbance which can be caused by low-flying military aircraft, and do our best to minimise such disturbance, but we do not believe that this issue detracts from the generous public support given to the armed forces.

Mr. Campbell-Savours asked the Secretary of State for Defence what steps are taken to warn the public about imminent low-flying exercises.

Mr. Freeman: It is not practicable to provide advance notice about routine low-level flying, since such training is conducted on a day-to-day basis, as weather and other considerations allow. Advance warning is however given to hon. Members, the Press and organisations such as the National Farmers' Union about major training exercises.

Mr. Campbell-Savours asked the Secretary of State for Defence how many pilots have been disciplined for breaching low-flying regulations in each year since 1979; and what was the nature of the discipline.

Mr. Freeman: Very few complaints reveal irresponsible breaches of the low flying regulations and therefore formal disciplinary action is infrequent. Between 1979 and 1986 there was one case of a pilot being court-martialled, two of pilots being fined and five of pilots being summarily disciplined for offences that fell short of courts-martial. Less severe infringements are dealt with by informal procedures and details are not available.

Mr. Campbell-Savours asked the Secretary of State for Defence how many complaints were made with regard to low-flying exercises in each year since 1979.

Mr. Freeman: I refer the hon. Member to the reply I gave to the hon. Member for Merionnydd Nant Conwy (Mr. Thomas) on 22 April, *Official Report* column *584*. The 1987 figure for complaints about low-flying training to the end of May is 1,418.

Mr. Campbell-Savours asked the Secretary of State for Defence whether he will set up an inquiry to evaluate the cost effectiveness of low-flying training exercises in the United Kingdom; and if he will make a statement.

Mr. Freeman: To maintain an efficient and cost-effective modern air force, there is no substitute for thorough training, including adequate training for pilots at low level. Exercises in which forces are co-ordinated, sometimes with other NATO forces, as they could be in any future conflict, are a necessary part of this training. Major low-flying exercises also enable us to test our air defence capability.

Mr. Campbell-Savours asked the Secretary of State for Defence whether he will institute a ban on low flying in the national parks pending the results of the inquiry into the most recent accident involving a Jaguar and a Tornado aircraft.

Mr. Freeman: No. The regulations governing the low-flying system are kept continuously under review and altered as necessary. When the board of inquiry has reported on the reasons for the accident these will be taken into account in our continuing review of safety procedures.

RAF Pilots

Mr. Campbell-Savours asked the Secretary of State for Defence how many trained pilots have ended their service with the Royal Air Force in the five years following the completion of their training in each year since 1979.

Mr. Freeman: The number of trained pilots who have ended their service with the Royal Air Force in the five years following the completion of their training in each year since 1979 was:

	Number
FY 79-80	7
FY 80-81	4
FY 81-82	4
FY 82-83	3
FY 83-84	7
FY 84-85	7
FY 85-86	6
FY 86-87	13

These figures include pilots who left voluntarily, were discharged or died.

Mr. Campbell-Savours asked the Secretary of State for Defence how many pilots have been lost in each of the last 12 years in military and training aircraft accidents.

Mr. Freeman: I refer the hon. Member to the annual "Statements on Defence Estimates" which include each year information on personnel killed in service aircraft accidents.

Mr. Campbell-Savours asked the Secretary of State for Defence how many fully trained pilots were employed in each of the services in each of the last 12 years.

Mr. Freeman: The numbers of fully trained pilots employed in each of the services since 1976 are:

	RN	*Army*	*RAF*
1976	1	742	4,346
1977	1	731	3,965
1978	1	696	3,688
1979	1	643	3,501
1980	510	627	3,439
1981	536	646	3,423
1982	560	664	3,424
1983	610	659	3,440
1984	622	657	3,447
1985	626	650	3,425
1986	673	652	3,426
1987	690	650	3,420

[1]Prior to 1980 manpower figures for the RN were not kept in such a way as to enable trained and under training pilots to be identified separately.

Aircraft (Training Exercises)

Mr. Campbell-Savours asked the Secretary of State for Defence whether he will list all military aircraft based in the United Kingdom over the last 12 years, including North Atlantic Treaty Organisation aircraft, involved in training exercises over the United Kingdom mainland.

Mr. Freeman: During this period, a large number of aircraft have been based in the United Kingdom, including much of the Royal Air Force and many aircraft of our NATO allies. To compile the information requested would involve disproportionate cost and effort.

Jaguar Aircraft

Mr. Campbell-Savours asked the Secretary of State for Defence what is the latest cost of a Jaguar aircraft in each of the specifications being supplied to the services.

Mr. Sainsbury: No new Jaguars have been delivered to the RAF since 1978 but the cost adjusted to current prices would be between £5·5 million and £6 million depending on variant.

Mr. Campbell-Savours asked the Secretary of State for Defence how many Jaguar aircraft have been involved in accidents during the last 12 years; and how many were irreparably damaged and on what dates.

Mr. Freeman: Since 1 June 1975, there have been 135 serious Jaguar accidents. In these, 49 aircraft sustained irreparable damage on the following dates:

5 February 1976
2 July 1976
15 September 1976
17 September 1976
14 December 1976
25 February 1977
14 June 1977
29 July 1977
21 March 1978
27 April 1978
25 July 1978
1 November 1978
26 March 1979
22 June 1979
18 July 1979
23 November 1979
10 December 1979
28 May 1980
17 July 1980
12 February 1981
14 April 1981
1 June 1981
17 July 1981
6 August 1981
21 October 1981
18 November 1981
2 April 1982
25 May 1982
11 June 1982
13 September 1982
29 September 1982
7 March 1983
19 April 1983
16 June 1983
22 June 1983
19 September 1983
7 February 1984
12 July 1984
22 August 1984
1 April 1985
9 July 1985
7 October 1985
27 November 1986
17 June 1987
24 June 1987

Tornado Aircraft

Mr. Campbell-Savours asked the Secretary of State for Defence what is the latest cost of a Tornado aircraft in each of the specifications being supplied to the services.

Mr. Sainsbury: The latest estimated costs at 1986-87 average outturn prices for the two versions of the Tornado are:

	£ million
Tornado F Mk 2 (air defence variant)	17·5
Tornado GR1 (strike)	18·0

Mr. Campbell-Savours asked the Secretary of State for Defence how many Tornado aircraft have been involved in accidents during the last 12 years; and how many were irreparably damaged and on what dates.

Mr. Freeman: Since entering service with the RAF, there have been 37 serious Tornado accidents. In these, 12 aircraft sustained irreparable damage on the following dates:

27 September 1983
28 October 1983
6 February 1984
12 July 1984
18 July 1984
8 November 1984
12 December 1985
2 December 1986
10 December 1986
30 March 1987
3 June 1987
17 June 1987

Directorate General of Quality Assurance

Mr. Cartwright asked the Secretary of State for Defence what sites are currently being considered for the headquarters of the directorate general of quality assurance; and when he expects the final decision to be announced.

Mr. Sainsbury: I cannot yet add to my predecessor's reply to the hon. Member on 3 April 1987, which was that the further appraisal of the future accommodation needs of the directorate general of defence quality assurance is still in progress.

Surface-to-air Missiles (Afghanistan)

Mr. Dalyell asked the Secretary of State for Defence why he will not make a statement on the collaboration between the United States of America and Her Majesty's Government in sending surface-to-air missiles to Afghanistan.

Mr. Sainsbury: Successive Administrations have not felt obliged to answer questions of this kind.

Challenger Tank

Mr. Speed asked the Secretary of State for Defence what plans currently exist to improve the fighting capability of the Challenger tank.

Mr. Sainsbury: The capabilities of our tank fleet are kept under constant review. A number of equipment enhancements are currently in hand. A new thermal imaging and observation sight is presently being fitted to all Challenger tanks. New developments now well under way include a new gun, together with its improved ammunition and elevation gearbox, improved computer sighting system and new target acquisition and solid state electronic gun control systems.

Trident

Mr. Allen asked the Secretary of State for Defence, pursuant to the answer of 1 July, *Official Report*, column 114 to the hon. Member for Nottingham, North why he is unwilling to indicate the nature and extent of the penalty clauses operative in the event of cancellation of the Trident programme.

Mr. Sainsbury: There are no penalty clauses attached to the Trident programme.

HMS Onyx

Mr. Dalyell asked the Secretary of State for Defence what official visits have been paid to foreign ports by the diesel submarine HMS Onyx since 1 January.

Mr. Ian Stewart: HMS Onyx visited Las Palmas, Spain in March 1987, and is currently visiting Valparaiso, Chile.

Chile (Navy Vessel Visits)

Mr. Dalyell asked the Secretary of State for Defence what visits have been paid by Royal Naval vessels to ports in Chile since 1 January.

Mr. Ian Stewart: Visits have been made by Her Majesty's ships to Chilean ports on the following occasions since 1 January 1987:

HMS Herald—February 1987
HMS Minerva, RFA Bayleaf—May 1987
HMS Onyx—July 1987

O Class Submarines

Mr. Dalyell asked the Secretary of State for Defence what is Her Majesty's Government's policy towards the export of O class submarines to non-North Atlantic Treaty Organisation member countries.

Mr. Sainsbury: Any such sale would be subject to the normal export licensing procedure. All applications for permission to export defence equipment take full account of political strategic and security interests.

AV-8B Aircraft

Mr. George asked the Secretary of State for Defence if he will make a statement on the future of the AV-8B aircraft, in the light of the United States House of Representatives Armed Service Committee's decision to withdraw funding for the programme.

Mr. Sainsbury: A decision on the future of the AV-8B aircraft is a matter for the United States Government.

Mr. George asked the Secretary of State for Defence what discussions he or his officials have had with officials of the Department of Defence in the United States of America and with members of the United States Congress on the future of United States-United Kingdom collaboration in aircraft production, in the light of the House of Representatives Armed Services Committee's decision to end funding of the AV-8B programme.

Mr. Sainsbury: My noble Friend the Minister of State for Defence Procurement and Ministry of Defence officials have had a variety of discussions with the United States Department of Defence and members of the United States Congress about what would be the implications for transAtlantic collaboration in general and for the particular programme of collaboration on the procurement of the AV-8B for the United States Marine Corps and the Harrier GR Mk 5 for the Royal Air Force if a decision were to be taken to end funding of AV-8B production. Congressional consideration of this matter is of course not yet complete.

Mr. George asked the Secretary of State for Defence how many AV-8B aircraft have been ordered; what are the planned delivery dates; and what contingency plans exist for their disposal in the event of the cancellation of the programme by the United States Congress.

Mr. Sainsbury: These are matters for the United States Government; but I understand that orders for 328 AV-8B aircraft (including trainers) are planned, that 86 aircraft have been delivered to date and that the delivery of the remainder should be completed by the mid-1990s.

Defence Equipment (United States of America)

Mr. George asked the Secretary of State for Defence what has been the value of imports of defence equipment from the United States of America for each of the last six years, together with the corresponding figures for United Kingdom defence exports to the United States of America.

Mr. Sainsbury: It has not been the practice of successive Governments to publish detailed figures for our defence trade with individual countries. The annual defence balance of trade ratios agreed with the United States for each of the last six years, United States: United Kingdom are:

	Ratios
1980-81	2·0:1
1981-82	2·0:1
1982-83	1·9:1
1983-84	2·1:1
1984-85	1·9:1
1985-86	1·5:1

Thorn-EMI Factory, Bulwell

Mr. Allen asked the Secretary of State for Defence if he will make a statement on the reasons for and the effects upon the United Kingdom's defence of the closure of the Thorn-EMI factory in Bulwell, Nottingham, a principal supplier of nerve gas detection equipment to his Department.

Mr. Sainsbury [*pursuant to his reply*, 1 July 1987, c. *114*]: Subject to the satisfactory fulfilment of their contractual obligations to the Department, closures of sites by defence contractors are entirely a matter for the commercial judgment of the companies themselves. We expect no difficulty in finding alternative sources of

Written Answers to Questions

Tuesday 7 July 1987

TRANSPORT

BR (Investment)

Mr. Pawsey asked the Secretary of State for Transport what level of investment has been made by British Rail in the London Midland region in each of the past eight years.

Mr. David Mitchell: Investment in infrastructure (cash prices) in the London Midland region in each of the past eight years is as follows:

	£ million
1979	33·9
1980	40·9
1981	36·2
1982	18·5
1983	23·5
1984-85[1]	57·5
1985-86	47·6
1986-87	42·7

[1] 15-month accounting period.

These figures do not include investment in locomotives and rolling stock, as it is impossible to apportion BR's rolling stock accurately between regions.

BR (Passenger Satisfaction)

Mr. Pawsey asked the Secretary of State for Transport what steps he takes to monitor the level of passenger satisfaction with British Rail.

Mr. David Mitchell: British Rail has been asked to report in its annual report and accounts on its performance against agreed quality standards. I shall, in addition, be receiving reports on this from it quarterly. I also see the annual reports of the statutory rail consumer committees and my officials and I keep in touch with them. Finally, I expect shortly to receive regular reports from British Rail on the results of its surveys of passenger satisfaction with Network Southeast services.

Transport (Manchester)

Mr. Alfred Morris asked the Secretary of State for Transport what reply he is sending to the recent approach made to him by the chairman of the Greater Manchester passenger transport authority concerning both the rail link to Manchester airport and the light rapid transport project; and if he will make a statement.

Mr. David Mitchell: My Department is working closely with the PTA, and PTE and, in the case of the airport rail link, BR and the airport company on the necessary evaluations of these projects. I fully recognise the importance which the PTA attaches to them and its wish for early decisions, but those involved also understand that the Government must be satisfied that the projects represent good value for money before public resources can be committed to them.

Tax Licensing

Mr. Beith asked the Secretary of State for Transport whether he plans to revise circular 3/85 on tax licensing in the light of the judgment in Regina *v* Reading Borough Council ex parte Egan.

Mr. David Mitchell: When a transcript of this judgment is available I shall consider whether the advice contained in circular 3/85 should be revised.

M25

Dr. Glyn asked the Secretary of State for Transport if he will list the latest five-day and seven-day average traffic flows on a 16 and 24-hour per day basis on each section of the M25, indicating the month when the counts were taken.

Mr. Peter Bottomley: The information requested is given in the following table. The figures shown are for May 1987 apart from the sections between junctions 1-2, 2-3 and 12-13 where automatic counting loops will be installed later this year. The flows given for those sections are taken from a one-day count conducted on Tuesday 3 June 1986.

M25 Traffic Flows

Section	*16-hour average daily flow*	*16-hour average weekday flow*	*24-hour average daily flow*	*24-hour average weekday flow*
1–2	—	68,000	—	73,000
2–3	—	59,000	—	64,000
3–4	51,000	54,000	56,000	58,000
4–5	57,000	59,000	62,000	64,0000
5–6	72,000	75,000	77,000	80,000
6–7	78,000	81,000	85,000	87,000
7–8	84,000	86,000	91,000	93,000
8–9	74,000	76,000	80,000	82,000
9–10	80,000	83,000	87,000	90,000
10–11	100,000	106,000	108,000	113,000
11–12	111,000	119,000	120,000	127,000
12–13	—	106,000	—	112,000
13–14	123,000	133,000	133,000	142,000
14–15	116,000	124,000	125,000	133,000
15–16	112,000	122,000	121,000	130,000
16–17	100,000	110,000	107,000	117,000
17–18	102,000	113,000	109,000	120,000
18–19	106,000	117,000	114,000	125,000

Section	16-hour average daily flow	16-hour average weekday flow	24-hour average daily flow	24-hour average weekday flow
19–20	89,000	98,000	96,000	104,000
20–21	87,000	100,000	97,000	103,000
21–22	63,000	80,000	78,000	86,000
22–23	80,000	91,000	89,000	95,000
23–24	85,000	94,000	91,000	101,000
24–25	79,000	90,000	85,000	96,000
25–26	79,000	87,000	85,000	93,000
26–27	76,000	83,000	80,000	89,000
27–28	83,000	91,000	90,000	98,000
28–29	71,000	76,000	75,000	83,000
29–30/31	62,000	66,000	67,000	71,000

M4

Dr. Glyn asked the Secretary of State for Transport if he will state the latest five-day and seven-day average traffic flows on a 16 and 24-hour basis on each section of the M4 between west London and Reading.

Mr. Peter Bottomley: The information available is as follows:

		24-hr 7-day	16-hr 7-day	24-hr 5-day	16-hr 5-day
1983	J1-2[2]	89,000	[1]	92,000	89,000
1981	J2-3[2]	101,000	[1]	106,000	100,000
1985	J3-4[2]	85,000	[1]	89,000	84,000
1986	J4-4A	44,000	[1]	44,000	42,000
1986	J4A-4B	88,000	[1]	93,000	88,000
	J4B-5	[1]	[1]	[1]	[1]
1986	J5-6	99,000	[1]	[1]	[1]
1986	J6-7	99,000	[1]	[1]	[1]
1986	J7-8/9	96,000	[1]	[1]	[1]
May 1987	J7/8/9	98,000	90,000	106,000	99,000
1986	J8/9-10	73,000	[1]	[1]	[1]
1986	J10-11	71,000	[1]	[1]	[1]
May 1987	J10-11	75,000	70,000	80,000	76,000
1986	J11-12	70,000	[1]	[1]	[1]

Note: The above figures are annual averages except those shown for May 1987 which are continuous counts.
[1] Not available.
[2] Scaled to 1986.

Motorcycle Helmets

Mr. Neil Hamilton asked the Secretary of State for Transport what information he has as to the availability of motorcycle helmet visors complying with the new regulations on abrasion resistance; and if, to avoid insurance complications for motorcyclists unable to comply with the new regulations, he will waive temporarily the new requirements.

Mr. Peter Bottomley [*pursuant to his reply*, 6 July 1987, c. *17*]: I am informed that the major supplier of motorcycle helmet visors is presently dealing with a backlog of orders and that some motorcyclists therefore could be finding it difficult to obtain the visors they need which comply with the regulations. Any motorcyclist in that position who wishes to continue to wear a visor not meeting the new requirements would be well advised to check the position with his insurance company.

DEFENCE

Radiation

Mr. Thomas asked the Secretary of State for Defence whether any activity, discharge or emission, including storage of radioactive materials, from the Aldermaston and Burghfield atomic weapons plants subjects any member of the general public in any one year to a radiation dose of more than 0·1mSv.

Mr. Sainsbury: No. The recent report (NRPB—202) by the National Radiological Protection Board assesses the doses likely to have been experienced by members of the public arising from the airborne and liquid discharge from AWRE, Aldermaston and ROF (Burghfield) over the years since these establishments began their operations: the maximum doses assessed by NRPB are very low, considerably less than 0·1mSv per annum. These estimates are consistent with the extensive programmes of environmental monitoring conducted in the area by MOD and also independently by the environmental authorising departments. Radiation emitted from radioactive materials handled and stored at these sites does not add to the very low doses. Thorough internal scrutiny and independent investigations such as the Pochin inquiry, have failed to identify any other potential pathways for radiation exposure where doses to members of the public would exceed those given by NRPB in its recent report.

Electoral Registration

Mr. Churchill asked the Secretary of State for Defence what actual numbers of service men and women were

registered on the electoral roll at the time of the recent general election under the special provision made for members of the armed forces; and what percentage this amounted to in the case of each service.

Mr. Freeman: At 31 March 1987, the last date for which figures are available, some 203,763 voting registrations for service personnel were held on index. Based on current strengths of service personnel this amounts to an overall registration level of 64 per cent. for all three services. The figures by service are as follows:

		Percentage
RN RM	50,809	76
Army	103,389	65
RAF	49,565	53

All figures exclude service spouses also registered under the Service voters provisions.

Lea Aviation Ltd.

Mr. Denzil Davies asked the Secretary of State for Defence (1) if it is with his approval that two serving Royal Air Force officers are directly connected with a private company, Lea Aviation Ltd., which uses Royal Air Force assets for commercial gain;

(2) who authorised the use by Lea Aviation Ltd. at an air show on the North Weald airfield, Epping, of front-line Royal Air Force aircraft including Tornados, Harriers and Hawks;

(3) on what basis is the amount paid by Lea Aviation Ltd. to his Department for the use of Royal Air Force assets computed;

(4) whether the contract for the use of Royal Air Force aircraft at the recent private air show operated by Lea Aviation Ltd. at the North Weald airfield, Epping, was put out for tender;

(5) who provided the security arrangements for the protection of the Tornado, Harrier and Hawk aircraft which took part in a recent airshow organised by Lea Aviation Ltd. at North Weald airfield, Epping; and who paid for the arrangements.

Mr. Freeman: I shall answer shortly.

Serving Military Personnel (Commercial Organisations)

Mr. Denzil Davies asked the Secretary of State for Defence what are the guidelines for circumstances whereby serving military personnel are allowed to be directly connected with commercial organisations whose business includes the use, for private profit, of military equipment.

Mr. Freeman: I shall answer shortly.

WALES

Education Statistics

Mr. Andrew F. Bennett asked the Secretary of State for Wales what proportion of school leavers in Wales with five or more higher grade O-level CSE passes in each local education authority stayed on in full-time education after the minimum school-leaving age in the last year for which figures are available.

Mr. Wyn Roberts: In 1984-85, it is estimated that 62 per cent. of school leavers in Wales who possessed five or more higher grade GCE O-level or CSE examination passes continued full-time further or higher education. Comparable figures for each local authority are not available.

Dairy Industry

Mr. Geraint Howells asked the Secretary of State for Wales if he is satisfied with the state of the dairy industry in Wales; and if he will make a statement.

Mr. Peter Walker: Although measures have been introduced to curb the continuing over-supply problem in the milk sector, latest figures confirm that incomes on all dairy farms in Wales went up by 52 per cent. in 1985-86, and the dairy sector remains the most profitable of the livestock commodities in Wales.

Mid-Wales Development Board

Mr. Geraint Howells asked the Secretary of State for Wales if he has any plans to give extra financial aid to the Mid-Wales Development Board in 1987; and if he will make a statement.

Mr. Wyn Roberts: The resources made available to Mid-Wales Development for 1987-88 will make possible an 8 per cent. increase in the board's gross expenditure compared with last year. Funding in subsequent years will be considered during the course of this year's review of public expenditure.

AGRICULTURE, FISHERIES AND FOOD

Food (Radioactivity)

Mr. Win Griffiths asked the Minister of Agriculture, Fisheries and Food what British food exports have been returned to Britain over the past 12 months as a result of unacceptable levels of radioactivity, listing the quantities and the value of each product; and if he will make it his policy to reduce the maximum acceptable level within the United Kingdom to 600 Bq/kg.

Mr. Donald Thompson [*pursuant to his reply*, 6 July 1987]: This information is not available. There is no statutory requirement for exporters to furnish details of any returned consignments.

The British Government have made it clear that they regard the level of 600 Bq/kg adopted for Community imports from third countries as unduly restrictive and are supporting moves to establish more scientifically based levels in future EC emergency regulations.

OVERSEAS DEVELOPMENT

Women

Mrs. Wise asked the Secretary of State for Foreign and Commonwealth Affairs what steps he takes to ensure that overseas aid funds are utilised in ways which benefit women and in projects which are for the improvement of womens' lives and under their control.

Mr. Chris Patten: We recognise the importance of taking the role of women fully into account in aid projects. Some of our projects include special components for women. We are prepared to contribute to projects specifically devoted to helping women.

Aid and Trade Provision

Mr. Andrew Smith asked the Secretary of State for Foreign and Commonwealth Affairs what action he intends to take in the light of the conclusion in the second report of the Foreign Affairs Committee on bilateral aid that the aid and trade provision has introduced a conflict of priorites.

Mr. Chris Patten: I am studying the second report of the Foreign Affairs Committee on bilateral aid. The Government will give their detailed observations on the report, including the section on the aid and trade provision, after the summer recess.

Mr. Andrew Smith asked the Secretary of State for Foreign and Commonwealth Affairs if he will list, for each of the last five years (*a*) the amounts spent on the aid and trade provision, (*b*) the sums received by each recipient company and (*c*) the nature of the contracts so funded.

Mr. Chris Patten: The amount spent under the aid and trade provision in the last five financial years was follows:

	£ million
1982-83	46·8
1983-84	28·4
1984-85	59·5
1985-86	36·5
1986-87	181·3

[1]provisional

Aid agreements signed with developing countries over the last five financial years are as follows:

Country	*Project*	*Company*	*Export Value £ million*[1]	*ATP Element £ million*
April 1982—March 1983				
Brazil	Jacui Power Station	Klocner/NEI	90·800	24·138
Burma	Gas Turbines	JBE	11·044	2·213
Burma	Bridge Project	Balfour Beatty	0·360	0·090
Egypt	W. Sabaeya Phosphate Mine	Seltrust Engineering	20·000	7·315
India	Rihand Super thermal Power Plant	NEI	231·200	17·034
Indonesia	Mrica Hydro Project	Balfour Beatty	44·646	12·075
Kenya	Railway Coaches	BRE Metro	23·700	5·030
Mexico	Maritime Training	College of Nautical Studies	0·030	0·006
Mexico	Scientific Instrument Training	Darwin Instruments	0·029	0·029
Paraguay	Power Transmission Scheme	Balfour Beatty	5·290	1·350
Peru	Mini Hydros	Balfour Beatty	25·625	4·852
Zimbabwe	Hwange Power Station	PED	3·600	1·000
April 1983—March 1984				
Botswana	Moruple Power Station, Turbines	NEI/Parsons	17·126	4·418
Burma	Outboard Propulsion Units	Sykes Marine	5·000	1·202
Colombia	Coffee Rust Control Programme	Wiles and Associates	0·201	0·201
Colombia	Mine Safety Training	BMC	0·018	0·018
Honduras	Aguan Valley Study	Halcrows	0·500	0·100
India	Amlori Coal Mine	BMC	80·030	15·030
Indonesia	Jambu Aye Hydro-Electric Dam Study	Rendel Williamson Hydro	0·200	0·200
Indonesia	Ombelin Coal Mine	Dowty Meco	19·200	4·445
Jordan	HV Transmission Line	Balfour Beatty	13·568	3·611
Malawi	Telecommunications	GEC/BT	1·000	0·260
Malaysia	Viewdata	GEC	2·367	0·851
Philippines	Dendro Power Station Adviser	Balfour Beatty	0·080	0·040
Zimbabwe	Abattoir Feasibility Study	Ove Arup	1·760	1·760
April 1984—March 1985				
Botswana	Moruple Power Station, Coal and Ash Plant	Butterfly Engineering	4·736	1·343
Brazil	Coal Mining Training	BMC Ltd.	0·019	0·019
Cameroon	4 Towns Water Project Design Study	Sir A. Gibb and W. S. Atkins	0·910	0·910
Colombia	Bridge Project Extension	Balfour Beatty	0·540	0·152
ECOWAS[1]	Telecommunications Feasibility Study	British Teleconsult	0·065	0·065
Egypt	Electricity Management Advice	British Electricity Int.	0·166	0·166
Egypt	Draglines	Ransome and Rapier	0·463	0·463
India	Balco Power Station	GEC	130·000	33·066
Indonesia	AIS Submarine Cable	STC	104·000	3·093
Indonesia	Isolated Diesels	HSPE	38·400	12·515

Country	Project	Company	Export Value £ million	ATP Element £ million
Indonesia	Education Equipment Study	British Council	0·036	0·036
Indonesia	Jabotabek Railway Study	L. H. Manderstan	1·000	1·000
Malaysia	Sunghai Ahning Dam	Balfour Beatty	9·000	2·344
Malaysia	Ulu Jelai Hydro Feasibility Study	WLPU Ewbank	1·850	1·850
Paraguay	Ascuncion Sewerage Consultancy	Halcrow Balfour	1·020	1·020
Sri Lanka	Columbo Airport	UKAG	20·940	5·264
Thailand	Mini Hydros Pilot Plant	Balfour Beatty	2·500	2·500
Thailand	Post-Harvest Groundnut Study: Phase I	Rural Investment Overseas	0·081	0·081
Thailand	Railbus Evaluation Study	Transmark	0·082	0·082
April 1985—March 1986				
Belize	Electricity Feasibility Study	Merz and McLellan	0·081	0·081
Bolivia	Mineral Concentrator	GEC	0·027	0·027
Caribbean	BAE 748 Aircraft	British Aerospace	10·336	3·838
Colombia	Coffee Bean Sorters	Gunsons Sortex	0·068	0·068
ECOWAS[1]	Telecommunications Implementation Study	British Teleconsult	0·250	0·250
Egypt	Maghara Coal Mine	Babcock	50·035	12·578
Egypt	Welding Equipment and Training	British Federal Ltd	0·049	0·049
India	Ganga River Consultancy	Thames Water Authority	0·200	0·200
Indonesia	S Bengkulu Oil Palm Study	Massey Fergusson	0·400	0·400
Indonesia	Bukit Asam Rail Bridges	Balfour Beatty	0·750	0·152
Indonesia	Offshore Supply Vessels	Marine Design Consultants	2·156	0·571
Indonesia	Ombelin Coal Mining Training	Dowty Meco	0·655	0·655
Kenya	Sugar Milling Equip	Fletcher and Stewart	0·891	0·235
Kenya	Upland Bacon Factory Study	Mitchell Cotts	0·100	0·100
Malaysia	Cross Braced Bogies	BREL	7·083	1·850
Mauritius	Plaisance Airport	Plessey	18·960	6·311
Papua New Guinea	Port Moresby Airport Study	Plessey	0·100	0·100
Thailand	Post-Harvest Groundnut Study: Phase II	Rural Investment Overseas	0·499	0·499
Zimbabwe	Kariba South Power Consultancy	Merz and McLellan	0·300	0·300
April 1986—March 1987				
Burma	Rangoon Electrical Distribution	BCPE	20·000	6·400
Cameroon	Ministry of Equipment/ Agriculture Technical Assistance	British Standards Institute	0·075	0·075
Cameroon	Bamenda Ring Road Survey	SWK	0·173	0·173
Cameroon	Limbe Port Feasibility Study	NYK	0·250	0·250
China	Coal Sector Training	Dosco	0·150	0·150
Egypt	NW Electrification Study	Numerous	0·825	0·825
Egypt	Brake Block Foundry	Davy McKee	2·749	0·884
Egypt	NW Electrification Project	Numerous	4·345	1·308
Egypt	El Omoun Drain	Sulzer	3·195	0·804
Indonesia	Jabotabek Feasibility Study	Manderstan F. Wheeler	0·007	0·007
Kenya	Kipevu	JBE	7·618	1·959
Malawi	Telecommunication Study	GEC/BT	0·052	0·052
Malaysia	Rural Water Supply	Biwater	194·000	59·460
Malta	Luqa Airport Study	BAI	0·131	0·131
Sri Lanka	Samanala Wewa Hydro	Balfour Beatty	57·200	16·570
Turkey	Ankara Natural Gas Study	British Gas	0·350	0·350
China	Shengli Power Plant	JBE	14·913	4·873

[1] Economic Commission for West African states.

Aid Programme

Mr. Andrew Smith asked the Secretary of State for Foreign and Commonwealth Affairs when, in the light of the Organisation for Economic Co-operation and Development Countries' report, published on 19 June showing Britain's aid to have fallen from 0·34 per cent. of gross national product to 0·32 per cent, he anticipates achieving the United Nations target of 0·7 per cent.

Mr. Chris Patten: We shall continue to maintain our substantial aid programme. The planned cash increases in aid set out in the 1987 public expenditure White Paper (Cmnd. 56-I) are intended to maintain the real value of the aid programme. Like previous Administrations, we have not set a timetable for achieving the United Nations target for aid of 0·7 per cent. of GNP.

Third World

Mr. Andrew Smith asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the new flow of resources between Britain and the third world in each of the last five years.

Mr. Chris Patten: Net official and private flows from Britain to developing countries in each of the last five years were:

	£ million	*Percent of GNP*
1982	3,580	1·30
1983	4,012	1·33
1984	3,621	1·13
1985	1,871	0·53
[1]1986	5,015	1·34

[1] Provisional

TRADE AND INDUSTRY

Women

Ms. Richardson asked the Chancellor of the Duchy of Lancaster what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. Butcher: My Department is aware of the need for women to play their full part in the wealth creation process. It has adopted a number of measures to encourage women to pursue non-traditional careers in industry, for example in engineering, information technology and management generally. Some of these measures are described in more detail in the Home Office review of the United Nations' "Forward-Looking Strategies for the Advancement of Women", a copy of which is in the Library. They include support for initiatives in education, such as the Government's engineering and technology programme; and encouraging companies to tailor their recruitment and career structures to the needs of women. Industry is responding positively.

I am also keen to increase the number of women taking up public appointments for which my Department is responsible. We encourage women's organisations to submit details of possible appointees, and we welcome their views on the Department's work. The training offered to all staff in the Department covers the importance of bearing in mind the needs of particular groups, including women, and officials are kept fully informed of equal opportunities requirements in personnel matters.

British Telecom

Mr. Allen asked the Chancellor of the Duchy of Lancaster what discussions the Director of OFTEL has had with British Telecom about the effect of the proposed charges for directory inquiries on the blind and disabled.

Mr. Butcher: This is a matter for the Director General of Telecommunications. He is responsible for ensuring that British Telecom complies with the condition of its licence which obliges it to provide directory information free of charge, or with appropriate compensation for any charges paid, to those persons who are so blind or otherwise disabled as to be unable to use a telephone directory.

Defence Equipment

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster if he will outline the guidelines followed by the Government when deciding on export licences for defence equipment.

Mr. Alan Clark: In considering applications for licences all relevant factors are taken into account including the type of equipment, its proposed destination and the use to which it might be put.

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster if he will publish a table in the *Official Report* listing the number of export licences for defence equipment issued for each country since May 1979.

Mr. Alan Clark: It has been the practice of successive Governments not to make public information of this kind.

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster if he will give details of United Kingdom trade in defence equipment in 1986 including the value of such trade and the role of his Department.

Mr. Alan Clark: For details of United Kingdom trade in defence equipment I refer the hon. Gentleman to the "Statement on the Defence Estimates 1987-2, Defence Statistics" (Cm. 101/II) (tables 2.7 and 2.8), copies of which are in the Library.

The role of my Department in the trade in defence equipment is that of licensing authority.

UN Conference on Trade and Development

Mr. Andrew Smith asked the Chancellor of the Duchy of Lancaster whether he will be attending the United Nations conference on trade and development in Geneva in July.

Mr. Alan Clark: I shall attend as leader of the United Kingdom delegation.

Mr. Andrew Smith asked the Chancellor of the Duchy of Lancaster what proposals Her Majesty's Government will be making through the European Community or on

their own, to the United Nations conference on trade and development in order to assist developing countries in the areas of aid, trade and debt.

Mr. Alan Clark: The United Kingdom will reaffirm its policy of offering effective support through the United Kingdom aid programme for the poorest developing countries, especially those undertaking IMF-IBRD agreed structural adjustment. We shall confirm our support for the internationally agreed debt strategy, stressing the Chancellor's new initiative for the poorest, most heavily indebted sub-Saharan African countries. This involves the provision of additional resources to relieve official debt in those countries adopting sound policies. We shall also emphasise the importance of active participation by developing countries in the Uruguay round and underline the constructive part which the United Kingdom and the European Community are playing in these negotiations.

Manchester Airport (Rail Link)

Mr. Alfred Morris asked the Chancellor of the Duchy of Lancaster what reply he is sending to the recent approach made to him by the chairman of the Greater Manchester passenger transport authority concerning both the rail link to Manchester airport and light rapid transport project; and if he will make a statement.

Mr. Kenneth Clarke: I shall reply to the right hon. Gentleman as soon as possible.

Task Force Grants (Leeds)

Mr. Fatchett asked the Chancellor of the Duchy of Lancaster, pursuant to his reply of 29 June, how much task force money has been allocated to each of the following projects in the Chapeltown area of Leeds, *(a)* Positive Action for Training in Housing, *(b)* Jamaica Society, Leeds, *(c)* Community Enterprise Trust and *(d)* the development fund in partnership with the Yorkshire bank.

Mr. Kenneth Clarke: Task force money has been allocated as follows:

(a) Positive Action for Training in Housing—£93,000;
(b) Jamaica Society, Leeds—£132,000;
(c) Chapeltown Harehills Enterprise Ltd. (CHEL — also known as Community Enterprise Trust) — £249,000;
(d) Task Force Development Fund—£100,000.

The task force uses its own moneys to supplement and encourage the investment of other Government and private sector funds. Each of these projects has attracted significant funds from other Government, public and private sources as follows:

(a) Positive Action for Training in Housing—£75,000 from the Manpower Services Commission and £50,000 from the private sector;
(b) Jamaica Society — £130,000 from the Manpower Services Commission, £25,000 from Leeds city council and £50,000 from the *Yorkshire Post*;
(c) CHEL — £50,000 from Imperial Chemical Industries plc towards personnel costs;
(d) Task Force Development Fund — the Yorkshire bank has placed no limit on the sum it is prepared to set aside for loans. Provided that projects meet the scheme's criteria, it will be offered loan facilities.

Shipbuilding

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster how much shipbuilding intervention fund support has been paid out in each year since 1977, and in total, to each of the member countries of the European Community.

Mr. Atkins: There is no support for merchant shipbuilding paid for out of European Community funds. Each member state administers a regime of aid that is agreed with the European Commission within the framework of successive Council directives on shipbuilding aids. For the United Kingdom, Her Majesty's Government have made the following payments to merchant shipbuilding yards from the shipbuilding intervention fund:

Financial Year	*£ million*
1976-77	1·4
1977-78	19·3
1978-79	10·8
1979-80	36·3
1980-81	45·8
1981-82	54·5
1982-83	54·9
1983-84	43·4
1984-85	28·1
1985-86	30·8
1986-87	22·4

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster if he will publish a table showing the balance in shipbuilding expenditure since 1979 between merchant and warship yards.

Mr. Atkins: Since British Shipbuilders is funded centrally, I can only provide an estimate that over 70 per cent. of total Government support of more than £1,750 million since 1979 has been used for merchant shipbuilding. The warship yards now in the private sector very nearly covered their costs. The balance has been used to support the corporation's engineering, shiprepair and offshore concerns.

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster if he will provide a table for the number employed in *(a)* the merchant and *(b)* the warship shipbuilding industry in each of the European Economic Community countries, including the United Kingdom, and Japan, Korea and Taiwan in 1979 and in the most recent year for which figures are available.

Mr. Atkins: The available information for merchant shipbuilding is as follows. Comparative information on warshipbuilding is not available. In 1979, 29,000 were employed in United Kingdom warship yards. In 1986 the figure was 17,700.

'000s

	1979		*1986*
Belgium	6·3	(1985)	3·9
Denmark	9·9	(1985)	10·2
France	23·0	(1985)	15·1
Germany	27·4	(1985)	22·3
Greece	(1980) 2·7	(1985)	2·0
Ireland	0·8		Nil
Italy	19·0		11·6
Netherlands	11·3		6·4
Portugal	(1982) 3·8	(1985)	3·3
Spain	(1980) 40·6	(1985)	18·0
United Kingdom	31·2		13·7
Japan	(1980) 113·0	(1985)	93·0
South Korea	(1982) 64·5	(1984)	176·6
Taiwan	Not available		

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster if he will provide an updated list of the subventions on offer, in credit, loan and direct subsidy facilities for the shipbuilding industry in each of the European Economic Community countries, Japan, Korea and Taiwan.

Mr. Atkins: The information given to the hon. Member on 9 December 1986 about aid regimes in other countries remains the most up-to-date information available. No EC member state has yet received Commission approval for a new aid regime under the sixth directive on aid to shipbuilding.

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster what proportion of world orders has been won by the British shipbuilding yards in 1986 and the latest convenient date in 1987.

Mr. Atkins: During 1986 United Kingdom shipbuilding yards won 2·1 per cent. of world orders. Data for 1987 are not yet available.

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster if he will list all public sector shipbuilding orders that are to be awarded in 1987 and 1988; and if he will list all those orders where tenders are currently invited.

Mr. Atkins: The following merchant shipbuilding orders are planned:

Car-passenger ferry for Caledonian MacBrayne Ltd. Following their attractive tender, terms and conditions are to be discussed with the Appledore-Ferguson yard at Port Glasgow.

Cargo-passenger ship for the Overseas Development Administration, to be supplied to the Government at St. Helena. Tenders have been invited.

Passenger ferry for Shetland islands council. Tenders have been invited.

Two passenger ferries for Orkney islands council. Tenders have not yet been invited.

The placing of warship and naval auxiliary orders is a matter for my right hon. Friend the Secretary of State for Defence.

British Shipbuilders

Mr. Gordon Brown asked the Chancellor of the Duchy of Lancaster if he will list all current orders and completion dates for each British Shipbuilders yard.

Mr. Atkins: The following is the information:

British Shipbuilders yard	*Current orders*	*Completion date*
Govan	2 container ships	First half 1989
Austin and Pickersgill	1 multi-purpose cargo vessel	Second half 1987
	12 ferries	Summer 1987 to mid 1989
Sunderland	1 crane ship	Second half 1987
	1 diving support vessel	January 1986
	13 ferries	Summer 1987 to mid 1989
Appledore-Ferguson (Port Glasgow)	1 passenger ro ro ferry	February 1988
	1 research vessel	Second half 1987
Appledore-Fergusson (Appledore)	1 dredger	Summer 1987
	1 dredger	Second half 1987
	1 dredger	First half 1988
Clark Kincaid	1 engine	Summer 1987
	1 engine	First half 1988
	1 engine	Second half 1988

NATIONAL FINANCE

Personal Allowance

Mr. Colin Shepherd asked the Chancellor of the Exchequer what would be the loss of revenue from income tax if the personal allowance for single people were to be raised to £3,320 and for married couples to £5,200; and what would be the net effect after allowing for recoupment by indirect taxation based on current spending patterns.

Mr. Norman Lamont: The full year direct revenue cost of increasing the present personal tax allowances to £5,200 for a married man and £3,320 for a single person is approximately £7 billion at 1987-88 income levels. The net cost, after allowing for increased payments of indirect taxes is likely to be somewhat less, but this cannot be estimated readily since a range of macro-economic factors would be involved.

Women

Ms. Richardson asked the Chancellor of the Exchequer what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. Major: In formulating and implementing economic policy, the Treasury has regard to the needs of all British subjects, both women and men. The Green Paper "Personal Taxation" dealt specifically with the tax treatment of married women and has been the subject of consultation with a wide range of representative bodies. Changes to the principal Civil Service pension scheme were made on 1 July 1987, to give, wherever possible, equality of treatment for men and women. Training is given to all members of staff to enable them to carry out their duties efficiently and effectively. The Treasury has nominated an equal opportunities officer, and personnel policies and procedures have been reviewed and are being monitored to ensure that they do not discriminate against women.

Overseas Assets

Mr. Cohen asked the Chancellor of the Exchequer if he will publish a table showing for each year since 1979 the total of United Kingdom-owned assets overseas, broken down by country and into figures for the public and private sectors.

Mr. Major: Estimates of United Kingdom owned assets overseas are published in the annual Pink Book, "United Kingdom Balance of Payments", copies of which are in the Library. The 1986 edition showed summary information in table 1.2 each year between 1966 and 1985, distinguishing public sector and private sector assets; further details are shown in section 9. Figures for end-1986 will be published in August and are expected to show total overseas assets net of liabilities of around £110 billion.

An analysis of total overseas assets by country is not available. However, details of the book value of direct investment assets analysed by country were published in an article in the 22 May 1987 issue of "British Business". These figures are collected only every three years, the latest relating to end-1984. Also, information on United Kingdom banks' overseas claims, by country, is published quarterly in table 14 of the *Bank of England Quarterly Bulletin*. Copies of these publications are in the Library.

Wives and Husbands (Taxation)

Ms. Richardson asked the Chancellor of the Exchequer when he plans to introduce independent taxation for wives and husbands.

Mr. Norman Lamont: I refer the hon. Member to the answer given to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) about the taxation of married couples on Friday 3 July, at column *177*.

Capital Gains Tax

Mr. Nicholas Baker asked the Chancellor of the Exchequer if he will bring forward proposals to ensure that married couples are treated no less favourably for capital gains tax purposes than couples cohabiting.

Mr. Norman Lamont: I have noted my hon. Friend's suggestion. We shall continue to keep under review the capital gains tax position of married couples in the context of our more general consideration of the overall tax regime for them, including the tax arrangements for their investment income.

Tax Law (Repeal)

Mr. Tim Smith asked the Chancellor of the Exchequer what would be the cost to the Exchequer of repealing section 37 of the Income Tax and Corporation Taxes Act 1970.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Personal Taxation

Mr. Tim Smith asked the Chancellor of the Exchequer what would be the cost to the Exchequer of taxing income above the standard rate at 35 per cent. for the first £10,000, at 45 per cent. for the next £10,000, and at 50 per cent. for the remainder.

Mr. Norman Lamont: The full year cost at 1987-88 income levels is estimated to be about £1·1 billion. This estimate makes no allowance for possible changes in the behaviour of taxpayers.

VAT (New Houses)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what discussions he has had with the housebuilding organisations and estate agents on the implications of the case initiated by the European Economic Community Commission before the European Court on 15 September on the levying of value added tax on new houses; and if he will make a statement.

Mr. Brooke: We have kept closely in touch with bodies representing the construction industry over this case. We have fought the case strenuously at all stages and will continue to do so.

Income Tax

Mr. Hunter asked the Chancellor of the Exchequer (1) what would be the immediate revenue cost of abolishing the 60 per cent. tax band, thus making the maximum rate of tax 50 per cent.;

(2) what would be the immediate revenue cost of abolishing the 60 per cent. and 50 per cent. tax bands, thus making the maximum rate 40 per cent.

Mr. Norman Lamont [*pursuant to his replies*, 6 July 1987, c. *18*]: The full year direct revenue costs at 1987-88 levels of income of reducing the maximum income tax rate to *(a)* 40 per cent. by abolishing the 45 per cent., 50 per cent., 55 per cent., and 60 per cent. rates and *(b)* 50 per cent. by abolishing the 55 per cent. and 60 per cent. rates are estimated to be about £1,400 million and £450 million, respectively. These estimates make no allowance for possible changes in taxpayers' behaviour.

Exchequer Income

Dr. Cunningham asked the Chancellor of the Exchequer if he will publish the estimated total yield of *(a)* income tax, *(b)* value added tax, *(c)* all other taxes, *(d)* all Customs and Excise duties and *(e)* all miscellaneous income to the Exchequer, other than borrowing, *(f)* public sector borrowing and *(g)* rates in each year from 1979-80 to 1987-88, estimated.

Mr. Norman Lamont [*pursuant to his reply*, 6 July 1987, c. *19*]: Following is the information.

£ billion

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*[3]1986-87*	*[4]1987-88*
Income Tax	21·1	24·9	28·8	30·7	31·6	33·2	36·1	38·5	40·0
[2]Value Added Tax	8·2	11·0	11·9	13·8	15·2	18·5	19·3	21·5	23·3
Customs and Excise Duties[1]	9·5	10·5	12·9	13·5	15·5	16·2	17·2	18·7	19·4

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	[3]1986-87	[4]1987-88
Other Central Government Taxes and Royalties	15·1	16·5	21·1	21·9	22·4	25·3	28·2	25·4	28·2
Other Central Government Receipts[2]	15·5	19·3	20·9	27·0	28·4	30·4	34·0	36·7	38·6
Total Central Government Receipts	69·4	82·2	95·6	107·0	113·0	123·7	134·9	140·8	149·5
Local Authority Rates	6·9	8·7	11·0	12·2	12·3	12·9	13·8	15·5	16·9
Public Sector Borrowing	10·0	12·7	8·6	8·9	9·8	10·2	5·8	3·3	3·9

[1] Excise Duties; Customs Duties; Agricultural Levies.
[2] Including National Insurance Contributions and accrual adjustments.
[3] Estimated Outturn.
[4] Forecast from 1987 Financial Statement and Budget Report.

ATTORNEY-GENERAL

Crown Prosecution Service

Mr. Bermingham asked the Attorney-General (1) whether he proposes to set up specialised training courses for solicitors employed by the Crown Prosecution Service in juvenile cases;

(2) whether he proposes to continue the policy of having specialist lawyers to deal with juvenile prosecutions in England and Wales;

(3) how many Crown Prosecution Service areas have specialist lawyers or departments to deal with juvenile prosecutions; and how many people are so employed in each area in England and Wales.

The Attorney-General: I shall reply to the hon. Member when all the information requested has been obtained.

ENERGY

British Coal Enterprise Ltd (Easington)

Mr. Cummings asked the Secretary of State for Energy how many loans have been made by British Coal Enterprise Ltd. to firms in the Easington district since its inception; what has been the amount of money loaned; and how many jobs have been created.

Mr. Michael Spicer: I regret that figures are not available at sub-regional level. However, I am pleased to be able to report that up to 27 June British Coal Enterprise Ltd. had committed £5·4 million in support of 198 individual projects in its north-east region, and has assisted in the creation of 2,574 jobs opportunities.

EMPLOYMENT

YTS

59. **Mr. Boyes** asked the Secretary of State for Employment whether he will conduct a full investigation into the quality of off-the-job education being provided by YTS.

Mr. Cope: No. The youth training board, which includes representatives of the TUC, CBI, local authorities and the education service, is directly involved in ensuring quality on YTS. The new training standards advisory service is undertaking comprehensive quality audits of YTS managing agents and provides expert advice and guidance on quality matters, including the off-the-job training and education provided on YTS. Furthermore, all providers of YTS programmes have had to apply to become approved training organisations and their arrangements for off-the-job training and education are scrutinised as part of the approval process.

60. **Mr. Sheerman** asked the Secretary of State for Employment what representations he has had on the quality of off-the-job education provided by YTS.

Mr. Cope: We have had four representations over the past 18 months on this subject. One of those concerned the standard of off-the-job training and education provided by YTS, and the remaining three concerned the length of the off-the-job training period.

61. **Ms. Quin** asked the Secretary of State for Employment what steps he is taking to ensure high standards of off-the-job education for YTS trainees.

Mr. Cope: Potential managing agents for YTS schemes are required to set out in detail their proposals for training including the length and content of the off-the-job training and education that young people will receive. The formal contract between the MSC and each managing agent refers to the agreements reached on these proposals. Thereafter, MSC staff monitor the quality of training provided. To strengthen these arrangements a new training standards advisory service became operational in April 1987. Furthermore, the MSC requires all providers of training to apply to become approved training organisations. Only organisations which gain such status will be able to take part in YTS.

Mr. Mike Fowler

Mr. Andrew F. Bennett asked the Secretary of State for Employment how long it has taken his Department to prepare its case for the appeal of Mr. Mike Fowler of 8 Meadow close, Houghton Green against the decision to reclaim benefit paid to him when he was a councillor; and if he will make a statement.

Mr. Lee: This is a complex case. I shall write to the hon. Member as soon as possible.

Women

Mrs. Wise asked the Secretary of State for Employment if he will estimate the number of women seeking work but not included in the unemployed register.

Mr. Lee: According to preliminary results from the labour force survey, in Great Britain in spring 1986 there were an estimated 593,000 women without a job and seeking work but not included in the count of unemployed benefit claimants. This compares with 479,000 included in the count but either not seeking work or in employment

during the week of the survey. Details were published in the April 1987 edition of *Employment Gazette*, on page 208.

Average Earnings

Mrs. Wise asked the Secretary of State for Employment what are the latest figures for average earnings for *(a)* all women, *(b)* women in manual occupations and *(c)* women in non-manual occupations, expressed as (i) mean average, (ii) median and (iii) mode; and what are the comparative figures for men.

Mr. Lee: The latest date for which information is available is April 1986. Table 1 in part A of the report on the new earnings survey 1986 gives information on the gross weekly mean and median earnings of full-time adult employees in Great Britain. Information on the distribution of weekly earnings from which the modal ranges can be determined is published in table 29 of part B of the new earnings survey 1986. Copies of both these reports are available in the Library.

VAT

Mr. Teddy Taylor asked the Secretary of State for Employment what discussions he has had with the Health and Safety Executive on the implications for safety at work of the case initiated by the European Economic Community Commission before the European Court on 15 September on the levying of value added tax on protective clothing and footwear; and if he will make a statement.

Mr. Cope: None. Neither I nor my predecessor has had discussions with the Health and Safety Executive on the forthcoming case before the European Court. The implications for safety, along with other considerations, will be assessed when the verdict, and its basis, are known.

FOREIGN AND COMMONWEALTH AFFAIRS

High Commissioner (Vanuatu)

Mr. Campbell-Savours asked the Secretary of State for Foreign and Commonwealth Affairs (1) what are the number plates used by official vehicles of the High Commissioner in Vanuatu;

(2) whether he will institute an inquiry into the use of the High Commissioner's official car by a Government official for the delivery of Conservative party fund-raising literature in Vanuatu; and if he will make a statement;

(3) why the official car of the High Commissioner in Vanuatu was used to deliver Conservative party material to Mr. N. Anderson of OSAS, P.O. Box 567, Port Vila, Vanuatu; and if he will make a statement;

(4) what is the practice with regard to the use of official diplomatic cars for delivering non-official material; and if he will make a statement;

(5) what is the practice with regard to Her Majesty's embassies acting as receiving points for mail addressed to United Kingdom citizens working abroad and forwarding such items to their correct addresses.

Mr. Eggar: The 75 technical co-operation officers and OSAS officers and their families regularly use the High Commission's postal box number 567 for both official and private mail which is then delivered to staff living locally in Vila. The registration numbers of High Commission vehicles are CD UK 1 and UK 5. All private mail received by the High Commission addressed to Mr. Anderson would have been handled in this manner. It would of course be quite improper for the High Commission to open or inspect the contents of private mail.

EC (Directives and Regulations)

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs what was the total number of directives and regulations, respectively, produced by the European Economic Community in the most recent year for which figures are available; and what were the comparable figures in each of the previous 10 years.

Mrs. Chalker: I shall let my hon. Friend have a reply as soon as possible.

Women

Miss Widdicombe asked the Secretary of State for Foreign and Commonwealth Affairs when the Government submitted their initial report to the United Nations due under article 18 of the 1979 convention on the elimination of all forms of discrimination against women.

Mr. Eggar: The report has been completed and was submitted to the United Nations Secretary-General on 25 June 1987. Copies have been placed in the Library.

In the preparation of the report women's organisations were consulted, particularly through a seminar on the UN Convention and the reporting process held in the Foreign and Commonwealth Office in February. This enabled the officials responsible for writing the report to take their view into account. The report acknowledges their activities and concerns. We shall be sending copies of the report to all those invited to the seminar and upon request, to other organisations which express an interest.

The fullness of the report underlines the seriousness with which we view our obligations under the convention. We shall continue to develop our policies in the light of these obligations.

HOME DEPARTMENT

Data Protection

Mr. Cohen asked the Secretary of State for the Home Department what additional advice he is going to give to the electoral registration officers as to the sale of names and addresses of people contained in the electoral register in machine-readable form, when the sale of the names and addresses takes place without the consent or knowledge of the data subject.

Mr. Douglas Hogg: None. We have already advised registration officers that people who buy this data will have to register the details with the Data Protection Registrar and we have told them of the existence of the mailing preference service to help electors who do not wish to be on mailing lists.

Mr. Cohen asked the Secretary of State for the Home Department when he expects to announce the subject access fee and issue the orders under section 29 of the Data Protection Act.

Mr. Renton: We hope to announce the subject access fee within the next few weeks. Drafting of the orders inder section 29 is well advanced, but consultation with the interested parties concerned is not yet complete. We plan to lay the orders immediately after the summer recess.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department what is the current number, and the maximum number and minimum number of entries for each of the sub-categories of the stolen and suspect vehicle index of the police national computer over the last year.

Mr. Douglas Hogg: The number of entries in each of the sub-categories of the stolen and suspect vehicle index of the police national computer as of 30 June, together with the maximum and minimum number of entries for the previous 12 months, is as follows:

Sub-category	*30 June 1987*	*Maximum in last 12 months*	*Minimum in last 12 months*
Lost or stolen	354,902	354,902	290,056
Obtained by deception[1]	377	604	377
Found or apparently abandoned	27,270	29,553	22,719

Sub-category	30 June 1987	Maximum in last 12 months	Minimum in last 12 months
Removed into police custody	15,888	15,888	11,985
Removed by police from one street to another	246	579	151
Repossessed by finance company[1]	0	112	0
Suspected of being involved in a particular incident, for example crime[2]	1,510	3,590	1,510
Owned or used by police	5,375	6,127	5,375
Of interest to the police, for example owned by known criminals or by missing persons	19,843	30,703	19,843
Seen or checked by the police in noteworthy circumstances, for example at night in an area where a series of crimes is under investigation	7,386	11,623	7,314
Details not to be passed over open radio, for example police vehicles used in observation duties	4,653	4,662	4,280

[1] Since November 1986 new records of vehicles in the sub-categories "Obtained by Deception" and "Repossessed by Finance Company" have been included in the "Lost or Stolen" sub-category.
[2] Since November 1986 new records of vehicles "suspected of being involved in a particular incident (for example crime)" have been included in the "Of interest to police" sub-category.

Mr. Cohen asked the Secretary of State for the Home Department what is the current number, the maximum number and minimum number of entries for each of the sub-categories of the wanted and missing persons index of the police national computer over the last year.

Mr. Douglas Hogg: The number of entries in each of the sub-categories of the wanted and missing persons index of the police national computer on 30 June 1987, together with the maximum and minimum number of entries for the previous 12 months, was as follows:

Sub Category	30 June 1987	Maximum in last 12 months	Minimum in last 12 months
Wanted persons	31,166	31,936	30,864
Failed to appear in court	21,598	21,598	20,253
Suspected of offence	4,398	4,398	4,139
Impending prosecution	47	65	34
Deserter from Armed Forces	2,099	4,302	2,081
Location desired: for example for services of summons	36,989	37,693	36,960
Missing	2,266	2,266	1,992
Found	20	20	10
Absconded from Local Authority care	594	679	503
Absconded from hospital	59	59	36
Absconded from youth custody	105	110	68
Absconded from prison	493	507	446
Absconded from remand	13	21	9
Absconded from school	42	64	40
Absconded from detention	3	11	3
Recalled to youth custody	0	1	0
Recalled to prison	253	265	242
Recalled to detention	0	0	0
Notify if in custody	0	0	0

Crime (Use of Knives)

Mr. Harry Greenway asked the Secretary of State for the Home Department if he will seek to increase the penalties upon those found guilty of carrying knives for offensive purposes; and if he will make a statement.

Mr. Hurd: The courts are already sending more people to prison when convicted of carrying offensive weapons. The existing maximum penalty on conviction on indictment is two years imprisonment and/or an unlimited fine. Where the weapons are used to cause injury, high maximum penalties are available.

The Government are concerned about the increased use of offensive weapons and are considering as a matter of urgency possible legislative changes to help curb their sale and use.

Passports

Mr. Boswell asked the Secretary of State for the Home Department how many full United Kingdom passports were issued at each of Her Majesty's passport offices respectively, in each month of the last three years; and what was the average monthly interval between application and issue in each office.

Mr. Renton: The information requested is given in the tables:

London Passport Office

Month	Issues	[1]Average turn-round time (days)
1984-85		
June 1984	44,083	14
July	51,812	14
August	39,414	6
September	28,018	3
October	25,897	2
November	24,794	2
December	15,324	2
January 1985	26,284	10
February	30,884	16
March	40,403	12
April	47,214	11
May	47,574	9
	421,701	
1985-86		
June 1985	43,957	12
July	50,898	12
August	33,788	10
September	27,388	8
October	27,932	8
November	25,022	6
December	17,890	6
January 1986	29,354	10
February	34,919	14
March	42,087	20
April	50,185	23
May	47,652	26
	431,072	

Month	Issues	[1]Average turn-round time (days)
1986-87		
June 1986	43,796	28
July	54,183	36
August	36,650	23
September	28,524	19
October	29,133	23
November	22,663	11
December	18,707	15
January 1987	23,682	24
February	35,565	21
March	40,488	35
April	33,065	45
May	24,383	56
	390,839	

Liverpool passport office

Month	Issues	[1]Average turn round time (days)
1984-85		
June 1984	62,131	12
July	53,175	12
August	46,351	6
September	23,627	2
October	20,240	2
November	17,037	2
December	10,625	2
January 1985	27,922	10
February	36,323	11
March	44,507	11
April	54,097	12
May	68,179	6
	464,214	
1985-86		
June 1985	46,653	7
July	51,103	5
August	40,427	3
September	25,924	1
October	21,596	1
November	15,682	1
December	14,394	1
January 1986	30,776	4
February	39,328	11
March	46,466	22
April	77,709	20
May	84,337	17
	494,395	
1986-87		
June 1986	64,706	14
July	70,075	11
August	45,762	8
September	34,253	4
October	26,324	2
November	21,232	2
December	15,694	2
January 1987	30,319	4
February	48,946	7
March	75,898	10
April	62,425	14
May	51,586	20
	547,220	

Peterborough Passport Office

Month	Issues	[1]Average Turnround Time (Days)
1984-85		
June 1984	46,388	9
July	46,565	9
August	33,944	3
September	20,705	1
October	20,165	1
November	17,351	1
December	9,783	2
January 1985	26,708	8
February	30,180	10
March	45,284	10
April	38,322	12
May	49,792	11
	385,187	
1985-86		
June 1985	44,052	13
July	51,500	12
August	31,167	3
September	21,599	3
October	21,866	3
November	18,369	3
December	12,872	2
January 1986	31,309	5
February	46,115	7
March	48,975	9
April	61,355	14
May	64,389	14
	453,568	
1986-87		
June 1986	49,994	11
July	51,943	11
August	38,667	7
September	26,922	4
October	27,518	3
November	20,346	3
December	15,264	3
January 1987	29,806	5
February	49,917	9
March	60,983	12
April	56,051	14
May	48,473	18
	475,884	

Newport Passport Office

Month	Issues	[1]Average turnround time (days)
1984-85		
June 1984	47,345	7
July	45,474	7
August	28,661	5
September	20,935	2
October	17,898	1
November	16,189	1
December	9,785	1
January 1985	25,453	8
February	31,715	10
March	39,399	10
April	33,543	10
May	42,167	12
	358,564	
1985-86		
June 1985	35,910	13
July	44,296	14
August	37,791	8
September	25,007	3
October	22,340	1
November	17,798	1

Month	Issues	[1]Average turnround time (days)
December	11,084	1
January 1986	29,985	3
February	37,875	9
March	32,337	17
April	54,960	23
May	46,911	25
	396,294	
1986-87		
June 1986	47,097	31
July	51,343	27
August	40,626	6
September	26,525	3
October	24,044	3
November	21,091	3
December	15,004	3
January 1987	27,999	4
February	39,614	9
March	51,542	14
April	31,345	26
May	30,188	40
	406,418	

Glasgow Passport Office

Month	Issues	[1]Average turn-round time (days)
1984-85		
June 1984	18,068	14
July	16,601	13
August	15,537	6
September	7,902	3
October	5,826	3
November	4,617	3
December	3,120	3
January 1985	7,865	2
February	12,673	2
March	12,051	3
April	13,626	6
May	16,424	9
	134,310	
1985-86		
June 1985	19,149	12
July	18,244	7
August	11,747	3
September	7,846	2
October	6,288	3
November	5,399	3
December	3,964	3
January 1986	8,236	4
February	13,025	8
March	11,951	16
April	19,918	21
May 20	837	28
	146,604	
1986-87		
June 1986	19,589	33
July	24,750	24
August	13,985	9
September	9,573	7
October	7,678	5
November	5,462	4
December	4,948	4
January 1987	7,251	5
February	13,838	10
March	21,179	10
April	16,334	18

Month	Issues	[1]Average turn-round time (days)
May	11,109	31
	155,696	

Belfast Passport Office

Month	Issues	[1]Average turnround time (days)
1984-85		
June 1984	4,953	2
July	3,604	2
August	2,554	1
September	1,458	2
October	1,208	1
November	801	1
December	639	1
January 1985	2,044	3
February	3,028	3
March	3,681	3
April	4,556	3
May	4,972	3
	33,498	
1985-86		
June 1985	5,083	2
July	3,718	2
August	2,678	2
September	1,564	2
October	1,352	1
November	1,033	1
December	860	1
January 1986	2,360	2
February	4,732	3
March	4,690	4
April	6,258	5
May	6,297	5
	40,625	
1986-87		
June 1986	6,848	4
July	5,048	3
August	3,263	3
September	2,374	2
October	1,550	2
November	1,121	2
December	933	2
January 1987	2,534	2
February	4,954	3
March	5,604	3
April	6,362	4
May	6,874	6
	47,465	

[1] The average turnround time is expressed in working days and relates to non-urgent applications which were properly completed.

Crimes Against Women

Ms. Primarolo asked the Secretary of State for the Home Department what steps he is taking to provide more units staffed by women officers dealing with rape, family violence and crimes against women.

Mr. Douglas Hogg: Guidance was issued to chief officers of police on the response to victims of violence against women in Home Office circular 69/1986. The implementation of this guidance is an operational matter for each chief officer in the light of local circumstances.

Kerb Crawling

Mr. Parry asked the Secretary of State for the Home Department (1) how many persons have been (*a*) arrested and (*b*) convicted for kerb-crawling in Liverpool under the Sexual Offences Act 1985 to date;

(2) how many persons have been (*a*) arrested and (*b*) convicted for kerb-crawling under the Sexual Offences Act 1985 in England and Wales to date.

Mr. John Patten: The information available to me, which may be incomplete indicates that up to the end of 1985 21 males had been found guilty of offences under section 1 of the Sexual Offences Act 1985. None of these convictions was in Liverpool. Corresponding details for 1986 are not yet available. There is no power of arrest under the Sexual Offences Act 1985.

Mr. Parry asked the Secretary of State for the Home Department if he is satisfied with the operation of the provisons of the Sexual Offences Act 1985 relating to kerb crawling; and if he will make a statement.

Mr. John Patten: I believe that chief officers of police do their best to enforce this Act, having regard to other calls on their resources. I understand that it is often difficult for the police to obtain evidence that all the elements of the offence as enacted by Parliament were present in a particular case.

Electoral Register

Mr. Campbell-Savours asked the Secretary of State for the Home Department to whom access is permitted to the lists drawn up by his Department for the purpose of identifying persons resident overseas with the right to vote in United Kingdom general elections.

Mr. Douglas Hogg: The Representation of the People Regulations 1986 require each electoral registration officer to prepare a list of overseas electors in respect of each constituency in the area for which he acts and to publish it by making a copy available for inspection at his office. He is also required to supply four free copies of the list to each prospective parliamentary candidate or his agent, on request; one free copy to the Secretary of State and the British Library; and any remaining copies to any person on payment of a prescribed fee.

Police Surgeons

Mr. Gareth Wardell asked the Secretary of State for the Home Department if he will publish in the *Official Report*, for the latest available date, the number of police surgeons employed in each police area in England and Wales, separately distinguishing male and female surgeons.

Mr. Douglas Hogg: Police surgeons are appointed by police authorities and no central record is maintained. I am, however, arranging for this information to be collected and I shall write to the hon. Member.

Off-licences

Mr. Colvin asked the Secretary of State for the Home Department whether he intends to review the laws relating to granting off-licences, with a view to requiring applicants to prove that existing facilities are inadequate.

Mr. Douglas Hogg: We have no present plans to do so. It is already open to the licensing justices, when considering an application for a new off-licence, to take into account the number of licensed outlets in the area.

Police Complaints Authority

Mr. McLoughlin asked the Secretary of State for the Home Department whether any new appointments are to be made to the Police Complaints Authority.

Mr. Hurd: Mr. Jeff Crawford, formerly senior community relations officer for the London borough of Haringey, and Mr. Karamjit Singh, an assistant county clerk with the Leicestershire county council, have accepted my invitations to serve as members of the authority. Mr Crawford took up his post on 1 July and Mr. Singh will join the authority in mid-August. I hope to make a further appointment shortly.

These three appointments are being made to fill vacancies caused by the resignation of Mr. John Lyttle in January and Air Commodore Stephen King in May and by the creation of an additional post in response to the authority's workload.

Parliamentary Boundary Commission

Mr. Arnold asked the Secretary of State for the Home Department what information he has about the timetable of work of the Parliamentary Boundary Commission; and if he will make a statement.

Mr. Douglas Hogg [*pursuant to his reply*, 6 July 1987]: The Parliamentary Boundary Commission has a duty to keep the distribution of seats under continuous review. It is required by the Parliamentary Constituencies Act 1986 to carry out reviews of all the constituencies in its part of the United Kingdom every 10 to 15 years. In the interval between general reviews, it may review particular areas in interim reviews.

The Parliamentary Boundary Commission for England is at present completing its second 1986 interim review, covering 55 constituencies. The commission's report on 53 of those constituencies was laid before the House on 6 May 1986; a further report on the two remaining constituencies is expected later in the year. The commission is also required by the European Assembly Elections Act 1978 to submit a supplementary report to the Home Secretary on European Parliament constituencies which would take account of the minor alterations to constituency boundaries made during the interim reviews carried out since 1983. The commission submitted its third periodical report, after its last general review on 1 February 1983. Its fourth periodical report after the next general review should be submitted between 1 February 1993 and 31 January 1998. I understand that the review is unlikely to begin before 1990.

NORTHERN IRELAND

Education (Costs)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what is the comparative cost of educating (*a*) a YTP student, (*b*) a BTEC student and (*c*) a GCE O-level student in Northern Ireland's further education colleges, and if these courses have been the

subject of discussion between the Northern Ireland Office and the Government of the Republic of Ireland at a meeting of the Anglo-Irish Ministerial Conference.

Dr. Mawhinney [*pursuant to his reply*, 3 July 1987, c. *188*]: The information about comparative costs is not available. The joint statements issued after each meeting of the Intergovernmental Conference do not record these courses as having been discussed.

SCOTLAND

Community Charge

Mr. Cohen asked the Secretary of State for Scotland whether the Keeper of the Records of Scotland will allow access to, or a copy taken of, the community charge registers to assist the police or officials from the Inland Revenue or Department of Health and Social Security in their statutory duties.

Mr. Lang: The Keeper of the Records of Scotland is prohibited by section 20(11) of the Abolition of Domestic Rates Etc. (Scotland) Act 1987 from making any community charge register sent to him available for inspection or from allowing copies to be taken, except as may be prescribed in regulations by the Secretary of State. My right hon. and learned Friend is considering what regulations to make under this provision and they will be laid before Parliament in due course.

Mr. Gordon Brown asked the Secretary of State for Scotland if he will list all the studies compiled on likely collection rates for the community charge; and if he will place them in the Library.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Labour Statistics

Dr. Godman asked the Secretary of State for Scotland if he will publish the latest unemployment figures for Greenock and Port Glasgow in the *Official Report* by district council ward boundary.

Mr. Lang: On 14 May 1987 (the latest date for which information is available) the number of unemployed claimants in each electoral ward of the Greenock and Port Glasgow parliamentary constituency was as shown in the table:

Ward Name	*Unemployed Claimants*
Port Glasgow East	759
Port Glasgow South	671
Clune Brae	642
Port Glasgow West	357
Gibshill	838
Blairmore	420
Bellville	493
Greenock East Central	663
Broomhill	330
Gateside	322
Bow	572
Larkfield	567
Upper Larkfield	643
Greenock South	493
Greenock West Central	356
Greenock West End	205
Constituency Total	8,331

This information is available in the Library.

Health Care International

Mr. Galbraith asked the Secretary of State for Scotland what recent discussions he has had with Health Care International concerning the provision of consultant staff for the proposed private hospital at Clydebank; and if he will make a statement.

Mr. Michael Forsyth: One discussion has been held by officials of the Scottish Home and Health Department with representatives of Health Care International. The discussion covered in general terms the company's proposals to build a 260-bed private hospital in Clydebank, and the statutory requirement that these be the subject of an application to the Secretary of State for authorisation. That application was received last week. It envisages that 80 full-time consultant staff will be required for the hospital. Steps will now be taken, as the legislation requires, to bring the application to the notice of those whose interests appear likely to be substantially affected by the proposals. They will have six weeks to make any observations to the Secretary of State.

Cancer Screening

Sir Russell Johnston asked the Secretary of State for Scotland when he anticipates that it will be possible for appropriate computer facilities to be made available to health boards in Scotland for cervical cytology screening.

Mr. Michael Forsyth: Locally developed computer systems providing facilities to assist cervical cytology screening are already available to four health boards and will shortly be available to a fifth. My right hon. and learned Friend has recently authorised the formation in the Scottish Health Service of a new Directorate of Health Service Information Systems, which has already begun to take responsibility for information technology developments in the service and which has as a major priority the provision of call-and-recall systems in support of preventive services, including cervical cytology. The Directorate – located within the Common Services Agency—aims to develop the software required by a full call-and-recall system for cervical cytology early in 1988 and outline plans exist for these facilities to be made available to all boards during 1988.

Lambs (Chernobyl Radiation)

Sir Hector Monro asked the Secretary of State for Scotland what monitoring has been done on Scottish lambs this year of the effect of radioactive deposition from Chernobyl.

Mr. Rifkind: A comprehensive programme of monitoring is being undertaken. The results have generally been encouraging. Throughout the greater part of the country, including the areas in Ross and Cromarty and the Uists which were subject to restriction last year, no readings in excess of 1,000 Bq kg have been found. The average of readings throughout Scotland is 315 Bq kg. In a number of areas, chiefly hill areas in the south-west, some higher readings have been recorded and monitoring continues in order to ensure that when lambs from these areas come to be marketed there is no risk to the food chain. In a very small number of lower ground areas, again

in the south-west, there are also elevated readings in lambs which are now ready for marketing and in order to ensure that only animals below 1,000 Bq kg reach the consumer I am today making an order under the Food and Environment Protection Act 1985 to restrict the movement and slaughter of sheep from those areas. The persistence of radioactivity would appear to be related to the availability of caesium to growing herbage in different soil types. My Department will arrange as practicable for stock to be monitored individually before they are moved and for those animals found to be above 1,000 Bq/kg a mark and release scheme will again operate so as to compensate farmers for any financial loss due to marking. A payment of £1·30 will also be made for each animal moved from a restricted area after monitoring or marking.

I am arranging for a copy of the completed monitoring results to date to be placed in the Library of the House.

Fisheries Protection

Sir Hector Monro asked the Secretary of State for Scotland whether he will make a statement on the report of the efficiency scrutiny of the fisheries protection and enforcement effort of the Department of Agriculture and Fisheries for Scotland.

Mr. Rifkind: The report was submitted early in May. Copies are being placed in the Library of both Houses today. I have agreed that copies should be circulated to the appropriate bodies with a view to starting the necessary consultations on the recommendations contained in the report.

The report recognises that fishery protection and enforcement are a necessary and important service and that the men who provide the service undertake a difficult and sometimes dangerous job. The report suggests that to give value for money the service must not just respond to new demands in flexible and imaginative ways but also continually question how the existing service can be improved.

The main recommendations for obtaining better value for money are:

the creation of an effective deployment strategy linked more closely to objectives on service levels;
the implementation of that strategy through an upgraded and more powerful operations room in the Department;
subject to a review, a reduction in the use of offshore air patrols;
radical changes to the crewing and patrol patterns of the fishery protection cruisers;
privatisation of the boat service currently undertaken by the marine detachment;
a reduction in the size of the fleet surveillance and support unit;
and
the introduction of a new employment structure for the marine service to be controlled by the marine superintendent.

Implementation of the recommendations could lead to a reduction in annual costs of at least £1 million in total. The recommendations will be carefully considered in the light of the consultations about to be undertaken.

PRIME MINISTER

City of Glasgow (Visit)

Q13. **Mr. David Marshall** asked the Prime Minister when she next intends to visit the City of Glasgow.

The Prime Minister: I have at present no plans to do so.

Fishing Vessels

Q14. **Dr. Godman** asked the Prime Minister if Her Majesty's Government have any plans to review the safety regulations and provisions governing the working conditions of the crews of United Kingdom registered fishing vessels; and if she will make a statement.

The Prime Minister: The safety standards for small ships are being reviewed, taking into account the recommendations about sail training ships contained in the report of the formal investigation into the loss of the MARQUES. Working conditions of crews on United Kingdom registered sailing ships (other than pleasure craft) are governed by the Merchant Shipping Occupational Safety Regulations.

Buckie (Visit)

Q17. **Mrs. Margaret Ewing** asked the Prime Minister if she has any plans to visit Buckie.

The Prime Minister: I have at present no plans to do so.

Armaments (Afghanistan)

Q21. **Mr. Dalyell** asked the Prime Minister if she will make a statement on the efficacy of end-user certificates for arms shipments to the Afghan resistance movement.

The Prime Minister: It has been the practice of successive Administrations not to comment on matters of this kind.

Leysmill (Visit)

Q58. **Mr. Welsh** asked the Prime Minister if she will pay an official visit to Leysmill.

The Prime Minister: I have at present no plans to do so.

Teachers

Mr. Kirkwood asked the Prime Minister whether she is satisfied with the number of qualified physics, mathematics and science teachers in schools.

The Prime Minister: Not yet. But the initiatives taken by the Government to improve supply in these vital areas are beginning to show results. These include a £1,250 tax-free bursary for trainee teachers in the shortage subjects, new flexible training courses, better publicity, the setting up of the Teaching as a Career unit (TASC) to improve recruitment, more in-service training, and working with industry to improve recruitment of mature entrants. There is a reasonable chance of teacher training targets in shortage subjects being met this year for the first time for some years.

AIDS

Mr. Kirkwood asked the Prime Minister whether she is satisifed with the existing level of co-operation between those Government Departments dealing with the various consequences of the spread of the AIDS infection.

The Prime Minister: Yes.

Political Organisations (Information)

Mr. Campbell-Savours asked the Prime Minister what is the practice of Government Departments with regard to supplying to party political organisations lists of Government officials, or their agents or employees, resident overseas; and if she will make a statement.

The Prime Minister: Such information is readily available from published official works of reference (for example, the Diplomatic Service List) and from commercial publications (for example Her Majesty's Consuls' List). The Foreign and Commonwealth Office also produces an Overseas Reference List of staff at posts abroad which is available on request to reputable bodies, including party political organisations. On this basis, copies are currently sent to Conservative central office and to the office of the Leader of the Opposition, among others.

St. Helena (Student Awards)

Dr. Marek asked the Prime Minister, pursuant to her reply to the hon. Member for Wrexham dated 2 July, if she will make it her policy to regard residence in St. Helena as possessing equal status to residence in the British Isles for the purposes of student awards.

The Prime Minister: No. Such a policy could not be restricted to St. Helena. There are no plans to change eligibility for student awards.

VAT

Mr. Teddy Taylor asked the Prime Minister if she has yet decided which Minister or Ministers will be presenting the United Kingdom's case before the European Court of Justice on 15 September on the case initiated by the European Economic Community Commission that Her Majesty's Government should cease to zero rate new house building, gas, electricity, news services and protective clothing and footwear; and if she will make a statement.

The Prime Minister: These are legal proceedings, and in accordance with normal practice the United Kingdom will be represented at the European Court of Justice by counsel instructed by the Treasury Solicitor.

Engagements

Mr. Harry Greenway asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

Mr. Stern asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

Mr. Wigley asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

Mr. Parry asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 7 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

EDUCATION AND SCIENCE

Polytechnics

8. **Mr. Lewis Stevens** asked the Secretary of State for Education and Science what benefits he expects from his proposals to reform the administration of polytechnics.

Mr. Jackson: The proposed reforms will enhance the ability of the polytechnics and colleges to pursue educational effectiveness and efficiency, develop entrepreneurial attitudes, and respond to national needs. The reforms recognise the national role and importance of the institutions and will facilitate improved and more accountable management.

School Transport

13. **Mr. Nicholas Baker** asked the Secretary of State for Education and Science if he will make a statement about the operation of the provision in section 53 of the Education Act 1986 that local education authorities should have regard to the age of pupil and the nature of the routes which a pupil could be reasonably expected to take in deciding if school transport should be provided at the cost of the authority.

Mr. Dunn: Section 53 of the Education Act 1986 clarifies section 55 of the Education Act 1944. It sets out more explicitly some of the relevant factors to be taken into account by LEAs when considering what arrangements are "necessary" for the provision of transport under Section 55(1) of the Education Act 1944.

Edinburgh University

14. **Mr. Nigel Griffiths** asked the Secretary of State for Education and Science if he will make a statement on the current financial position of the university of Edinburgh.

Mr. Jackson: The UGC's more rational basis for allocating grants has resulted in Edinburgh university's receiving below average increases in basic grant. It needs to plan carefully for the transition to the new funding levels.

School Activities

15. **Mr. Blair** asked the Secretary of State for Education and Science when he will publish a list of those school activities for which *(a)* charges are currently levied and *(b)* he intends to introduce charges.

Mrs. Rumbold: Information on authorities' charging practices is not collected by central Government. The local authority associations have said that the majority of authorities at present make some charge for day and residential school trips. Charges are also made, less commonly, for a range of other items. My right hon. Friend intends to consult on proposals to clarify the law so that authorities know which items they can and cannot choose to charge for.

16. **Mr. Fatchett** asked the Secretary of State for Education and Science what representations he has received about the possibility of imposing charges for certain school activities; and if he will make a statement.

51. **Mr. Wareing** asked the Secretary of State for Education and Science what fee-charging powers he intends to bestow upon schools within the public sector of education.

Mrs. Rumbold: I refer the hon. Member to the answer my right hon. Friend gave to the hon. Member for Newcastle upon Tyne, East (Mr. Brown) and the hon. and learned Member for Leicester, West (Mr. Janner) earlier today.

36. **Mr. Flannery** asked the Secretary of State for Education and Science what information he has about the local education authorities which charge their pupils in primary or secondary schools for swimming lessons in school time.

Mrs. Rumbold: I refer the hon. Member to the answer I gave to the hon. Member for Sedgefield (Mr. Blair) earlier today.

City Technology Colleges

18. **Mr. Spearing** asked the Secretary of State for Education and Science what is his latest estimate of the cost to public funds per pupil at city technology colleges and the amount by which this will exceed or be less than the equivalent costs in local authority schools.

Mrs. Rumbold: My right hon. Friend has made clear that the basis of recurrent grant to CTCs will be equivalent costs in local authorities, including costs borne centrally by LEAs such as school meals, transport and ancillary services as well as running costs directly attributable to schools. If, in addition, account is taken of central administration, and costs associated with capital expenditure, each CTC place might on average cost of the order of £1,800-£2,000 at current prices, once the programme is fully established.

Sixth Form Education

19. **Mr. McLoughlin** asked the Secretary of State for Education and Science if he will make a statement about the future of sixth form education in schools.

Mr. Dunn: Circular 3/87, issued on 6 May, asked local education authorities to review their non-advanced 16-19 provision, including sixth-form provision, and to take appropriate action in the interests of educational effectiveness and value for money.

Schools (Reorganisation)

20. **Mr. Ashdown** asked the Secretary of State for Education and Science what representations he has received on the Government's proposals to allow schools to opt out of local authority administration.

Mr. Dunn: My right hon. Friend has been encouraged by the extent of support for his proposals expressed to him during recent weeks. Since his return to the Department he has received 54 letters on the subject, of which 25 have come from hon. members.

31. **Mr. Colvin** asked the Secretary of State for Education and Science if he intends to issue guidelines on the financial management of those schools choosing to opt out of local education authority control.

Mr. Dunn: Once the necessary legislation has been enacted, my right hon. Friend would expect to issue regulations and guidance concerning the conditions under which grant is paid to schools opting out of local authority control.

41. **Mr. Andrew MacKay** asked the Secretary of State for Education and Science if he will make a statement on devolution of budgeting to schools.

Mr. Dunn: The Education (No. 2) Act 1986 requires LEAs to delegate control over a part of their budget to individual schools. My right hon. Friend intends to bring forward legislation which will give all secondary schools, and larger primary schools, control over almost all of their recurrent expenditure.

54. **Mr. Nellist** asked the Secretary of State for Education and Science what evidence he has as to the views of parents or governors of any Coventry schools on opting out of local education authority control.

Mr. Dunn: No such representations have been received from Coventry parents or governors.

57. **Mrs. Ann Taylor** asked the Secretary of State for Education and Science what consultations he has had with local authority associations about his proposals for schools opting our of local authority control.

Mr. Dunn: The Government will shortly be issuing a consultation document to interested organisations, including the local authority associations, concerning our proposals for grant maintained schools.

Secondary Schools

21. **Mr. Pawsey** asked the Secretary of State for Education and Science what total resources he is making available for secondary schools in 1987-88; and how that figure compares with those for the previous two years.

Mr. Dunn: Within the current year's plans, as published in the Public Expenditure White Paper, Cm. 56, provision for secondary schools in England is £4·8 billion. The comparable planned figure for 1986-87 was £4·1 billion and for 1985-86, £3·9 billion.

34. **Ms. Armstrong** asked the Secretary of State for Education and Science if he will make additional resources available to ensure that secondary schools in county Durham operate effectively.

Mr. Dunn: Most of central Government's contribution to local government expenditure is channelled through rate support grant, which is the responsibility of the Secretary of State for the Environment. My right hon. Friend will be providing education support grants to Durham on some £700,000 of expenditure in 1987-88 to encourage quality in education. The authority's allocation for capital expenditure for 1987-88 was announced in December 1986: my right hon. Friend is unable to make an addition to it.

School Repairs

22. **Mr. Madden** asked the Secretary of State for Education and Science what is his latest estimate of the cost of dealing with repairs and renovations to schools in Bradford.

Mr. Dunn: It is for the Bradford education authority rather than my right hon. Friend to calculate the cost of such work.

Universities (Funding)

23. **Mrs. Margaret Ewing** asked the Secretary of State for Education and Science if he has any plans to meet with the principals of Scotland's universities in the near future to discuss funding.

Mr. Jackson: No.

42. **Mr. Strang** asked the Secretary of State for Education and Science when he last met the chairman of the Universities Grants Committee to discuss the funding of universities; and if he will make a statement.

Mr. Jackson: Ministers meet Sir Peter Swinnerton-Dyer in the course of normal Government business. The funding of universities is a frequent topic of discussion.

Schools (Parent Bodies)

24. **Mr. Hind** asked the Secretary of State for Education and Science how many schools have yet to form parent bodies under the Education Act 1986.

Mr. Dunn: The Education (No. 2) Act 1986 lays down new provisions concerning the composition of school governing bodies, including increased representation of parents. These provisions will come into effect for new schools from 1 September 1987. For existing schools, the implementation is being phased so that county and maintained special schools are required to have governing bodies constitued in accordance with the new provisions by 1 September 1988 and voluntary schools by 1 September 1989. Although Local Education Authorities are free to adopt the new provisions in advance of the mandatory implementation dates, there is no centrally held information as to how many have done so.

Queen's Speech

25. **Mr. Favell** asked the Secretary of State for Education and Science what representations he has received about his Department's proposals contained in the Queen's Speech.

Mr. Thurnham asked the Secretary of State for Education and Science what representations he has received about proposals in the Queen's Speech for which he is responsible; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend has received correspondence from a number of organisations and individuals, and expects that others will wish to comment when they have had an opportunity to consider the Government's proposals.

Young People

26. **Mr. Win Griffiths** asked the Secretary of State for Education and Science when he will introduce measures to improve the standards of off-the-job educational opportunities for all young people currently in employment.

Mr. Dunn: The Government have already introduced a series of measures to improve provision which will benefit employed young people taking part-time courses along with others. These include the introduction of work-related NAFE development schemes, the establishment of the National Council for Vocational Qualifications, and the establishment of the Open college.

Teachers (Pay and Conditions)

27. **Mr. Hunter** asked the Secretary of State for Education and Science what recent discussions he has had with representatives of the teachers' unions with regard to establishing permanent machinery for negotiating teachers' pay and conditions of service.

Mrs. Rumbold: My right hon. Friend met representatives of the National Union of Teachers and the National Association of Schoolmasters/Union of Women Teachers on 2 July. He confirmed the Government's intention of publishing a Green Paper setting out key issues and questions about the most appropriate way of constructing effective permanent machinery for determining pay and conditions. He stated that it was the Government's intention to enter into detailed discussions later in the year with all those with an interest on the basis of the Green Paper.

Pupil-Teacher Ratios

28. **Mr. Amess** asked the Secretary of State for Education and Science what is the current teacher-pupil ratio in Basildon; and what is the teacher-pupil ratio for children assessed as having special learning disabilities.

Mr. Dunn: Information for areas within local education authorities is not available centrally. Pupil-teacher ratios specific to the education of children with statements in maintained primary and secondary schools are not collected. In January 1986 the pupil-teacher ratios in maintained, primary, secondary and special schools in Essex were as follows:

January 1986	*Pupil-teacher ratios*
Primary schools[1]	23·9
Secondary schools[1]	17·0
Special schools[2]	7·4

[1] Includes middle schools as deemed.
[2] Maintained and non-maintained special schools — includes hospital special schools.

The pupil-teacher ratio in special schools covers all children in those schools who are in need of special education whether by reason of emotional or physical disability.

33. **Mr. Chapman** asked the Secretary of State for Education and Science, what is the current pupil-teacher ratio in primary and secondary schools; and how these figures compare with those for eight years ago.

Mr. Dunn: The pupil-teacher ratios in maintained primary and secondary schools in England in January 1986, the latest date for which figures are available, and in January 1979 were as follows:

	January each year	
	1979	*1986*
[1]Primary schools	23·1	22·1
[1]Secondary schools	16·7	15·9

[1] Includes middle schools as deemed.

Teachers (Dispute)

29. **Mr. Evennett** asked the Secretary of State for Education and Science what negotiations are taking place concerning the establishment of a body to replace the Burnham committee.

40. **Mr. Day** asked the Secretary of State for Education and Science if he will make a statement on the latest position in the teachers' dispute.

44. **Mr. Robert Hicks** asked the Secretary of State for Education and Science whether he intends making any fresh proposals to try to resolve the teachers' pay and conditions of service dispute; and if he will make a statement.

45. **Mr. Sims** asked the Secretary of State for Education and Science what plans he has to meet the leaders of the teachers' trades unions to discuss more permanent machinery to replace the existing interim arrangements on teachers' pay and conditions.

Mrs. Rumbold: My right hon. Friend has announced his intention to publish a Green Paper setting out key issues and questions about the most appropriate way of constructing effective permanent machinery for determining pay and conditions. This will provide a basis for discussions with all those with an interest later in the year.

Rural Schools

30. **Mr. Yeo** asked the Secretary of State for Education and Science what representations he has received regarding his policy on small rural schools as outlined in Circular 3/87.

Mr. Dunn: My right hon. Friend has received some representations from hon. Members and members of the public, from Rural Voice, and from the Dorset Association for Rural Education.

National Core Curriculum

32. **Mr. Geraint Howells** asked the Secretary of State for Education and Science what consultations are planned on the Government's proposals to introduce a national core curriculum.

43. **Mr. Latham** asked the Secretary of State for Education and Science what proposals he has for introducing a national core curriculum; and whether he will make a statement.

55. **Mr. Patrick Thompson** asked the Secretary of State for Education and Science how he intends to consult interested parties about his proposals for curriculum reform.

Mrs. Rumbold: My right hon. Friend will shortly be issuing a consultation document setting out his proposals for a national curriculum, and seeking the views of those concerned within and outside the education service.

School Governors

35. **Mr. Tim Smith** asked the Secretary of State for Education and Science what representations he has received regarding the powers of school governors.

Mr. Dunn: My right hon. Friend has received a range of representations from local education authorities, parents and other interested parties about the Education (No. 2) Act 1986. Many of these commented upon the provisions of the Act concerning the allocation of functions to school governing bodies.

Inner London

37. **Mr. Cox** asked the Secretary of State for Education and Science what plans he has to meet the leader of the Inner London education authority to discuss future developments for education in inner London.

Mr. Dunn: My right hon. Friend would naturally be prepared to consider any request for such a meeting. None has so far been received.

Student Grants

38. **Mr. Atkinson** asked the Secretary of State for Education and Science what recent representations he has received concerning reform of the student grant system.

Mr. Jackson: The student support review group has received written evidence from 106 organisations, nine of which have also given oral evidence. In addition, since the beginning of the year, the Department has received six petitions, signed by a total of 1,250 people, and several hundred letters.

Universities (Funding)

39. **Mr. Home Robertson** asked the Secretary of State for Education and Science if he will make a statement on the financing of Scottish universities.

Mr. Jackson: The impact of the UGC's more rational basis for allocating recurrent grant has varied between universities depending on their previous funding levels and on their research records. Three of the eight Scottish universities are receiving increases in basic grant above the Great Britain average.

Inner Cities

46. **Mr. Tony Lloyd** asked the Secretary of State for Education and Science what plans he has to improve the quality of education in the inner cities.

Mr. Dunn: It is our intention that educational measures should play a full part in the Government's initiatives in the inner cities. Our proposals for establishing city technology colleges will contribute to an improvement in education in these areas, as will our plans to give greater autonomy to schools and to reform the structure of education in inner London. We shall be considering whether there are other measures which we can usefully take.

Scientific Research

47. **Dr. Bray** asked the Secretary of State for Education and Science what steps he is taking to provide leading scientists in key fields with the research opportunities that will attract them to continue their work in this country instead of seeking research opportunities overseas.

Mr. Jackson: The Government are following a policy of selectivity and concentration in research funding, which will mean that our outstanding researchers will increasingly be able to work in this country with the highest quality facilities. We have also agreed a very substantial pay increase for academics, with new arrangements for discretion to pay the best more. This will strengthen our whole research effort through the ability to attract and retain good quality staff across a range of disciplines.

School Buildings

48. **Mr. Cryer** asked the Secretary of State for Education and Science if he will visit Bradford to examine local school buildings.

Mr. Dunn: My right hon. Friend has no plans to do so at the present time.

Aberdeen University

49. **Mr. Doran** asked the Secretary of State for Education and Science if he will make a statement on the current financial position of Aberdeen university.

Mr. Jackson: Aberdeen university is receiving below average increases in basic grant as a result of the UGC's more rational method for allocating grants introduced in 1986-87. The university is in discussion with the UGC about the careful planning needed for the transition to the new funding levels.

Parents (Pressure Group)

50. **Mr. Marlow** asked the Secretary of State for Education and Science when he last met the national pressure group representing parents.

Mr. Dunn: My right hon. Friend last met representatives of the National Confederation of Parent Teacher Associations on 2 March 1987 to discuss school teachers' pay and conditions of employment and future pay determination arrangements.

Unemployed People (Educational Opportunity)

52. **Mr. Lofthouse** asked the Secretary of State for Education and Science what plans he has to increase the range of educational opportunity to the unemployed.

Mr. Dunn: The development of educational opportunities for unemployed adults is being encouraged by my Department through the REPLAN programme.

Tertiary Education (Funding)

53. **Mr. Ieuan Wyn Jones** asked the Secretary of State for Education and Science what measures he will be taking to ensure that local education authorities receive adequate funding for reorganisation of tertiary education.

Mr. Dunn: Provided a reorganisation scheme has been approved in accordance with the provisions of section 12 of the Education Act 1980, my right hon. Friend will

normally seek to ensure that the local education authority's prescribed capital expenditure allocations are set at a level reflecting the estimated cost of implementation.

UGC (Financial Allocation)

56. **Mr. Robert Hughes** asked the Secretary of State for Education and Science if he will now review the Government's financial allocation to the University Grants Committee.

Mr. Jackson: The University Grants Committee has been notified of the total available for distribution as recurrent grant in 1987-88 and of provisional sums for the two subsequent years. The level of provision will be reviewed in the normal way as part of the Government's public expenditure survey.

School Buildings (Rotherham)

58. **Mr. Hardy** asked the Secretary of State for Education and Science what additional provision will be made following the visit of officials of his Department to Rotherham borough council to look at the condition of school buildings to assist the council to maintain its school buildings in the current financial year.

Mr. Dunn: The visit by my officials to Rotherham was undertaken within the context of normal territorial contacts. The opportunity was taken to discuss the basis on which capital allocations are made to local education authorities and to see some of Rotherham's school building problems at first hand. Capital allocations for 1987-88 have already been made and cannot be increased now. We shall be considering the authority's proposals for 1988-89 in the autumn.

O-level Examinations

Mr. Anthony Coombs asked the Secretary of State for Education and Science what proportion of pupils in each relevant age group attained five or more O-levels at GCE in 1986, 1985, 1980 and 1975.

Mr. Dunn: The proportions of pupils leaving school in England with five or more higher grades at O-level/CSE were:

School leavers, England
Percentage of leavers with five or more higher[1] graded results at GCE O-level or CSE

Academic year	*per cent.*
1974-75	22·6
1979-80	24·0
1984-85	26·9
1985-86	26·7

[1] O-level grades A to C, CSE grade 1.
Source: School Leavers Survey. Data subject to sampling error.

Parkfields School, Mackworth, Derby

Mr. Greg Knight asked the Secretary of State for Education and Science if he has received any representations from Derbyshire county council recently proposing that Parkfields school at Mackworth, Derby should now be kept open as an 11 to 16 year school in place of the council's original plans to close the school completely.

Mr. Dunn: No.

Surplus School Places

Mr. Bermingham asked the Secretary of State for Education and Science what criteria his Department uses to define a surplus school place.

Mr. Dunn: The number of surplus places in a school is calculated by comparing current or projected pupil numbers with the school's physical capacity, which is determined by reference to the School Premises Regulations 1981.

Collective Worship

Mr. Latham asked the Secretary of State for Education and Science how he intends to respond to the recommendations concerning collective worship in schools in the report of the Education, Science and Arts Committee on achievement in primary schools, SIC 401, Session 1985-86.

Mr. Kenneth Baker: Letters are being sent today from my Department to a range of interested bodies asking for their views on the recommendations on collective worship put forward by the Education, Science and Arts Committee. These recommendations suggested that as the law is being widely and variously interpreted, it should be amended to allow schools greater flexibility in when daily collective worship takes place and how it should be organised. The Government are firmly committed to ensuring that collective worship continues. Comments have been requested by 11 September. If there is general agreement that the law should be amended, I shall include the necessary provisions in the Education Bill which will be introduced this autumn.

SOCIAL SERVICES

Nurses

Mr. Soames asked the Secretary of State for Social Services what representations he has received about the number of intensive care nurses available to the National Health Service; and if he will make a statement.

Mr. Newton: We have not received any formal representations about the number of intensive care nurses available to the National Health Service, although we have received a number of letters referring to nurse staffing difficulties in intensive care units in particular localities. Nationally the total number of nursing staff employed in intensive care units in England continues to increase and at September 1985 there were 5,970 whole-time equivalents; an increase of 66·6 per cent. since 1981. The number entering training in the year ended 31 March 1987 was 563; an increase of 13·5 per cent. over the previous 12 months.

Low-income Families (Expenditure Data)

Mr. Frank Field asked the Secretary of State for Social Services when he expects to publish the analysis of the family expenditure data for 1985 on low-income families.

Mr. Scott: On a normal timetable, publication of the 1985 low-income tables would be expected toward the latter part of this year; but the precise date will depend on the outcome of the technical review.

Whipps Cross Hospital

Mr. Cohen asked the Secretary of State for Social Services how many nurses have left Whipps Cross hospital to take up posts at Roding hospital; and what has been the effect on the number of operations at Whipps Cross hospital.

Mr. Newton: Information about the staffing position of individual hospitals is not held centrally, and the hon. Member may wish to contact the chairman of Waltham Forest health authority.

Mental Health Service

Ms. Harman asked the Secretary of State for Social Services what progress there has been in ethnic monitoring with regard to mental health service delivery for the black and minority community.

Mrs. Currie: We expect health and social service authorities to take account of the needs of all sections of the community they serve when they plan and provide local mental health services. It is for authorities themselves to identify local needs, including the needs of ethnic minorities, and to consider how services are meeting those needs.

Ms. Harman asked the Secretary of State for Social Services if he will publish in the *Official Report* information on the proportion of black and minority people treated by state mental health provision in the London borough of Southwark from June 1980 on a quarterly basis to present; and if he will indicate the number of these which are sectioned psychiatric patients and the number which are voluntary patients.

Mrs. Currie: I regret that the information requested is not centrally collected for National Health Service mental health facilities.

Benefits

Mr. Dewar asked the Secretary of State for Social Services if he will publish a table showing the total number of applicants for *(a)* supplementary benefit and *(b)* unemployment benefit in Scotland in each year since 1979; and if he will show for each category what percentage of these applications were (i) accepted and (ii) rejected.

Mr. Portillo: I regret that the information is not available in the precise form requested. The figures in the table are for the total number of claims made in Scotland and cover some people who have made more than one claim during a year. No figures are available showing the percentage of unemployment benefit claims which are successful.

	Unemployment benefit Claims	*Supplementary benefit*		
		April to March	*Claims*	*Per cent. successful*
1979	562,004	1979-80	621,548	77
1980	582,908	1980-81	608,020	75
1981	565,799	1981-82	622,205	75
1982	601,351	1982-83	641,893	78
1983	592,494	1983-84	663,219	79
1984	608,382	1984-85	656,024	81
1985	611,732	1985-86	652,019	74
1986	614,123	1986-87	652,434	71

Mrs. Beckett asked the Secretary of State for Social Services how many more people are expected to become entitled to each of the income-related benefits and to exemption from Health Service charges on low income grounds as a result of the proposed compensation for the 20 per cent. rates contribution.

Mr. Scott: The numbers entitled to income-related benefits from April 1988 will be dependent on the rates of benefit that will operate from then. These are still to be decided.

Tay Sachs Disease

Mr. Wigley asked the Secretary of State for Social Services what representations he has received about the future of testing for Tay Sachs disease; and if he will give an assurance that adequate funds will be made available for the continuation of such tests.

Mrs. Currie: Four letters have been received this year about the future of screening for Tay Sachs disease at the regional genetics centre at Guy's hospital in London. The funding of tests for genetic disorders, such as Tay Sachs disease, is a matter for district health authorities to determine.

Social Fund (Manual)

Mr. Foulkes asked the Secretary of State for Social Services if he will list the organisations which commented on the "Social Fund Manual: Draft Guidance and Directions for Department of Health and Social Security Social Fund Officers."

Mr. Scott: A total of 98 organisations commented on the "Social Fund Manual: Draft Guidance and Directions for DHSS Social Fund Officers". The organisations which commented were as follows:

Age Concern for England
Age Concern for Scotland
Alcohol Concern
Anchor Housing Trust
Association of Charity Officers
Association of County Councils
Association of Directors of Social Services
Association of Directors of Social Work
Association of Metropolitan Authorities
Alone in London Service
Barnardo's
Belfast Law Centre
Brighton Rights Advice Centre
British Association of Social Workers
British Refugee Council
Cadet Advisory Service Ltd.
Campaign for the Homeless and Rootless and 13 of its members/affiliates
Care and Repair Ltd.
Central London Social Security Advisors Forum
Centrepoint Soho
Chester Aid to the Homeless
Child Poverty Action Group plus the Northern Ireland representatives
Consortium
Contact (Youth Counselling Service)
Convention of Scottish Local Authorities
Crisis at Christmas
Derwentside Women's Aid
Disability Alliance
Disablement Income Group
Equal Opportunities Commission
Family Fund
Family Welfare Association
Hampstead Wells and Camden Trust
Islington People's Rights

Joint Assessment & Resettlement Team — London Area
Mobility Scheme
Living Options
London Borough of Hackney
London Women's Aid
Lothian Regional Council
Maternity Alliance
MENCAP, the Royal Society for Mentally Handicapped Children and Adults
MIND, National Association for Mental Health
National Association of Citizens Advice Bureaux and two local offices
National Association of Probation Officers and four individual Probation Service Offices
National Consumer Council
National Council for One Parent Families
National Federation of Women's Institutes
North of Scotland Hydro Electric Board
Northern Ireland Association of Citizens Advice Bureaux
Northern Ireland Council on Disability
Northern Ireland Council for Voluntary Action
Pensioners' Voice, North Wales Area
Peterloo Housing Association
Policy Studies Institute
Portsmouth Council of Community Service
St. Mungo Housing
Scottish Association of Citizens Advice Bureaux
Scottish Association for Mental Health
Scottish Council for Single Homeless
Scottish Council for Voluntary Organisations
Scottish Society for the Mentally Handicapped
Scottish Women's Aid
Shaftesbury Society
Social Policy Research Unit
Social Security Advisory Committee
Southampton Resettlement Project
Southern Health and Social Services Board
Special Needs Housing Advisory Service
Step One — Peterborough Centre for the Unemployed and Unwaged
Strathclyde Regional Council
Suffolk County Council, Social Services Department
Trades Union Congress
University College Hospital — Terminal Care Support Team
Voluntary Organisations Personal and Social Services Group
Welfare Advice and Information Forum
West End Coordinated Voluntary Services for Homeless Single People
West Midlands Welfare Rights Agency
Western Health and Social Services Board

Mr. Foulkes asked the Secretary of State for Social Services if he will indicate the main recommendations that were made by organisations commenting on the "Social Fund Manual: Draft Guidance and Directions for Department of Health and Social Security Social Fund Officers".

Mr. Scott: Our purpose in issuing the draft manual for consultation was to obtain the views of key organisations on the operational aspects of the social fund and to test the clarity and comprehensiveness of the text. We have received a wide range of comments and we are giving them careful consideration before preparing the final version of the manual.

Mr. Foulkes asked the Secretary of State for Social Services if he will publish the comments received from interested organisations on the "Social Fund Manual: Draft Guidance and Directions for Department of Health and Social Security Social Fund Officers".

Mr. Scott: No. It is a matter for the organisations which commented on the draft manual to publish their comments and some have already done so.

Maternity Allowance

Mrs. Wise asked the Secretary of State for Social Services how many women have been excluded from eligibility for maternity allowance under the new arrangements as compared with the former; and what are the savings to the Exchequer.

Mr. Portillo: It is estimated that some 94,000 women who would have been entitled to maternity allowance under the former scheme will not qualify for either statutory maternity pay or maternity allowance under the new arrangements. These will almost entirely be women who were not working when their pregnancies began and for whom an income-replacement benefit was never intended. About 20,000 women with recent work records will qualify for SMP or the allowance for the first time.

It is estimated that the new arrangements will result in a net reduction in the publicsector borrowing requirement of £13 million in 1987-88 and £23 million in 1988-89.

Centres for Independent Living

Mr. Alfred Morris asked the Secretary of State for Social Services if he will list all the centres for independent living in England; what assistance is provided by his Department for the establishment of such centres; and if he will make a statement.

Mr. Scott: There are many local initiatives under way that are attempting to develop the concept of independent living within the community for disabled people. The King's Fund centre has compiled a register of independent living units for people with a physical or sensory handicap, which has over 300 entries. In addition, we are aware that centres for independent living have been set up in Derbyshire, Exeter, Hampshire, Southampton, Nottingham, Greenwich and Waltham Forest.

Development for this type of facility is a matter for local authorities and health authorities. The Department is, however, providing funds to the Prince of Wales' advisory group for a study of living options for disabled people.

Disabled Persons (Services, Consultation and Representation) Act 1986

Mr. Alfred Morris asked the Secretary of State for Social Services when he next intends to meet representatives of the local authority associations to discuss implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986; and if he will make a statement.

Mr. Scott: A meeting arranged between my predecessor and representatives of the local authority associations on 2 June had to be cancelled because of the dissolution of Parliament. I have now received a letter from the associations seeking a meeting with me and this will be arranged in the near future.

Mr. Alfred Morris asked the Secretary of State for Social Services what action he intends to take to involve voluntary organisations of and for people with disabilities in planning the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986; and if he will make a statement.

Mr. Scott: My predecessor as Minister for Social Security and Disabled had a useful meeting with the

steering group established by those organisations on 1 April and I shall be writing to the steering group as soon as possible suggesting a framework for involving voluntary organisations where appropriate in future work on the implementation of the Act.

Mr. Alfred Morris asked the Secretary of State for Social Services when he intends to lay an order to bring sections 5 and 6 of the Disabled Persons (Services, Consultation and Representation) Act 1986 into force; and if he will make a statement.

Mr. Scott: I am unable to add to my replies to the hon. Members for Caernarfon (Mr. Wigley), for Halifax (Mrs. Mahon) and for Monklands, West (Mr. Clarke) on 30 June, at column *75*.

Disabled Persons

Mr. Alfred Morris asked the Secretary of State for Social Services what account he is taking of the United Nations world programme of action in the development of his policies towards people with disabilities; and if he will make a statement.

Mr. Scott: The United Kingdom Government support the overall objectives of the United Nations world programme of action concerning disabled persons and take them into account when developing policies for disabled people.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will introduce legislation to amend section 29(6) of the National Assistance Act 1948 in order to empower local authorities to make grants directly to people with disabilities in order that they may employ personal assistants to supplement the assistance they receive from their home helps; and if he will make a statement.

Mr. Scott: There are no plans to introduce legislation on the lines proposed by the right hon. Member.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will list the total grants made by his Department in each of the last five years *(a)* to voluntary organisations for people with disabilities and *(b)* to voluntary organisations of people with disabilities; what is his policy towards the development of organisations of people with disabilities and enabling them to play an active role in the formulation of disability-related policies and programmes as recommended by the United Nations world programme of action; and if he will make a statement.

Mr. Scott: Grants made under section 64 of the Health Services and Public Health Act 1968 in each of the last five years *(a)* to voluntary organisations for people with disabilities are as follows. Disability is understood to cover all aspects of physical, mental and sensory disability or impairment, but figures exclude grants to bodies (for example, those dealing with children and certain medical conditions) which may, incidentally, do some work with disabled people, unless the grant is given specifically for that purpose. The voluntary organisations have been categorised as precisely as possible, but many of these in group *(a)* have mixed management (both disabled and able-bodied members).

£

	(a)	*(b)*
1982-83	2,841,108	143,050
1983-84	3,069,551	182,100
1984-85	3,681,111	223,000
1985-86	3,652,354	240,100
1986-87	3,930,211	248,000

The Government have always adopted a positive policy towards the development of organisations of people with disabilities and have whenever appropriate involved such organisations in the policy making process. The British Council of Disabled People and the Royal Association for Disability and Rehabilitation were consulted on the Government's reply to the United National questionnaire on the first round of the monitoring of the implementation of the world programme of action concerning disabled persons during the United Nations decade of disabled persons 1983-1992.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will seek information on the legislation recently passed in Finland authorising payments directly to people with disabilities for the purpose of employing their own personal assistants; and if he will make a statement.

Mr. Scott: We understand that in Finland legislation providing for the reimbursement by local authorities of expenses incurred by disabled people in the employment of personal help has recently been enacted, and that it will come into general effect on 1 January 1988.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will list the recommendations of the European meeting in Yugoslavia to mark the mid-point of the Decade of Disabled Persons; what action he intends to take to implement them; and if he will make a statement.

Mr. Scott: The recommendations to which the right hon. Member refers arise out of the meeting of the European regional experts held in Ljubljana, Yugoslavia in March to consider progress on the implementation of the world programme of action concerning disabled persons at the mid-point of the United Nations decade of disabled persons. This was one of several regional meetings held under the auspices of the United Nations.

A further United Nations global meeting of experts is planned to be held in Stockholm in August, where the reports of the various regional meetings will be considered to enable the Secretary-General to make a report to the 42nd United Nations General Assembly in the autumn of 1987.

At present the Government have not been asked to respond to the report of the Ljubljana meeting, although we have been provided with a copy of it. We shall of course consider the Secretary-General's report when it is available.

I have arranged for copies of the report of the European regional meeting to be placed in the Library.

Greenock and Port Glasgow

Dr. Godman asked the Secretary of State for Social Services what is the total number of people in receipt of supplementary benefit in the Greenock and Port Glasgow constituency at the latest available date.

Mr. Portillo: The Greenock and Port Glasgow constituency is covered by the two local offices in Greenock and Port Glasgow, but their boundaries are not conterminous. The table shows the number of people receiving supplementary benefit from those offices on 5 May, the latest date for which information is available:

	Number
Greenock	[1]12,065
Port Glasgow	[1]5,348
TOTAL	17,413

[1] Source 100 per cent. count of cases in action.

Dr. Godman asked the Secretary of State for Social Services what is the total number of people in receipt of unemployment benefit in the Greenock and Port Glasgow constituency at the latest available date.

Mr. Portillo: The available information is given in the table:

Number of persons receiving unemployment benefit

At 12 February 1987	*Number*
Greenock Unemployment Benefit Office	1,698
Port Glasgow Unemployment Benefit Office	886

Heating Allowance

Mr. Hume asked the Secretary of State for Social Services if he will make a statement outlining the original data on which the figures for fuel contained in Regulation 18(3) of the Supplementary Benefits (Requirements) Regulations were based, the reasons for choosing such a base and the criteria upon which these have been uprated.

Mr. Portillo: Deductions from eligible housing costs in respect of inclusive charges for fuel are based on those formerly determined by the Supplementary Benefits Commission, between 1970 and 1979. These in turn were derived from data obtained from the family expenditure survey on the average expenditure on fuel by all pensioner householders in a particular quarter.

Since 1980 these figures have, where appropriate, been increased in line with movements in the fuel component of the retail price index.

Mrs. Beckett asked the Secretary of State for Social Services what is the value in real terms of the supplementary pension rates, including the lower rate of heating addition, for a single or married pensioner after the April 1987 uprating, compared with their value after the 1977 uprating; and what is the difference between the percentage of average earnings at the time represented by the 1977 and 1987 rates.

Mr. Scott: The information is as follows:

Long-term supplementary benefit rate	*November 1977* £	*April 1987* £	*Value of April 1987 rates where November 1977 = 100*
Single householder	17·90	38·65	[1]107·8
Single non-householder	14·35	30·95	[1]107·7
Couple	28·35	61·85	[1]108·9
Lower rate heating addition	[3]0·80	2·20	[2]147·7

Long-term supplementary benefit rate	*November 1977*			*April 1987*		
	Rate	*[4]Percentage of average earnings*		*Rate*	*[4], [5]Percentage of average earnings*	
	£	*Gross*	*Net*	£	*Gross*	*Net*
Single householder	17·90	23·6	34·6	38·65	20·6	29·1
Single non-householder	14·35	19·0	27·7	30·95	16·5	23·3
Couple	28·35	37·5	51·5	61·85	33·0	44·3
Lower rate heating addition	0·80	1·1	1·5	2·20	1·2	1·6

[1] Based on the increase in the full retail prices index exclusive of housing costs.
[2] Based on the increase in the fuel element of the retail prices index.
[3] Prior to 1980, heating additions were given at the discretion of the Supplementary Benefits Commission which laid down the criteria for payment at standard rates. In November 1977 the rate equivalent to the present lower rate addition was 80p.
[4] Earnings of male manual workers.
[5] Provisional.

AIDS

Sir David Price asked the Secretary of State for Social Services what are the latest figures for the number of AIDS patients known to his Department; and how many of these have died.

Mr. Newton: The Department announced on 6 July that a total of 870 cases of AIDS, including 490 deaths, had been reported to the communicable disease surveillance centre by the end of June.

Sir David Price asked the Secretary of State for Social Services what additional resources have now been received by the district health authorities concerned to finance the cost of the drug AZT prescribed for the treatment of AIDS patients.

Mr. Newton: The Government have allocated an additional £1·6 million towards the costs of Retrovir (AZT) to the three Thames regional health authorities, which are caring for 75 per cent. of reported AIDS cases. £1 million was allocated to North West Thames RHA, £400,000 to North East Thames RHA and £200,000 to South East Thames RHA. It is for the regions to decide the allocation of the additional funding to their districts.

Sir David Price asked the Secretary of State for Social Services what is his latest estimate of the number of people in the United Kingdom who are HIV positive; and what percentage are likely to develop the full AIDS condition.

Mr. Newton: Our current estimate is that about 30,000-40,000 people in the United Kingdom are infected with HIV and that about 30 per cent. of these will develop AIDS within five years. We do not yet have the experience on which to estimate the proportion who will develop AIDS over a longer time period.

Brain Scanning

Mr. Parry asked the Secretary of State for Social Services if he will list the guidelines for the use of brain scanning for victims of road accidents; and if he will make a statement.

Mrs. Currie: Decisions on the use of brain scanners for any medical purpose is for the clinical judgment of the doctors concerned. Departmental guidance is not issued.

Walton Hospital, Liverpool

Mr. Parry asked the Secretary of State for Social Services if he is satisfied with the provision of beds at the neurosurgical unit at Liverpool Walton hospital.

Mrs. Currie: The provision of beds at the neurosciences unit at Walton hospital is the responsibility of the Mersey regional health authority. However, I understand that an extra £216,000 has been invested to introduce a six-bed intensive care unit, which opened in November 1986, and later this year an extra £200,000 will be used to fund an additional six beds, in association with the appointment of a new consultant. The hon. Member may wish to write to the regional chairman for further details.

Cancer Screening

Mr. Parry asked the Secretary of State for Social Services if he will set up an urgent independent inquiry into errors made by the Liverpool area health authority between March 1983 and December 1985 concerning cervical cancer screening in Liverpool; and if he will make a statement.

Mrs. Currie: I refer the hon. Member to my reply to him on 2 July, at columns *146-47*.

Pensions

Mrs. Beckett asked the Secretary of State for Social Services what information he has in relation to each of the countries of the European Community and each of the other countries with which the United Kingdom has a reciprocal agreement on social security, as to the minimum qualifying condition for *(a)* a full pension and *(b)* a minimum pension for (i) people resident in that country and (ii) people resident in the United Kingdom.

Mr. Scott: In respect of EC nationals covered by the Community's social security regulations, rights to retirement pension acquired in one country are maintained on moving to another member state. Under the agreements the United Kingdom has with most of the countries listed there are provisions either for maintaining pension rights for someone who moves residence or for counting insurance in the United Kingdom towards the qualifying conditions for pension in the other country, and vice versa. The exact position depends on the individual's circumstances, on the terms of the agreement and on the characteristics of the other country's system. For EC countries, the main qualifying conditions for pension are given in the Department's publication, "Tables of Social Benefit Systems the European Communities (Position at 1 January 1986)", a copy of which is in the Library. Such information as is readily available for the other countries is contained in the publication by the United States Department of Health and Human Services, "Social Security Programs throughout the World 1985". A copy of this, too, is in the Library.

Countries with which United Kingdom has a social security agreement (excluding EC member states) including provisions relating to pensions

Australia
Austria
Bermuda
Canada
Cyprus
Finland
Iceland
Isle of Man
Israel
Jamaica
Jersey and Guernsey
Malta
Mauritius
New Zealand
Norway
Sweden
Switzerland
Turkey
United States of America
Yugoslavia

Mrs. Beckett asked the Secreary of State for Social Services what information he has as to the basic full retirement pension for *(a)* a single person and *(b)* a couple in each of the countries of the European Community and in each of the other countries with which the United Kingdom has a reciprocal agreement on social security.

Mr. Scott: Most countries of the European Community, and most of those with which the United Kingdom has a reciprocal social security agreement covering pensions, do not recognise the concept of a basic retirement pension. The pension is usually related to an individual's own record of contributions and earnings between certain limits, much like the United Kingdom's state earnings-related pension, and may thus vary widely even for those with an unbroken contribution history. Full or maximum pension would depend on continuous earnings and contributions at the highest possible level within the particular scheme. Some but not all, countries have a minimum pension within the earnings-related scheme for those with contributions over a specified number of years, designed to protect people on low earnings. This may be most closely compared with the United Kingdom basic pension. However, international comparisons of one element of social security support cannot reliably be made. Account has to be taken also of the existence of other forms of assistance — such as occupational pensions and help with housing costs whose availability varies widely between countries.

A fuller explanation of the difficulties involved in making this type of comparison is contained in my letter of 23 June 1987 to the hon. Member for Sheffield, Central (Mr. Caborn). The text of the letter is as follows:

"I am sorry we were unable to reply before the dissolution to the Question you set down in April about the level of United Kingdom pensions as compared with pensions and earnings in other EC countries. This letter explains why a cut-and-dried answer is not possible, and gives the best information we have.

Ministers of all parties have previously declined to answer questions of this kind, on the grounds that the great difference between pension and other social protection systems in different countries rendered valid comparisons impossible. In view of the very misleading publicity in the press and elsewhere about pensions in Britain and Europe, we decided on this occasion to depart from the usual practice and we asked officials to research a more precise answer. The work has taken some time to complete, and bears out the reasons for previous refusals to draw comparisons.

The major difficulty in making any reliable comparisons is that the United Kingdom is unusual in providing a basic pension unrelated to an individual's previous earnings. Only Denmark, Ireland and the Netherlands have flat-rate pensions of broadly the same type. In other EC countries, pensions are related to the individual's own contributions and earnings between set limits—like our own earnings-related pension—and there is accordingly a wide variation in the amount of benefit received. People on low earnings or with a poor work record receive correspondingly low pensions. Someone on average or above-average earnings will get a higher amount. Pensions are not normally related to national average earnings, and it is quite misleading to compare—as the press sometimes does — the pension available to a German or a Frenchman who has been on national average earnings with the British basic pension. In neither case does the figure actually represent the benefit received by most pensioners.

The other difficulty with your specific question is that the basic pension is not itself the only form of state pension provision in this country. About 6·5 million pensioners have graduated pension, which can add about £5 to the basic level. About 1·7 million now have earnings-related additional pension, which can add over £20 to the pensions of a man retiring this year who has been on average earnings. The average earnings-related pension awarded is much lower, because most new pensioners have not consistently earned at the national average level. These variations in United Kingdom provision give some indication of the problems when comparing with countries whose schemes are wholly earnings-related.

Further points to take into account are, firstly, that the United Kingdom is unique in paying a pension in her own right to a married woman, even if she has made no contributions herself. Dependency additions payable in other EC countries are generally speaking much less generous. Secondly, no deductions are made from United Kingdom pensions, whereas some countries, such as France, require pensioners to pay health contributions. Thirdly, occupational pensions are an integral part of the United Kingdom system and are received by some 70 per cent. of recently-retired couples. They are much less significant in most other EC countries, particularly at lower levels of earnings. Fourthly, our pension system is backed by a comprehensive national system of means-tested help for those on lower incomes, for both special needs and regular housing costs. Whilst some EC countries have extra help of this kind, the systems tend to be local and more limited than ours. It is difficult to obtain good information about such schemes, and indeed about average pensions in payment in other EC countries. This is largely because in many EC countries the pension and benefit systems are not centrally administered and good statistics are not held.

In view of these complications, you will appreciate why we have found difficulty in providing a straightforward answer to your question. Some EC countries do however have, within their earnings-related pension scheme, a minimum pension payable to those who have satisfied certain contribution conditions. Such a provision is by no means universal — Germany, for example, has no minimum — but where it exists it seems the best proxy for our basic pension. The contribution conditions vary markedly — 50 years of full contribution in the Netherlands (which has a flat-rate but no earnings-related system) against as few as 15 in Italy and about 44 for a man in the United Kingdom. Subject to this caveat, however, it appears that on this basis our basic pension is about fifth in value in Europe. (Cash values have of course been adjusted to take account of differences in purchasing power.) But I must stress that in terms of overall benefit support for pensioners the comparison is inadequate. Taking account of all sources of support for pensioners, the European Statistical Bureau shows the United Kingdom to spend a higher share of GDP on the elderly than any EC country except Denmark and perhaps France.

You also asked for information on contribution levels. I am afraid that once again there is no clear-cut answer. The United Kingdom has a single contribution covering all benefits. Most EC countries have separate contributions for groups of benefits, since the insurance system is not unified. Denmark, on the other hand, meets most of the cost of social security from general taxation, and benefits are not contribution-related. It is however possible to make a rough estimate of the share of our total NI contribution of 19·45 per cent. (employee and employer combined) required to fund selected benefits. On this basis, it is clear that our contribution rates for pension, widows' and invalidity benefits are among the lowest in Europe.

I think you will see from the foregoing that a neat tabulation of comparative benefit and contribution levels is simply not possible. What is clear is that the total package of care going to pensioners in Britain is among the best in Europe, and that the picture on the basic pension alone is much better than some commentators have claimed."

Mrs. Beckett asked the Secretary of State for Social Services (1) what information he has in relation to each of the countries of the European Community and each of the other countries with which the United Kingdom has a reciprocal agreement on social security as to whether the retirement pension is paid on the basis of working, of working and paying contributions, or of residence;

(2) what information he has in relation to each of the countries of the European Community and each of the other countries with which the United Kingdom has a reciprocal agreement on social security as to the minimum age at which state retirement pension can be received by *(a)* men and *(b)* women.

Mr. Scott: For countries within the European Community I refer the hon. Member to section IV of the Department's publication, "Tables of Social Benefit Systems in the European Communities (Position at 1 January 1986)", a copy of which is in the Library. For the other countries (listed as follows) with which the United Kingdom has an agreement on social security I refer the hon. Member to the publication by the United States Department of Health and Human Services, "Social Security Programs Throughout the World — 1985". A copy of this, too, is in the Library.

Countries with which United Kingdom has a social security agreement (excluding European Community member states) including provisions relating to pensions:

Australia
Austria
Bermuda
Canada
Cyprus
Finland
Iceland
Isle of Man
Israel
Jamaica
Jersey and Guernsey
Malta
Mauritius
New Zealand
Norway
Sweden
Switzerland

Turkey
United States of America
Yugoslavia

Mrs. Beckett asked the Secretary of State for Social Services what is the value in real terms of the basic retirement pension for a single person and a married couple, as a proportion of *(a)* average gross male manual earnings, *(b)* average net male manual earnings, *(c)* average male earnings, whole economy and *(d)* average earnings of men and women, whole economy, compared with their value after the November 1977 uprating.

Mr. Scott: The information requested is shown in the tables. Table 1 expresses the basic pension rate as a proportion of average gross earnings, and table 2 shows the rate as a proportion of average net earnings for each of the three earnings indices specified in the question.

Table 1: Basic pension as a proportion of average gross earnings
Per cent.

	November 1977	*April 1987*[2]
Single Person		
Male manual earnings	23·1	21·1
All male earnings	21·0	17·7
Whole economy earnings[1]	23·6	19·9
Married Couple		
Male manual earnings	37·0	33·7
All male earnings	33·6	28·4
Whole economy earnings[1]	37·7	31·8

[1] Average earnings of all employees, all occupations.
[2] Based on provisional April earnings figures.

Table 2: Basic pension as a proportion of average net[3] earnings
Per cent.

	November 1977	*April 1987*[2]
Single Person		
Male manual earnings	33·8	29·8
All male earnings	31·0	28·4
Whole economy earnings[1]	34·3	28·3
Married Couple[4]		
Male manual earnings	50·8	45·3
All male earnings	46·8	38·9

[1] Average earnings of all employees, all occupations.
[2] Based on provisional April earnings figures.
[3] Earnings - net of national insurance contributions at the contracted in rate and of tax.
[4] It is not possible accurately to express the married couple's pension as a proportion of the net combined earnings of male and female employees because of the differences in tax treatment of men and women.

Mrs. Beckett asked the Secretary of State for Social Services if he will make it his policy to make allowance in the Government's proposals for planned public expenditure in 1988-89 and subsequent years for the cost of increasing pensions by more than the rate of increase in the retail prices index; and if he will make a statement.

Mr. Scott: Detailed public expenditure decisions for 1988-89 and later years have yet to be taken. Any consideration of an increase in public expenditure for the purpose suggested would need to take account of a number of factors, including the high level of real increase in pensioners' average net total income in recent years.

Board and Lodging Payments

Mrs. Beckett asked the Secretary of State for Social Services how many applications have been made to him for exemption from the time limits for supplementary benefit payments for board and lodging on grounds of exceptional hardship; and with what results in each month since the time limits were imposed.

Mr. Portillo: The information requested is as follows:

Month	*Applications decided*	*Exempted*
1985		
November	none	—
December	1	—
1986		
January	10	4
February	19	3
March	27	7
April	24	3
May	14	4
June	21	5
July	13	2
August	19	5
September	14	3
October	18	8
November	14	3
December	19	7
1987		
January	16	4
February	11	2
March	11	4
April	14	3
May	5	1
June	12	3
	282	71

Earnings

Mrs. Beckett asked the Secretary of State for Social Services how the increase in average earnings is calculated for the purpose of revaluing earnings factors; and whether there have been any changes in the method of calculation or the earnings index used.

Mr. Scott: The increase in average earnings for the purpose of the annual Revaluation of Earnings Factors Order is based on the change in whole-economy average earnings not seasonally adjusted, measured between December and December of each year. Minor technical changes were made in 1984 in the index used, as a result of revision of earnings indices by the Department of Employment. In 1983 the method of applying the revaluation percentage to earlier years was adjusted to prevent the risk of cumulative rounding errors as the series of revaluations lengthens.

Mentally Handicapped Children

Mrs. Virginia Bottomley asked the Secretary of State for Social Services what plans he has to ensure that his predecessor's pledge to remove all mentally handicapped children from long-stay hospitals by the end of 1987 is achieved.

Mrs. Currie: The specific target announced by my right hon. Friend the Member for Sutton Coldfield (Mr. Fowler), the then Secretary of State, and set for health authorities in health circular HC(87) 7 March 1987 is that

"by the end of 1988 alternative provision should have been made so that no mentally handicapped child receiving long-term care should need to live in a large mental handicap hospital".

From the detailed information about such children provided by regional health authority chairmen last year, it is clear that alternative provision is already being made or planned for all but a small minority of mentally handicapped children still in hospital who may have particular health care needs. We are following up progress.

Mrs. Virginia Bottomley asked the Secretary of State for Social Services (1) how many children were placed in long-stay mental handicap hospitals for short-stay or respite care in the last 12 months; for how long they stayed there on average, for every health district; and what alternative community provision, including specialist fostering, is available for such children in each health district and each social services authority;

(2) how many children, by yearly age breakdown, are living in mental handicap hospitals in each health district; and how many of these children now have been jointly assessed by the appropriate local education authority, health authority and social services department.

Mrs. Currie: I shall let my hon. Friend have as much information as is available as soon as possible.

Mrs. Virginia Bottomley asked the Secretary of State for Social Services (1) if he has any plans for encouraging voluntary organisations to develop community-based services for children who currently live in mental handicap hospitals; and if he will make a statement;

(2) if he will introduce measures to make it financially attractive for local authorities to develop appropriate community services for children currently living in mental handicap hospitals, including those with multi-handicaps and behaviour problems; and if he will make a statement;

(3) what is his estimate of the number of mentally or multi-handicapped children who will always require residential health provision.

Mrs. Currie: Voluntary organisations have already since 1982 been encouraged through our Department's pound for pound scheme to make alternative provision in the community for mentally handicapped children from hospitals. Health authorities are able to transfer both short-term and continuing funding to help local authorities and voluntary organisations for this purpose. The Department has made £10·5 million available from central funds to district health authorities for 37 homelike projects in the community for children who require continuous residential health care, and health authorities are also planning such care for most of the children still in hospital, including those with multi-handicaps and behaviour problems. It is not possible to estimate the total number of mentally or multi-handicapped children who will always require such care.

Supplementary Benefit

Mr. Soames asked the Secretary of State for Social Services whether he will make a statement on the payment of higher rates of supplementary benefit to residents of small private homes for three or fewer residents.

Mr. Scott: Homes with fewer than four residents fall outside the registration system for residential care homes, but regulations provide that the same levels of benefit can notwithstanding be paid in such homes. The intention of the present regulations has been that this should occur only in homes providing a comparable service to those which are registered. Because some doubt has arisen as to whether they in fact achieve that effect, I have today laid draft regulations which seek to remove that doubt.

ENVIRONMENT

Opencast Coal Mining

Mr. Cummings asked the Secretary of State for the Environment if he will list by county for each year, since and including 1976, the opencast coal mining applications that have been considered by him on appeal, and the result of those appeals in each case.

Mr. Trippier: The available information is as follows:

Opencast Coal Mining Appeals by County

Date		*Result*
Derbyshire		
6 November 1978	Newbold, Chesterfield	Dismissed
8 February 1979	Snowden Lane, Troway	Allowed
28 February 1986	Barnabas, Clay Cross	Allowed
28 January 1987	Kirk, nr. Marehay	Dismissed
25 March 1987	Clay Cross	Allowed
25 March 1987	Clay Cross	Dismissed
Durham		
28 July 1976	Colepike Farm, Lanchester	Allowed
16 February 1977	Royal Oak Farm, Darlington	Allowed
17 February 1977	Cowley and West Kindon Farms, Bishop Auckland	Allowed
28 April 1977	Roddymore, nr. Crook	Allowed
9 August 1979	Newbiggin Moor Farm, nr. Heighington	Allowed
24 March 1980	Hill Top Farm, East Stanley	Allowed
19 August 1980	Billy Hill, nr. Stanley	Allowed
10 October 1980	Martinfield, Toft Hill, Bishop Auckland	Allowed
19 November 1980	Sunniside, Tow Law	Allowed
6 February 1981	Park House Farm, Oakenshaw	Allowed
1 February 1982	Job's Hill, Crook	Dismissed
21 February 1985	Hilton Moor, Evenwood Gate	Dismissed
28 May 1985	Hill House Farm, Witton-le-Wear	Dismissed
7 February 1986	Hilton Moor, Evenwood Gate	Allowed
12 August 1986	Whiteside Farm, Derwentside	Dismissed
8 May 1987	Rosehills, Stanley	Dismissed

Date		Result
Gloucestershire		
31 October 1984	Former Lightmoor Colliery, nr. Cinderford	Dismissed
5 August 1986	Oakenhill Wood, Parkend	Dismissed
19 February 1987	Oakenhill Wood, Parkend	Allowed
Greater Manchester		
29 December 1978	Foggbrook Quarry, Stockport	Dismissed
Hereford and Worcestershire		
10 June 1980	Hunthouse Farm, Mamble	Dismissed
23 March 1982	Hunthouse Farm, Mamble	Dismissed
Leicestershire		
6 June 1986	Pot Kiln Farm	Allowed
Northumberland		
24 June 1985	Stiddle Hill, Ridsdale	Allowed
3 March 1986	Land East of Spina Road, Backworth	Allowed
9 April 1986	Pit Field, Cramlington	Dismissed
26 June 1986	Plenmeller, nr. Haltwhistle	Allowed
South Yorkshire		
25 May 1978	Harthill	Allowed
7 May 1980	Hermit Hill, Wortley	Allowed
25 March 1982	Barugh, Barnsley	Allowed
9 November 1986	Waverley East, Rotherham	Allowed
Staffordshire		
11 December 1986	Bilston, Wolverhampton	Allowed
23 February 1987	Streets Lane, Cheslyn Hay	Allowed
31 March 1987	High Lane, Newcastle-under-Lyme	Allowed
Tyne and Wear		
25 January 1980	Butterlaw Farm, Newcastle	Dismissed
16 April 1980	Penshaw Junction, Cox Green	Allowed
22 March 1982	Wagonway, Backworth	Dismissed
30 July 1982	Butterlaw Farm, Newcastle	Allowed
13 August 1986	Land East of Butterlaw Farm	Allowed
24 October 1986	Barlow Lane, Gateshead	Dismissed
West Midlands		
23 March 1987	Ryders Hayes, Walsall	Dismissed
West Yorkshire		
24 June 1982	Sanderson Lane, Rothwell	Dismissed

Notes:

(1) Information is available only in respect of these cases recovered for the Secretary of State's jurisdiction.

(2) Prior to March 1 1984 the NCB obtained authorisation for opencast operations from the Secretary of State for Energy and the appeals procedures under the 1971 Town and Country Planning Act did not apply. Prior to March 1 1984 the statistics relate only to private sector operators.

Non-domestic Rates

Mr. Michael Brown asked the Secretary of State for the Environment what is the average non-domestic rate poundage in England and Wales for 1987-88; and if he will list those local authorities with *(a)* the highest and *(b)* the lowest rate poundages in England and Wales.

Mr. Howard: The average non-domestic rate poundage in England and Wales in 1987-88 is 224·8p. The authority with the highest non-domestic poundage in England and Wales is Manchester at 354·5p and the authority with the lowest is Kensington and Chelsea at 117·4p.

Mr. Michael Brown asked the Secretary of State for the Environment what are the annual estimated receipts from non-domestic rates in England and Wales for 1987-88.

Mr. Howard: The annual receipts from non-domestic rates in England and Wales in 1987-88 are estimated to be £8·6 billion.

Drinking Water

Sir Dudley Smith asked the Secretary of State for the Environment what is the current policy of his Department towards the European Community drinking water directive setting maximum levels for various substances in drinking water; how the United Kingdom compares in compliance with its European Community partners in this respect; how many derogations are currently in operation in the United Kingdom and where; and if he will make a statement.

Mr. Moynihan: The Government welcome the European Community drinking water directive as a very useful measure for maintaining and improving drinking water quality. Although the directive has been fully implemented in the United Kingdom, it is not yet possible to make comparison with other member states as most are in the process of implementation or are still preparing legislation. Implementation has highlighted some features of the directive which required review and we are pressing

the Commission on this. The following table provides information about derogations in England either given by my Department or sought from the European Commission.

Total number of derogations given under article 9(1)(a) or sought under article 20

Water authority area[1]	*Number*
Anglian	77
Northumbrian	8
North West	23
Severn-Trent	51
Southern	4
South West	38
Thames	12
Wessex	—
Yorkshire	59
	272

[1] Includes statutory water companies.

Many of these derogations will no longer be needed in 1990 in view of improvements now under way or planned. A temporary derogation has also been requested until December 1989 for certain parts of the United Kingdom in respect of the lead parameter and until 1995 for private supplies for the microbiological and lead parameters.

Responsibility for this subject in other parts of the United Kingdom rests with my right hon. Friends the Secretaries of State for Scotland, Wales and Northern Ireland.

Queen's Speech

Mr. Thurnham asked the Secretary of State for the Environment what representations he has received about proposals in the Queen's Speech for which he has responsibility; and if he will make a statement.

Mr. Ridley: I have received many such representations from a wide range of sources, all of which have been carefully considered.

Urban Development Corporations

Sir Trevor Skeet asked the Secretary of State for the Environment what assessment he has made of the extent to which the identification of title to land may be a complicating factor in urban development corporations aggregating areas of derelict land for redevelopment; and if he will make a statement.

Mr. Trippier: Identification of title to land has not been a major obstacle to the assembly of land by urban development corporations.

Sir Trevor Skeet asked the Secretary of State for the Environment how much money he plans to allocate to urban development corporations for inner city rehabilitation during each of the next five years; and what role he anticipates the private sector will play in their operations.

Mr. Trippier: Planned spending by urban development corporations until the financial year 1989-90 was set out in "The Government's Expenditure Plans 1987-88 to 1989-90" (Cm. 56-II, table 3.10.10).

The private sector will have a crucial role to play in bringing its skills and resources to bear in the regeneration of these areas.

Sir Trevor Skeet asked the Secretary of State for the Environment if he will list the members of the seven urban development corporations so far established; and if he will give a general description of their geographical area within the United Kingdom.

Mr. Trippier: The information is as follows.

The members of the six urban development corporations in England are:

Black Country DC

Mr. Bill Francis *(Chairman)*, Mrs. Jean Denton *(Deputy Chairman)*, Councillor Joe Adams, Councillor Eric Alison, Mr. Charles Darby, Mr. Roy Kettle, Mr. Graham McKenzie, Councillor Ray Partridge, Mr. Paul Sabapathy, Mr. Michael Worley.

London Docklands DC

Mr. Christopher Benson *(Chairman)*, Mr. John Mills *(Deputy Chairman)*, Mr. Alan Benjamin, Mrs. Jennifer d'Abo, Sir Andrew Derbyshire, Sir John Garlick, Councillor Jonathon Matthews, Mr. Lewis Moss, Mr. Dennis Stevenson, Mr. Reg Ward.

Merseyside DC

Mr. Donald Foster *(Chairman)*, Mr. John Smith *(Deputy Chairman)*, Professor Graham Ashworth, Professor Noel Boaden, Mr. John Leighton Boyce, Mr. Philip Carter, Councillor Thomas Glover, Councillor John Hale, Mr. Clive Lewis, Dr. John Ritchie.

Teesside DC

Mr. Ron Norman *(Chairman)*, Mr. Jack Dormand *(Deputy Chairman)*, Councillor Michael Carr, Mr. Alan Cherry, Mr. Nigel Clark, Mrs Diana Eccles, Councillor Bryan Hanson, Mr. Roger Kingdon, Mr. Andrew Russell, Mr. John Sutcliffe, Councillor Laurie Wild.

Trafford Park DC

Mr. Peter Hadfield *(Chairman)*, Mr. Anthony Russell *(Deputy Chairman)*, Councillor Barry Brotherton, Mr. Peter Collins, Mr. Hugh Richards, Mr. Hamish Stewart, Councillor Colin Warbrick.

Tyne and Wear DC

Mr. Paul Nicholson *(Chairman)*, Mr. John Ward *(Deputy Chairman)*, Mr. Graeme Anderson, Mr. John Barnsley, Councillor John Donnelly, Mr. John Hall, Dr. Ralph Iley, Mr. Joe Mills, Councillor Bert Moore, Councillor Septimus Robinson.

Cardiff Bay DC is the responsibility of my right hon. Friend the Secretary of State for Wales.

The orders establishing the UDCs give a general description of their geographical areas.

Sir Trevor Skeet asked the Secretary of State for the Environment what assessment he has made of the adequacy of the powers of the urban development corporations under part XVI of the Local Government, Planning and Land Act 1980 to discharge their functions in areas of planning where their views conflict with those of local authorities.

Mr. Trippier: Since 1981 the London Docklands Development Corporation and the Merseyside Development Corporation have discharged their functions successfully under the 1980 Act.

Ms. Armstrong asked the Secretary of State for the Environment if he will list all the members appointed to urban development corporations; and if he will state the annual remuneration paid to each member.

Mr. Trippier: I refer the hon. Member to my answer today to my hon. Friend the Member for Bedfordshire, North (Sir T. Skeet) in which I listed the members of UDCs.

Members of urban development corporations are generally part-time. The chairmen and deputy chairmen

are remunerated at a level reflecting their time commitment, which may vary. Members receive a flat rate, except Mr. Ward (LDDC) and Dr. Ritchie (MDC) who receive salaries as chief executives of their respective corporations.

The chairman and deputy chairman of London Docklands Development Corporation are currently paid £27,096 a year and £16,616 a year, respectively, on the basis of a time commitment of two days a week. Members receive £4,515 a year.

The chairmen of the other five corporations in England each currently receive £18,146 on the basis of two days a week, except for the chairman of the Tyne and Wear DC who received £13,610 on the basis of one and a-half days a week. The deputy chairmen of the five corporations each currently receive £6,158 a year on the basis of one day a week, except the deputy chairman of the Black Country DC who currently receives £12,316 a year on the basis of two days a week.

Ms. Armstrong asked the Secretary of State for the Environment what criteria for selection he has used in making appointments to urban development corporations.

Mr. Trippier: My right hon. Friend has selected board members on the basis of their ability to do the job. He has included members who have a special knowledge of the locality and appropriate business or professional experience.

Colne Valley (Listed Buildings)

Mr. Riddick asked the Secretary of State for the Environment (1) how many domestic properties in the Colne Valley constituency are currently categorised as listed buildings;

(2) how many domestic properties were categorised as listed buildings in the Colne Valley consttuency in 1980;

(3) how many industrial properties were categorised as listed buildings in the Colne Valley constituency in 1980;

(4) how many industrial properties in the Colne Valley constituency are currently categorised as listed buildings.

Mr. Moynihan: I shall write to my hon. Friend.

Disabled People (Housing)

Mr. Alfred Morris asked the Secretary of State for the Environment what action he is taking within his proposals for the future development of both public and private sector housing to ensure adequate provision for the housing needs of people with disabilities; and if he will make a statement.

Mr. Waldegrave: We intend to bring forward proposals for reform of the home improvement grant system, including grants for home adaptations for people with disabilities. We shall consider the needs of disabled people in developing our other proposals for improving the range and quality of housing choice.

Effluent Standards

Mr. Greg Knight asked the Secretary of State for the Environment what steps he is taking to improve effluent standards in British rivers.

Mr. Moynihan: The Government have already published proposals to introduce statutory river quality objectives to which effluent standards must conform, and generally to strenghten and update water pollution control legislation. The establishment in April of a water inspection arm within Her Majesty's Inspectorate of Pollution and the decision to establish a National Rivers Authority will further strengthen the monitoring and enforcement of such standards.

River Water Quality

Mr. Greg Knight asked the Secretary of State for the Environment if he is satisfied with the standard of sewage works discharges and with the effectiveness and methods of sampling water quality in rivers.

Mr. Moynihan: My right hon. Friend is not satisfied with the standard of sewage works discharges. Some 1,000 sewage works in England and Wales fail to meet their statutory consent conditions and Her Majesty's Inspectorate of Pollution will be asking the water authorities to consider how they will remedy their present breaches of those conditions.

My right hon. Friend is aware that problems with the assessment of river water quality became apparent from the 1985 river quality survey. He has arranged for the methodology of the survey to be reviewed, bearing in mind the recommendations of the Environment Committee in its report "Pollution of Rivers and Estuaries" (House of Commons 183). The Department will be discussing with the water industry the improvements that might be made.

Footballers (European Court Action)

Mr. Pendry asked the Secretary of State for the Environment what support he is giving football authorities in the action at the European Court over attempts to prevent further movement of English and Welsh footballers to European clubs.

Mr. Moynihan: I understand there is no European Court action concerning this matter. I am aware, however, that the football authorities of member states met a representative of the European Commission on 29 and 30 June to discuss the free movement of professional football players within the European Community.

The outcome of this meeting is essentially for European football authorities.

Brixham Harbour (Development)

Mr. Steen asked the Secretary of State for the Environment what criteria he proposes to use in deciding whether to call in the planning application for a proposed marina and housing development in Brixham harbour, currently before Torbay district council; and, in particular, what emphasis he proposes to attach to the balance of local opinion.

Mr. Waldegrave: I shall be using the criteria set out in the Department's circular 2/81. The Government's general approach is not to interfere with the jurisdiction of the local planning authority unless it is necessary to do so. Each case must be considered on its individual merits.

We will therefore continue to be very selective about calling in cases for our decision, and applications will in general be called in only if planning issues of more than local importance are involved. such cases may include, for example, those which in our opinion could have wide

effects beyond their immediate locality, which give rise to substantial regional or national controversy which may conflict with national policy on important matters, and those where the interests of national security or of foreign Governments may be involved.

Council Tenants (Accommodation)

Mr. Boateng asked the Secretary of State for the Environment what assessment he has made of the level of satisfaction amongst council tenants with their accommodation.

Mr. Waldegrave: We intend to provide council tenants with the right to opt for another landlord, which some will choose to exercise and some will not. That will give the best indication of tenant satisfaction.

Rented Housing

Mr. Boateng asked the Secretary of State for the Environment what is the deficiency in the quantity of housing available for renting in London by reference to the number of households needing rented accommodation; what research is being carried out in his Department on the deficiency; and when he will report on the results of such research.

Mr. Waldegrave: I shall write to the hon. Member.

Mr. Boateng asked the Secretary of State for the Environment if he plans to publish a Green Paper or a White Paper on the Government's proposals for rented housing; and what plans he has to consult local authorities over those proposals.

Mr. Waldegrave: We are considering this matter.

Mr. Boateng asked the Secretary of State for the Environment what evidence is available to his Department on the relative performance of local authorities and private landlords as regards *(a)* the level of vacant property, *(b)* the condition of the property, *(c)* rent arrears, *(d)* fairness in lettings and allocation procedures and *(e)* harassment; and if he has any plans for undertaking any research on these matters.

Mr. Waldegrave: Information on the condition of dwellings rented from local authorities and from private landlords and housing associations was published in the "English House Condition Survey 1981: Part I Report on the physical condition survey". Results of the 1986 survey are not yet available.

There is no comparative evidence on the other aspects of performance.

Mr. Boateng asked the Secretary of State for the Environment if the Government plan to introduce right to rent, giving any person the right, enforceable in law, to have a house to rent.

Mr. Waldegrave: No.

Property Statistics

Mr. Boateng asked the Secretary of State for the Environment what research his Department has carried out on the level of commitment on the part of *(a)* council tenants, *(b)* owner-occupiers and *(c)* private tenants to their property and as to how such a commitment is reflected in the physical condition of their property.

Mr. Waldegrave: Information on the physical condition of housing, occupants' views about their housing and their intended action come from the "English house condition survey". This is a quinquennial survey conducted by the Department of the Environment.

The 1981 survey showed the following breakdown of physical condition by tenure.

Per cent. households

	Satisfactory dwellings	*Unsatisfactory dwellings*				
		Fit			*Unfit*	
		All amenities but medium disrepair	*Lacking amenities plus low or medium disrepair*	*Serious disrepair*	*Lower medium disrepair*	*Serious disrepair*
Owner occupiers	75	15	1	3	3	3
Private tenants	45	20	3	9	10	13
Local authority tenants	84	11	3	—	1	1
Housing Association tenants	80	9	1	—	3	7
Not known	75	14	—	8	4	—
All tenures	76	13	2	3	3	3

An idea of occupants' commitment to their housing was obtained by asking those occupants who saw that there was something wrong with their home what they intended to do about it. The replies are summarised in the following table.

Per cent. of households

Action intended	*Owner occupiers*	*Private tenants*	*LA and HA tenants*
No action intended	32	49	34
Will do something sometime	34	12	11
Intend to get it done soon	23	6	5
Already arranged to get it done	11	4	9
Have/will approach landlord	—	29	41
All households	100	100	100

Assured Tenancies

Mr. Boateng asked the Secretary of State for the environment what is his assessment of the current average rent for assured tenancies in *(a)* central London, *(b)* inner London and *(c)* outer London.

Mr. Waldegrave: The information is not available in the form requested. The mean rent for assured tenancies in Greater London at 1 April 1986 was £2,501 per annum.

Private Rented Housing

Mr. Boateng asked the Secretary of State for the Environment (1) what evidence is available in his Department on the relationship between rent restriction and unfitness and disrepair in privately rented housing;

(2) what evidence is available to his Department on the effect of relaxing rent restrictions on privately rented housing on the supply of such housing.

Mr. Waldegrave: I shall write to the hon. Member.

Council Housing

Mr. Boateng asked the Secretary of State for the Environment if he will remove housing controls on local authorities to allow them to bring their council housing up to acceptable standards.

Mr. Waldegrave: No. There are a number of methods of financing renovation, including bringing in private sector resources.

The Government must continue to control the overall local authority borrowing requirement in order to protect the national economy.

Mr. Boateng asked the Secretary of State for the Environment what research his Department is carrying out on the effect on council tenants transferring their existing tenancy to a private landlord on the quality of management and maintenance of rented property in London, particularly as regards the level of vacancy and the physical condition of the property.

Mr. Waldegrave: I shall answer this question shortly.

Tenants (Legislation)

Mr. Boateng asked the Secretary of State for the Environment if the Government have any plans to legislate for *(a)* the right for a council tenant to have her home renovated to modern standards, *(b)* the right for a private tenant to have his home renovated to modern standards, *(c)* the right for a private or housing association tenant to transfer to a local authority or *(d)* the right for a council tenant who has chosen to transfer to a private landlord to transfer back to the local authority.

Mr. Waldegrave: Every landlord, public or private, has a duty under section 11 of the Landlord and Tenant Act 1985 to keep dwellings in repair and this duty is enforceable in the courts. All dwellings must be kept up to a minimum standard under public health legislation. In addition, secure tenants under the Housing Act 1985 have a right to repair and, if they obtain their landlord's consent, can carry out improvements and be reimbursed their costs. We have no plans to legislate to alter these rights and duties. We do not intend to legislate as in *(c)* and *(d)*.

Housing Action Trusts

Mr. Boateng asked the Secretary of State for the Environment if tenants will be consulted or balloted before any transfer to the proposed housing action trusts.

Mr. Waldegrave: The detailed arrangements for setting up and running housing action trusts, including arrangements for consultation, are still under consideration.

Community Charge

Mr. Gordon Brown asked the Secretary of State for the Environment if he will place in the Library the Government's study of the expected numbers of community charge payers as a proportion of those obliged to pay.

Mr. Howard: I shall answer this question shortly.

Pension Schemes

Mr. Teddy Taylor asked the Secretary of State for the Environment (1) if he will take steps to provide further protection to beneficiaries of local authority pension schemes against trustees who invest the funds of pension schemes into investments involving undue risk; and if he will make a statement;

(2) if he will issue advice to local authorities about the investment of their pension funds; and if he will make a statement.

Mr. Howard [*pursuant to his reply*, 3 July 1987, c. *194*]: The way in which pension funds are invested is of considerable concern to local ratepayers who are required to make good any deficiencies caused by bad investment. My right hon. Friend is concerned about the way in which some local authorities invested fund moneys in the *News on Sunday* which is now in receivership and is considering whether additional safeguards are necessary.

The interests of employees or pensioners are not directly affected since their benefits are secured by statute.

Written Answers to Questions

Wednesday 8 July 1987

TRANSPORT

British Rail (Punctuality)

Mr. Pawsey asked the Secretary of State for Transport what steps he proposes to take to ensure that British Rail meets the punctuality targets set for it *(a)* nationally and *(b)* in the London Midland region.

Mr. David Mitchell: It is for British Rail to take the necessary steps to meet its punctuality targets. The chairman has assured me that the national targets can be achieved within the resources available. I have not set targets regionally.

Helicopter Safety

Mr. Bruce asked the Secretary of State for Transport what steps he proposes to take to introduce electronic monitoring of key components for commercial helicopters following the sheriff's report at the fatal accident inquiry into the crash of a Chinook off Shetland in November 1986; and if he will make a statement.

Mr. Peter Bottomley: The Civil Aviation Authority, which is statutorily responsible for civil aviation safety, tells me that there is no available electronic monitoring equipment capable of detecting the type of fault that occurred in the tragic accident to the Chinook helicopter before failure. Health and usage monitoring systems are now being developed for helicopters as part of a major programme of research into helicopter safety. The research is being funded jointly by the CAA, the United Kingdom Offshire Operators Association and the Departments of Transport and Energy. Operational trials of HUMS are being undertaken in conjunction with Bristow Helicopters, Smiths Industries and Westland Helicopters using a Bristow's AS 332L Super Puma based at Aberdeen in its normal commercial role in support of the oil industry.

Toll Charges

Mr. Nicholas Bennett asked the Secretary of State for Transport if he will list all estuarial crossings in the United Kingdom where a toll is charged together with the amount charged in each case.

Mr. Peter Bottomley: The following tables list the tolls charged on estuarial crossings in England, Scotland and Wales. There is no tolled estuarial crossing in Northern Ireland.

Toll charges at estuarial crossings in the United Kingdom

		Charge
	ENGLAND	
Severn Bridge (M4)		
(i)	3 wheeled Motor Cycle or vehicle not included in Category (ii)	50p
(ii)	Goods Vehicle with unladen weight over 30 cwt, or vehicle carrying more than 16 passengers	£1.00
Dartford Tunnel (A282)		
(i)	Motor Cycles	20p
(ii)	Motor Cars	60p
(iii)	Light goods vehicles and coaches over 30 cwt unladen with 2 axles	£1.00
(iv)	Heavy vehicles over 2 axles and special vehicles	£1.60
	Trailers charged same toll as towing vehicle	
Mersey Tunnel (A41/A533)		
(i)	Motor Cycles	20p
(ii)	Cars and light vehicles, up to 7½ tonnes gross weight	50p
(iii)	Coaches and vehicles over 7½ tonnes gross weight	£1.20
Humber Bridge (A15)		
(i)	Motor Cycles	60p
(ii)	Cars and light vans up to 30 cwt capacity	£1.20
(iii)	Light vans 30 cwt–3 tons Mini buses 8–16 passengers	£2.40
(iv)	Heavy commercial vehicles over 3 tons:—	
	2 axles	£5·20
	3 axles	£6·60
	4 or more axles	£8·00
(v)	Buses and coaches over 17 passengers	£5·20
Tyne Tunnel (A1)		
(i)	Motor Cycles	10p
(ii)	Vehicles not exceeding 30 cwt unladen weight or up to 16 passengers	40p
(iii)	Heavy vehicles, or for more than 16 passengers	80p
Tamar Bridge (A38)		
(i)	Horses and Carts	10p
(ii)	Vehicles up to 3·5 tons gross weight or licensed to carry up to 8 people	40p
(iii)	Vehicle over 3·5 tons gross weight or for more than 8 people	
	2 axles	90p
	3 axles	£1·35
	4 or more axles	£1·80
	Trailers charged same toll as towing vehicle	
Itchen Bridge (A3025)		
(i)	Motor Cycles and Invalid Carriages	10p
(ii)	Cars, Light Vans, Vehicles not exceeding 1 ton unladen weight	
	Peak hours	30p
	Off peak hours	20p
(iii)	Buses, vehicles with unladen weight of 1-3 tons	40p
(iv)	Heavy commercial vehicles with 2 axles	£1·60
(v)	Other Heavy vehicles	£15
	SCOTLAND	
Erskine Bridge (A898)		
(i)	Motor Cycles	10p
(ii)	Vehicles up to 1,525 kg unladen weight	30p
(iii)	Scheduled Buses	50p
(iv)	Goods vehicles over 1,525 kg or coaches carrying more than 16 passengers	80p
Forth Bridge (A90)		
(i)	Vehicles not exceeding 1,525 kg unladen weight	40p
(ii)	Buses for more than 12 passengers	70p
(iii)	Vehicles over 1,525 kg unladen weight	£1·00
Tay Bridge (A92)		
(i)	Motor Cycles	10p

		Charge
(ii)	Motor Cycles with Side-Car, vehicles not exceeding 1,525 kg unladen weight	30p
(iii)	Scheduled Buses	30p
(iv)	Goods vehicles exceeding 1,525 kg unladen weight and other vehicles	75p
	WALES	
Cleddau Bridge (A477)		
(i)	Horses, Horse drawn vehicles, 1-2 wheel trailers excluding caravans. Motor Cycles 3 Wheelers	25p
(ii)	Vehicles up to 2 tons unladen weight, minibus with up to 15 seats	50p
(iii)	Caravan, 4 wheeled trailers, drawn by vehicles in Category (ii)	50p
(iv)	Vehicles greater than 2 tons unladen weight, buses with over 15 seats	£1·00
(v)	Caravans, 4 wheeled trailers, drawn by vehicles in Category (iv)	£1·00

Road Accident Statistics

Mr. Parry asked the Secretary of State for Transport (1) how many people have been killed in hit-and-run car accidents on Merseyside in each of the past five years;

(2) what information he has as to how many persons have been injured by hit-and-run car accidents on Merseyside in each of the past five years.

Mr. Peter Bottomley: It is customary to refer requests for road accident information within a local area to the authority holding the data. Road safety in local areas is the responsibility of the local highway authorities. I suggest that the hon. Member contacts the Merseyside police authority for the information.

M6 (Thornbridge Viaduct)

Mr. Rooker asked the Secretary of State for Transport if he will make it his policy to offer compensation to householders whose homes have been covered in dirt and dust during the shotblasting work on the Thornbridge viaduct of the M6 motorway.

Mr. Peter Bottomley: The Department's standard conditions of contract require contractors to be insured against third party claims. The contract for the re-painting of Thornbridge viaduct is a standard one and the contractor has circulated local residents with a local telephone number to contact if they have grievances to report.

Mr. Rooker asked the Secretary of State for Transport what is the cost of the painting contract on the Thornbridge viaduct of the M6 motorway; and when he expects the work will be completed.

Mr. Peter Bottomley: This contract was awarded last May to Colebrand Contracting Ltd. in the sum of £473,092 and is due for completion in October 1987.

British Airports Authority

Mr. Haselhurst asked the Secretary of State for Transport if he will make a further statement about the privatisation of the British Airports Authority.

Mr. Channon: This morning up to 500 million ordinary shares in BAA plc have been offered for sale. The issue has been fully under-written at the finest rates ever achieved for a privatisation—an average of 0·0531 per cent. Up to 260 million shares are being offered to the general public, including BAA employees and pensioners, at a fixed price of £2·45 per share. 115 million shares have been placed firm with financial institutions at the fixed price and 125 million shares have been provisionally placed with institutions. These provisionally placed shares will be subject to clawback to satisfy successful tender applications made by individuals and institutions. Successful tender applications will be accepted at the price tendered, and normally in full.

Prospectuses and fixed price and tender application forms will be published in a number of national newspapers on Friday 10 July and Sunday 12 July. Everyone who has registered with the BAA Share Information Office will be sent a mini-prospectus containing the application forms. Prospectuses and application forms will also be available from 10 July at all United Kingdom branches of Midland Bank, Clydesdale Bank and Northern Bank, certain principal branches of other banks and a number of stockbrokers. Applications must be received by 10 am on Thursday 16 July. Copies of the prospectus will be placed in the Library of the House on 10 July.

ATTORNEY-GENERAL

Multiple Personal Injury Actions

Mr. Tom Arnold asked the Attorney-General what representations he has received proposing that in multiple personal injury actions raising issues of great complexity and high legal costs, the courts should have power to recommend that appropriate test cases should be funded by the state.

The Attorney-General: I have received one letter, and the Lord Chancellor has received a small amount of correspondence, relating to multiple personal injury actions, but there have been no representations in the terms of this question.

Gazumping

Mrs. Peacock asked the Attorney-General whether he is considering some form of legally binding contracts for offers to purchase houses to prevent the current spread of the practice of gazumping.

The Attorney-General: The Law Commission's report on "Subject to Contract" agreements (Law Com. No. 65, published in 1975) concluded that legislation to impose civil or criminal liability for "gazumping" would be counter productive. The Government hope that buyers and sellers of houses and flats will give favourable consideration to the pre-contract deposit agreement recommended by the Conveyancing Standing Committee in January last.

HOME DEPARTMENT

Parkhurst Prison

Mr. Barry Field asked the Secretary of State for the Home Department what steps he is taking to bring A and D wings at Parkhurst prison, Isle of Wight, back into use; how long these wings have remained unused; why they are

unused; why, and when, they were rewired; what was the cost of rewiring them; when and why these wings were reroofed; and what was the cost of reroofing them.

Mr. John Patten: A and D wings have been out of use since a roof top demonstration in March 1979. Damage caused by this demonstration necessitated immediate repair of the roof to prevent rapid deterioration of the whole building. These repairs, which cost £80,000, were completed in July 1979. The vacation of the wings at that time gave the opportunity to undertake electrical work which had already been planned; this work cost about £100,000.

Since the essential repair work was completed, plans for the use of A and D wings have changed and designs have been prepared for a long-term redevelopment scheme which involved their complete modernisation, including the provision of association facillities and integral sanitation. This scheme is now at an advanced stage and will be implemented as soon as possible. Meanwhile, the wings are unused because they are structurally unsound.

Computerised Criminal and Immigration Records

Mr. Cohen asked the Secretary of State for the Home Department if he will make a statement on the proposed international link-up of computerised *(a)* criminal and *(b)* immigration records; what assessment he has made of the implications of the United Kingdom system of data protection for the operation of the proposed international link-up; and what information he has on the compatibility of the definitions of terrorism used by the different countries involved.

Mr. Renton: I am not aware of any proposals for an international link up of computerised criminal or immigration records.

Visas

Mr. Robertson asked the Secretary of State for the Home Department how many visas have been refused, curtailed, or revoked for personnel who work in the Iranian office complex at 4 Victoria street, London S.W.1.

Mr. Renton: The office complex at 4 Victoria street, London SW1, houses a number of separate Iranian undertakings. The activities of these offices are monitored closely, and while no action has yet been taken of the kind to which the hon. Member refers, as with any foreign national applying to come to or remain in the United Kingdom, Iranians working there will continue to be expected to meet the requirements of the immigration rules.

Immigration

Mrs. Peacock asked the Secretary of State for the Home Department what percentage of immigrants into the United Kingdom this year have been sponsored by people living within Batley and Spen.

Mr. Renton: The information requested is not readily available and could be provided only at disproportionate cost.

Political Refugees

Mr. Parry asked the Secretary of State for the Home Department if he will list the number of political refugees in the United Kingdom from Iran, Iraq, Libya and Syria at the most recent available date.

Mr. Renton: In the eight years between 1979 and 1986 the numbers of nationals of Iran, Iraq, Libya and Syria granted refugee status in the United Kingdom were about 5,220,440, 130 and 30 respectively. Figures for earlier years are not available. It is not known how many of those granted refugee status have remained in this country.

Immigration (Carriers' Liability) Act 1987

Mr. Ieuan Wyn Jones asked the Secretary of State for the Home Department (1) if he will make a statement on the implementation of the Immigration (Carriers' Liability) Act 1987;

(2) which ferry operators have been penalised under the provisions of the Immigration (Carriers' Liability) Act;

(3) whether his Department has made an estimate of the cost to ferry operators installing the passenger checking procedures necessary to enable them to comply with the provisions of the Immigration (Carriers' Liability) Act; and if he will make a statement;

(4) on how many occasions penalties have been imposed under the Immigration (Carriers' Liability) Act since it came into force.

Mr. Renton: The Immigration (Carriers' Liability) Act 1987 received royal assent on 15 May 1987, and made carriers liable to charges from 5 March. Up to 26 June notice of liability had been issued in about 1,500 cases; this number will be reduced if carriers are able to show that the charge should not be made in particular cases. Notices of liability have been issued to a substantial number of airlines and ferry operators. Comprehensive details are not readily available. No estimate has been made of the cost to operators of complying with the new legislation. The majority of ferry passengers are, however, British citizens, others with the right of abode in the United Kingdom, or EC nationals, all of whom require only the briefest of checks to confirm their status.

Police and Criminal Evidence Act 1984

Mr. John Mark Taylor asked the Secretary of State for the Home Department if he will make a statement on the workings so far of the Police and Criminal Evidence Act 1984 with regard to overnight detainees at police stations.

Mr. Douglas Hogg: The Police and Criminal Evidence Act 1984 provides the police with power to detain without charge persons suspected of an offence. The period of detention is restricted to a maximum of 24 hours or, in the case of serious offences, 36 hours. If persons are detained overnight they must be permitted a period of eight hours rest and provided with refreshment. After charge, a person who is detained in police custody must be brought before a magistrate's court as soon as practicable, in accordance with section 46 of the Act. All detained persons have a right to consult a solicitor and the 24-hour duty solicitor scheme aims to ensure that, for persons who wish to do so, a solicitor may be consulted outside normal working hours.

I am not aware of the Act having created any problems with regard to the overnight detention of suspects in police stations, but if my hon. Friend has a particular case in mind I shall look into it if he lets me have the details.

Crime (Use of Knives)

Mr. Winnick asked the Secretary of State for the Home Department what representations he has received regarding possible legislation on the sale of knives intended for offensive and criminal purposes.

Mr. Douglas Hogg: We have received a number of representations from the police representative organisations, police consultative groups, local authorities, hon. Members and members of the public about the availability of offensive weapons, including knives. Some have suggested that curbs should be placed on their sale. We are committed to bringing forward proposals on the sale of offensive weapons which have no legitimate uses.

Detention (Statistics)

Mr. John Morris asked the Secretary of State for the Home Department what has been the average term served by those released from detention during Her Majesty's pleasure during the last five and 10 years respectively.

Mr. John Patten: The average time spent under sentence by persons detained during Her Majesty's pleasure in Prison Department establishments in England and Wales was between six and six and a half years for those first released on licence in the years 1977 to 1986 and in the years 1982 to 1986.

HOUSE OF COMMONS

Staff Statistics

Mr. Forth asked the Member representing the House of Commons Commission what are the current salaries and numbers in post of the principal grades of servants of the House of Commons.

Mr. Beith: The following table gives numbers in post and current salary scales of House of Commons staff in grades equivalent or related to Civil Service grades 1 to 7 inclusive:

Numbers of staff in post	*Equivalent Civil Service grade*	*Salary scale 1 April 1987*
1	Grade 1	*64,739
2	Grade 2	*43,264-45,349
12	Grade 3	*33,725-36,852
4	Grade 4	31,672-33,235
23	Grade 5	26,204-29,680
1	House of Commons Pay Spine U (equivalent to 98 per cent. of Civil Service Grade 5)	25,709-29,116
14	Grade 6	20,251-26,800
1	House of Commons Pay Spine Z (95 per cent. Grade 6)	19,312-25,533
4	House of Commons Pay Spine ZA (93 per cent. Grade 6)	18,936-25,027
4	House of Commons Pay Spine ZE (83 per cent. Grade 6)	17,037-22,493
45	Grade 7	16,392-21,757

* All rates include inner London weighting of £1,465 per annum except in the case of those grades asterisked to whom no such weighting is payable.

FOREIGN AND COMMONWEALTH AFFAIRS

Vietnam

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs what are the current relations of Her Majesty's Government with Vietnam; and if he will make a statement.

Mr. Eggar: I refer the hon. Member to the answer given to him by my hon. Friend the Member for mid-Sussex (Mr. Renton), the them Minister of State, Foreign and Commonwealth Office on 11 June 1986 at column 240. Vietnam's occupation of Cambodia and poor human rights record continues to inhibit our relations.

Libya

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to establish diplomatic relations with Libya.

Mr. Mellor: No.

Albania

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to establish diplomatic relations with Albania; and if he will make a statement.

Mr. Mellor: In 1980 we offered to establish diplomatic relations with Albania without preconditions. That offer remains open, but unfortunately the Albanians have not yet taken it up.

Vanuatu

Mr. Campbell-Savours asked the Secretary of State for Foreign and Commonwealth Affairs whether he will seek to dismiss the high commissioner to Vanuatu.

Mr. Eggar: No.

Hong Kong

Dame Jill Knight asked the Secretary of State for Foreign and Commonwealth Affairs what reports he has received about the reaction in Hong Kong to China's expressed intentions for the future of the colony, following the recent condemnation by a Peking Foreign Ministry official of attempts to introduce democratic elections; and if he will make a statement.

Mr. Eggar: I refer my hon. Friend to the reply that my right hon. and learned Friend gave to my hon. Friend the Member for Christchurch (Mr. Adley) on 1 July at column *118*. I understand that the Chinese official concerned has publicly stated that his remarks were misreported.

Dr. Marek asked the Secretary of State for Foreign and Commonwealth Affairs what is the latest number of representations that have been received by the survey office in Hong Kong in response to the recent Green Paper, "The 1987 Review of Developments in Representative Government"; and how many have been *(a)* written and *(b)* oral.

Mr. Eggar: Up to noon on 8 July 1987, the survey office had received 910 representations on the Green Paper entitled "The 1987 Review of Developments in Representative Government." Of these, 899 were written and 11 oral.

European Council (Copenhagen)

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the role envisaged for the president of the European Commission and the second member of the Commission, respectively, at the forthcoming European Council at Copenhagen; and by what means proposals they place before the Council will be scrutinised and debated by the House.

Mrs. Chalker: The president of the European Commission and a second member of the Commission will attend the next European Council in Copenhagen as provided in article 2 of the Single European Act which entered into force on 1 July. Commission proposals for submission to the Council will be deposited in Parliament in accordance with the standing arrangements for scrutiny by the House.

Treaty of Rome

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs when he expects to publish a revised edition of the treaty of Rome, as amended by the Single European Act treaty, together with the preamble of that treaty and its other provisions.

Mrs. Chalker: Now that the Single European Act has entered into force, the European Community publications office are finalising a consolidated text of all the basic Community treaties as amended by the Single European Act. As soon as this is available HMSO will publish its own version.

Indonesia

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the present relations between Her Majesty's Government and Indonesia.

Mr. Eggar: We enjoy good relations with Indonesia. These were strengthened by the visit to London this month of the Indonesian Minister for Research and Technology, Dr. Habibie.

Schoolchildren (Overseas Trips)

Mr. Andrew Smith asked the Secretary of State for Foreign and Commonwealth Affairs what action he proposes to take to seek to stop French immigration authorities singling out individual schoolchildren, travelling on school trips with collective passports, and demanding individual identification where they appear to be of foreign origin.

Mrs. Chalker: We are always ready to investigate specific cases where British travellers overseas appear to have suffered undue inconvenience and, where approproate, to take them up with the authorities concerned.

Sri Lanka

Mr. Burt asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of Sri Lanka about the continuing disturbances there; and if he will make a statement.

Mr. Eggar: We have frequent contacts with Ministers of the Government of Sri Lanka both here and in Colombo. My right hon. and learned Friend discussed the present situation with the Sri Lankan Finance Minister on 19 June, and my noble Friend the Minister of State has recently received the Ministers of National Security and of Lands and Land Development. All reiterated the Sri Lankan Government's commitment to continue to seek a political settlement.

NORTHERN IRELAND

Women's Needs

Ms. Richardson asked the Secretary of State for Northern Ireland what are the main needs of women in the policy areas within his Department's activities; what has been done to identify and quantify these needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. Stanley: In April 1987 the United Kingdom Government produced a co-ordinated response to the "Forward Looking Strategies for the Advancement of Women" (FLS) which was adopted by consensus at the Nairobi conference held at the end of the United Nations Decade for Women. This document responds to the recommendations and observations on all aspects of policies for the advancement of women made in the FLS and includes information on monitoring and consultation. The Northern Ireland Office contributed to this reply.

Women's representative organisations in Northern Ireland are regularly consulted during the preparation of legislation and their views are taken into account.

The Northern Ireland Office and Northern Ireland Departments are responsible for a wide range of public services in Northern Ireland and staff in those services are given appropriate training to ensure their efficient delivery. Where it is relevant to the function in question, the training is designed to help staff appreciate the needs of women in keeping with the needs of all special interest groups.

THE ARTS

Provincial Galleries

Sir David Price asked the Minister for the Arts what progress he has made in arranging for individual objects of superlative artistic merit from the various national collections to be shown in selected provincial galleries on a trial basis.

Mr. Luce: I am concerned to increase public access to the collections of our museums and galleries and regard touring exhibitions as an important means of getting objects to parts of the country where they might not otherwise be seen. I have welcomed the initiative of the Museums and Galleries Commission in setting up a scheme to encourage such exhibitions and have commended to them my hon. Friend the Member for Eastleigh's suggestion of exhibitions built around one or two outstanding items.

WALES

A55 (Gasworks Waste)

Mr. Martyn Jones asked the Secretary of State for Wales whether any dumping of gasworks waste from either of the two gasworks demolished for the A55 Expressway has taken place on the Delph landfill site, Plas Bennion, Acrefair.

Mr. Wyn Roberts: A quantity of sand was removed from the site of a former gasworks at Conwy Morfa and was deposited at the Delph landfill site, Plas Bennion, Acrefair. I understand that the local authority which is responsible for the site has inquired into the nature of this material, but the results are not yet known.

Sheep

Mr. Geraint Howells asked the Secretary of State for Wales if he is satisfied with the present state of the sheep industry in Wales; and if he will make a statement.

Mr. Peter Walker: The sheep industry in Wales has benefited considerably from the EC sheepmeat regime, and the breeding flock has been increasing by 2 to 3 per cent. annually. Producers in Wales benefit from the sheep variable premium scheme for finished lambs — worth £22·7 million in 1986-87, and from the sheep annual premium scheme on breeding ewes worth £37·9 million in 1986-87. In addition hill livestock compensatory allowances on sheep totalled £19·8 million in Wales in 1986.

Development Bodies (Finance)

Mr. Barry Jones asked the Secretary of State for Wales if he will publish a table giving the total annual budget of the Welsh Development Agency in each year from 1979-80 to 1987-88 at 1987-88 prices, and on the same basis, total annual expenditure.

Mr. Peter Walker: The information is as follows:

Welsh Development Agency Spending: 1979-80 to 1987-88

£ million 1987-88 prices[1]

	Gross annual budget[2]	*Gross expenditure*
1979-80	107·8	108·8
1980-81	136·2	129·2
1981-82	141·7	117·8
1982-83	106·0	94·9
1983-84	77·1	80·6
1984-85	82·2	90·6
1985-86	68·1	71·8
1986-87	76·3	76·2
1987-88	86·5	—

[1] Adjusted using the GDP deflator.
[2] Finalised annual budgets which reflect in year adjustments.

Mr. Barry Jones asked the Secretary of State for Wales if he will publish a table giving the total annual budget of the Development Board for Rural Wales, Mid Wales Development, in each year from 1979-80 to 1987-88 at 1987-88 prices, and on the same basis, total annual expenditure.

Mr. Peter Walker: The gross initial budget provision and the subsequent levels of gross expenditure for the Development Board for Rural Wales at June 1987 prices, based on the gross domestic product (market prices) deflator, are as follows:

£ million 1987-88 prices

	[1]*Gross budget provision*	[1]*Gross expenditure*
1979-80	16·0	16·0
1980-81	9·9	9·8
1981-82	13·5	11·2
1982-83	12·9	11·9
1983-84	13·0	11·3
1984-85	13·3	13·4
1985-86	13·4	13·6
1986-87	13·4	[2]13·1
1987-88	13·5	[3]13·5

[1]Figures exclude finance charges arising from repayment of advances under the National Loans Fund.
[2]Provisional.
[3]Estimated

Mr. Barry Jones asked the Secretary of State for Wales if he will give the value of assets sold by *(a)* the Welsh Development Agency and *(b)* the Development Board for Rural Wales in each of the years since 1979.

Mr. Peter Walker: I refer the hon. Gentleman to the annual accounts of the Welsh Development Agency and the Development Board for Rural Wales for the years up to and including 1985-86, which are in the Library of the House. For 1986-87, for which accounts have not yet been finalised, the estimated value of assets sold by the WDA is £14·6 million and for the DBRW is £1·7 million.

Mr. Barry Jones asked the Secretary of State for Wales if he will publish, for each parliamentary constituency, the amounts spent on *(a)* industrial investments, *(b)* factory construction and *(c)* environmental improvements by the Welsh Development Agency in each year since 1983.

Mr. Peter Walker: The WDA does not maintain details of expenditure in the form requested.

Mr. Barry Jones asked the Secretary of State for Wales if he will publish, for each parliamentary constituency, the amounts spent on *(a)* industrial investments and *(b)* factory construction by the Development Board for Rural Wales, Mid Wales Development, in each year since 1983.

Mr. Peter Walker: The Development Board for Rural Wales has no powers to undertake equity investment in companies. That is the responsibility of the Welsh Development Agency and figures are not available in the form requested. For each parliamentary constituency which falls in whole or in part within the territory of the Development Board for Rural Wales expenditure on factory construction was as follows:

£000

	1983-84	*1984-85*	*1985-86*	*1986-87*
Brecon and Radnor	635	833	980	680
Ceredigion and Pembroke North	1,412	1,259	915	1,202
Meirionnydd Nant Conwy	375	258	442	205
Montgomery	1,274	2,387	3,383	4,364

Beach Pollution

Mr. Barry Jones asked the Secretary of State for Wales what action he is proposing to take to reduce the level of pollution on beaches in Wales following the recent survey conducted by the Coastal Anti-Pollution League.

Mr. Grist: Action to improve the quality of Welsh bathing waters and thereby reduce the level of pollution on Welsh beaches is a matter for the Welsh water authority. The authority's "Plan 86" noted the need for expenditure up to £70 million to ensure that those bathing waters recognised under the EC bathing water directive comply with the required standards of the directive.

Nurse Training

Dr. Marek asked the Secretary of State for Wales how much was spent on nurse training in the last four years; how much he estimates will be spent in the year 1987-88; and what are the corresponding figures at constant prices.

Mr. Grist: The information requested is as follows:

Year	*Actual expenditure* *£ million*	*Constant price at 1987-88* *£ million*
1983-84	24·940	25·237
1984-85	26·671	26·976
1985-86	25·802	26·080
1986-87	[1]26·312	[1]26·587

[1] Estimated.

For the financial year 1987-88 it is estimated that the actual expenditure will be £29·5 million. For each year, actual expenditure is made up from two figures. The first is expenditure by the Welsh National Board for Nursing, Midwifery and Health Visiting on salaries of nurse teachers and other training costs. The second is salaries, national insurance and superannuation costs for learners, paid by health authorities. The salary costs do not take account of the service contributions made by learners during training, which vary according to the particular course and the school of nursing. There is additional, but not separately identified, expenditure on informal teaching costs (teaching provided by qualified staff to learners during clinical placements) and on maintenance and contributions in lieu of rates in respect of schools of nursing.

Teachers (Pay)

Mr. Raffan asked the Secretary of State for Wales what arrangements he is making to pay local authorities additional resources in respect of the teachers' pay award for 1986-87.

Mr. Peter Walker: I am today laying before the House of Commons the Welsh Rate Support Grant Supplementary (No. 2) Report 1986-87, which makes provision for additional expenditure by local authorities and for additional rate support grant in respect of the pay award to teachers for 1986-87.

OVERSEAS DEVELOPMENT

Overseas Service Aid Scheme

Mr. Campbell-Savours asked the Secretary of State for Foreign and Commonwealth Affairs whether the Overseas Development Administration lists of OSAS appointments and addresses of appointees in any Commonwealth country are in any way *(a)* classified or *(b)* subject to any restriction on circulation to the general public.

Mr. Chris Patten: Details of those serving under the overseas service aid scheme are not regarded by the ODA as classified. The Government do not circulate lists of officers, nor disclose their private addresses, to the general public. There are a number of associations of aid-financed officers who are, of course, free to circulate lists to their members, and their addresses, according to their own rules and policies.

AGRICULTURE, FISHERIES AND FOOD

Sugar

Mr. Andrew Smith asked the Minister of Agriculture, Fisheries and Food if he will list the cost to the European Community of subsidising exports of sugar in each of the last five years.

Mr. Donald Thompson: The total cost of export refunds on Community sugar was as follows:

	£ million
1982	415·0
1983	444·7
1984	694·9
1985	795·5
1986	802·3

This cost was met partly by production levies charged on Community sugar.

Mr. Andrew Smith asked the Minister of Agriculture, Fisheries and Food if he will list the total cost to the European Community of the sugar regime, and the amounts received from levies on sugar beet farmers, in each of the last five years.

Mr. Donald Thompson: The information requested is as follows. Levy revenue is raised both from production levies paid by sugar manufacturers, who in turn may pass up to 60 per cent. of the cost on to beet growers, and storage levies charged on first-hand sales of Community quota sugar in order to meet the cost of storing Community sugar.

Year	*Gross expenditure* *£ million*	*Total levy revenue* *£ million*
1982	692·7	393·7
1983	772·1	556·1
1984	952·7	687·0
1985	1,061·1	621·8
1986	1,117·9	[1]

[1] Not available.

Food Exports (Radioactivity)

Mr. Illsey asked the Minister of Agriculture, Fisheries and Food what is the value of all foods and food products returned to the United Kingdom from other countries due to unacceptable levels of radiation, since the explosion at the Chernobyl nuclear reactor.

Mr. Donald Thompson: I refer the hon. Member to the reply that I gave to the hon. Member for Bridgend (Mr.

Griffiths) on 6 July. This information is not available and there is no statutory requirement for exporters to furnish details of any returned consignments.

The British Government have made it clear that they regard the level of 600 Bq/kg adopted for Community imports from third countries as unduly restrictive and are supporting moves to establish more scientifically based levels in future EC emergency regulations.

Green Pound

Mr. Nicholas Bennett asked the Minister of Agriculture, Fisheries and Food (1) what is the gap between the green pound and the pound sterling in the beef sector following the devaluation of the green pound in December 1986;

(2) what is the gap between the green pound and the pound sterling in the beef sector as a result of the decisions taken by the Council of Ministers on 30 June 1987.

Mr. MacGregor: The United Kingdom MCAs applying in the beef sector immediately before and after the green rate devaluations taking effect on 5 January and 6 July 1987 were:

	5 January per cent.	*6 July per cent.*
Before	−23·6	−15·1
After	−18·4	−10·6

ENERGY

Advanced Gas-cooled Reactors

Mr. Dalyell asked the Secretary of State for Energy what discussions he has had with the chairman of the Central Electricity Generating Board, the South of Scotland Electricity Board and the Atomic Energy Authority on correction of temporary defects in advanced gas-cooled reactors.

Mr. Parkinson: I have had a preliminary discussion with the chairman of the CEGB at which he explained some of the operational problems being experienced with the board's advanced gas-cooled reactors. Since these are operational matters, I shall ask him to write to the hon. Member. Questions about the South of Scotland Electricity Board are a matter for my right hon. and learned Friend the Secretary of State for Scotland.

Flue Gas Desulphurisation

Dr. David Clark asked the Secretary of State for Energy (1) what studies the Central Electricity Generating Board has performed to assess the environmental impact of the operation of various systems of flue gas desulphurisation; if he will list those systems which have already been investigated by the board and those which it still intends to investigate; and when he or the board intends to publish the results of these studies;

(2) on what date the Central Electricity Generating Board commenced investigations into the environmental impact of various systems of flue gas desulphurisation for use at coal-fired power stations; and if he will outline the criteria which the board have applied in its studies;

(3) what studies the Central Electricity Generating Board has performed to investigate the environmental impact of the operation of *(a)* the limestone/gypsum and *(b)* the Wellman-Lord systems of flue gas desulphurisation (FGD) for Drax B power station; what investigations have been performed by the board in these areas; what results have been yielded; and what is currently the board's favoured option for FGD at Drax B.

Mr. Michael Spicer: These are matters for the Central Electricity Generating Board and I shall ask the chairman to write to the hon. Member.

EMPLOYMENT

Co-operatives

66. **Mr. Foulkes** asked the Secretary of State for Employment what action his Department has taken to encourage the development of co-operatives.

Mr. Cope: Co-operatives can benefit from a number of schemes introduced by the Government to help and encourage small businesses, such as the loan guarantee scheme and the enterprise allowance scheme. In addition, the National Co-operative Development Agency, which is sponsored by this Department, seeks to stimulate the growth of co-operatives by providing help and advice to co-operatives and to people wishing to set up such enterprises. The number of co-operatives has increased from 300 in 1980 to more than 1,500 at present.

EDUCATION AND SCIENCE

Research and Development

65. **Mr. Wallace** asked the Secretary of State for Education and Science what information he has about the amount of research for British industry currently being conducted at universities in the United Kingdom.

Mr. Jackson: In 1984-85 (the latest year for which figures are available) universities in the United Kingdom received £47·7 million from industry in the form of research grants and contracts. This compares with £147·5 million from the research councils, £64·3 million from Government Departments and £57·2 million from United Kingdom-based charitable bodies. I am sure that industry would benefit from taking greater advantage of what the universities have to offer.

City Technical Colleges

Mr. Hill asked the Secretary of State for Education and Science what progress has been made in talks with industry for the financial support of a city technology college in Southampton.

Mrs. Rumbold: My right hon. Friend has as yet received no proposals to establish a city technology college in Southampton. If there is support in industry and in the local community for doing so he would be pleased to consider any proposals which are put forward.

Nursery Education

Ms. Gordon asked the Secretary of State for Education and Science what steps he intends to take to extend pre-school education to ensure that a place is available for all three to five-year-olds whose parents require it.

Mr. Dunn: It is for local education authorities to determine the scale and nature of their educational provision for the under-fives in the light of their own

priorities and assessment of local needs. The Government's plans for expenditure on education allow for provision attributable to under-fives to continue in real terms within broadly the same totals as today. Both participation rates and the actual numbers of under-fives in school are currently the highest ever.

Grammar Schools

Mr. Anthony Coombs asked the Secretary of State for Education and Science how many of the proposals from local education authorities for secondary school reorganisation currently before him involve the closure of grammar schools.

Mr. Dunn: My right hon. Friend is currently considering six proposals under section 12 of the Education Act 1980 which involve the closure of grammar schools.

Civil Servants

Mr. Batiste asked the Secretary of State for Education and Science how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mrs. Rumbold: The Department employs about 1,200 staff at its London headquarters and 600 at its Darlington office. Seventy-five are employed at the University Grants Committee, also in London. The remaining 600 Department of Education and Science staff mainly Her Majesty's inspectors of schools and their support staff, are based at small divisional and local offices throughout the country. Provision in the Supply Estimates for the Department's gross running costs in 1987-88 is £58·336 million, but it is not possible to break this figure down by location.

Fleckney Primary School

Sir John Farr asked the Secretary of State for Education and Science if, in the light of the failure of the Leicestershire education authority to provide facilities at the two sites of Fleckney Church of England (Controlled) Primary School for children to partake of packed lunches, as required under section 22 of the Education Act 1982, he will take steps to resolve the matter forthwith.

Mr. Dunn: My right hon. Friend is satisfied, on the basis of inquiries made by his officials, that the Leicestershire education authority is doing everything possible to ensure that facilities are restored at the school.

University Grants Committee (Court Costs)

Mr. McNamara asked the Secretary of State for Education and Science if he has granted any additional funding to the University Grants Committee to enable it to finance expenses incurred by universities in contesting test cases in the courts; and which universities and colleges have received undertakings from the University Grants Committee that such litigation will be underwritten by the grants committee.

Mr. Jackson: No additional funds have been provided by the Government for this particular purpose. The UGC told universities in 1982 that, in appropriate circumstances, it would be ready to make a contribution towards damages and costs arising from court proceedings in connection with redundancy. This remains its policy.

A-level Examinations (Specialisation)

Mrs. Peacock asked the Scretary of State for Education and Science what is his policy towards the early specialisation entailed by the present system of A-levels.

Mrs. Rumbold: The Government are concerned to broaden the curriculum of A-level students without diluting academic standards. They have announced the introduction in September next of a new examination course, Advanced Supplementary level. The new courses should increase the range of options open to A-level students and give them new opportunities to continue the study to A-level standard of subjects which contrast with or complement their main field of study. The first examinations will be held in summer 1989.

Village Schools

Mrs. Dunwoody asked the Secretary of State for Education and Science if he will list the criteria his Department has laid down as to the minimum number of *(a)* pupils, *(b)* teachers and *(c)* facilities acceptable for the maintenance of a rural village school.

Mr. Dunn: My Department has made no such stipulations. Circular 3/87, issued on 6 May, referred to the general principles proposed in the White Paper "Better Schools" concerning the size thresholds at which schools of different types can economically deliver a satisfactory curriculum, but acknowledged that there may be some localities where for geographic and other reasons smaller schools need to be maintained.

Geological Surveying

Mr. Pawsey asked the Secretary of State for Education and Science if he has received the report of the study group chaired by Sir Clifford Butler into geological surveying; if he intends to publish the report; and if he will make a statement.

Mr. Jackson: My right hon. Friend the Secretary of State for Education and Science has received Sir Clifford Butler's report from the chairmen of the Advisory Board for the Research Councils and of the Natural Environment Research Council, who have recommended that it be published. Accordingly, the report is being published today and copies are being placed in the Library of the House. A number of the recommendations fall to be considered by the Government and my Department is consulting other Departments concerned. My right hon. Friend will make a further statement when these consultations have been completed.

NATIONAL FINANCE

Civil Servants (Salaries)

Mr. Forth asked the Chancellor of the Exchequer how many United Kingdom civil servants currently enjoy salaries in excess of *(a)* £18,500 per annum, *(b)* £21,500 per annum and *(c)* £24,000 per annum.

Mr. Brooke: Based on staff numbers at 1 October 1986 and the revised pay rates effective from 1 April 1987, it is estimated that there are 18,400 non-industrial staff in the home Civil Service whose basic pay is in excess of £18,500 per annum, 9,100 in excess of £21,500 per annum and 7,500 in excess of £24,000 per annum. Figures for the Northern Ireland Civil Service cannot be provided on precisely the same basis but would add about 5 per cent. to the numbers in each of the three categories.

Regional Pay

Mr. Redwood asked the Chancellor of the Exchequer if his Department has considered using London weighting style allowances as a form of regional pay; and what recent studies have been conducted by his Department into housing costs and labour market pressures affecting public sector workers within and outside the boundaries for payments of London weighting allowances.

Mr. Brooke: In addition to London weighting the Civil Service pay arrangements already permit variation in pay rates, according to the locality of the office, through special pay additions. Other recent developments have ben the new agreement with the Institution of Professional Civil Servants on flexible pay, and changes in the financial package offered when civil servants move location, which now takes more account of variations in house prices across the country.

The Treasury and the MPO monitor relevant developments and their effect on recruitment and retention. Proposals are under consideration to address problems of recruitment and retention where they exist in London, the south-east and other particular areas.

Privatisation (Shareholders)

Mrs. Peacock asked the Chancellor of the Exchequer what proportion of shareholders now owning shares in companies privatised since 1979 are *(a)* current or *(b)* former employees of that company.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

DEFENCE

NATO—Warsaw Pact (Air Forces)

Ms. Ruddock asked the Secretary of State for Defence whether the Government have changed their assessment of the relative superiority of the air forces of the North Atlantic Treaty Organisation and the Warsaw pact, given the change between paragraph 6, annex A of the "Statement on the Defence Estimates 1986" and paragraph 4, annex A of the current year.

Mr. Ian Stewart: These two paragraphs are to be taken in different contexts. Paragraph 6 of annex A of the "Statement on the Defence Estimates 1986 (Cmnd. 9763-I)" is concerned with the modernisation programmes of NATO's air forces which make an essential contribution to countering the Warsaw pact armoured threat. The equivalent paragraph in the "Statement on the Defence Estimates 1987 (Cmnd. 101-I)" is paragraph 10 of annex A. Paragraph 4 of annex A in this year's statement is part of a commentary on the balance of conventional forces, which indicates that NATO aircraft face greater numbers of Warsaw pact aircraft, a situation unaltered from previous years.

ENVIRONMENT

Rates

Mr. Michael Brown asked the Secretary of State for the Environment if he will detail the percentage contributed to total non-domestic rates for England and Wales from *(a)* commercial properties, *(b)* industrial properties and *(c)* other premises.

Mr. Howard: Following is the available information for 1987-88:

Composition of non-domestic rate income in England and Wales

	Per cent.
Commercial properties	52
Industrial properties	29
Other premises	19

House of Commons (Maintenance)

Mr. Campbell-Savours asked the Secretary of State for the Environment what sums have been allocated in each of the last seven years for expenditure on fixtures, fittings, and equipment in the Vote Office, Table Office, Library, Chamber, Committee Rooms in the Commons and the Commons Dining Rooms, separately.

Mr. Chope: The Property Services Agency, including the Crown Suppliers, is responsible for providing furniture and fittings to agreed standards, and some equipment for the Palace of Westminster. The total value of purchases on these items for the parliamentary estate is currently some £400,000 per annum. Expenditure is not recorded separately for each of the areas identified by the hon. Member.

Housing Investment Programme

Mr. Allen asked the Secretary of State for the Environment if he will list the Nottingham housing investment programme bids and the allocation each year since 1979 at constant 1987 prices.

Mr. Waldegrave: The position has changed since 1979, in that local housing authorities nationally now fund more than half their capital expenditure from capital receipts, rather than from housing investment programme allocations made by the Department.

The proposed capital programme shown by authorities in their HIP submissions cannot therefore be compared directly with their HIP allocations.

Since 1979 the final HIP allocations made to Nottingham city council, and their total capital expenditure on housing, have been as follows:

	1987-88 prices	
	HIP allocation £ million	*Expenditure £ million*
1979-80	42·959	41·890
1980-81	29·211	29·687
1981-82	21·900	26·381
1982-83	24·778	30·831

	1987-88 prices	
	HIP allocation £ million	*Expenditure* £ million
1983-84	18·985	32·845
1984-85	17·355	32·449
1985-86	15·056	27·027
1986-87	13·466	[2]39·701
1987-88	[1]11·091	

[1] Initial HIP allocation.
[2] Estimated by the authority on form HIP2 in July 1986.

Commission for the New Towns

Mr. Hind asked the Secretary of State for the Environment if he will make it his policy to increase the funds made available to the Commission for the New Towns in order to enable it to increase its advertising budget.

Mrs. Roe: My right hon. Friend does not provide any funds for the commission's publicity budget; the commission generates sufficient income to cover this and the majority of its expenditure on other activities. It is in the first instance a matter for the commission to assess the levels of expenditure which are required to carry out its responsibilities.

Coal-fired Power Stations

Dr. David Clark asked the Secretary of State for the Environment what studies his officials have undertaken or commissioned into the environmental impact of various flue gas desulphurisation systems for use at coal-fired power stations; what systems have been investigated; and what results and conclusions have been yielded.

Mr. Ridley: At the request of my Department, the Fellowship of Engineering is preparing an extensive report on individual process and abatement technologies applicable to stationary and mobile sources of pollution arising from the combustion of fossil fuels, including all the main flue gas desulphurisation processes.

The study, which includes an appraisal of the process costs, operating experience, material requirements and ease of by-product disposal, is nearing completion and I expect it to be available for publication in the autumn.

Cars (Emissions)

Dr. David Clark asked the Secretary of State for the Environment (1) if he will provide a table of information outlining nitrogen oxide emissions in grams per kilometre for average cars in service performing standard test cycles using 95 RON petrol, according to *(a)* the ECE 15-04 urban test cycle and *(b)* at constant speeds of 90 kilometres per hour and 120 kilometres per hour for the following: (i) the current conventional spark ignition engine with carburettor, (ii) the July 1985 Luxembourg agreement for combined nitrogen oxides and hydrocarbons, (iii) United States 1983 standards and (iv) California 1989 standards;

(2) if he will provide a table of information containing estimates of reductions in nitrogen emissions, additional vehicle production costs and fuel penalty for the following technical systems of exhaust emission control for average cars in service performing standard test cycles using unleaded 95 RON petrol: *(a)* the current conventional spark ignition engine with carburettor, *(b)* the July 1985 Luxembourg agreement for combined nitrogen oxides and hydrocarbons, *(c)* the United States 1983 standards and *(d)* California 1989 standards.

Mr. Ridley: Information on vehicle emission control costs and performance in the terms set out in the hon. Member's questions is currently being analysed by international experts, including delegates from the United Kingdom, for the Executive Body for the Convention of Long-range Transboundary Air Pollution of the United Nations Economic Commission for Europe. I would expect the Executive Body to approve the final report for publication at its next session in November this year and I will ensure a copy is placed in the Library of the House at the earliest opportunity.

London Docklands Development Corporation

Mr. Spearing asked the Secretary of State for the Environment if he will publish in the *Official Report* the general criteria used by the London Docklands Development Corporation to value the land it has for sale; at what stage of negotiation with any purchasers the corporation is bound by agreements, or previously determined formulae; and to what extent any such formulae take account of increased land values.

Mr. Trippier: The general criteria are that when the London Docklands Development Corporation sells land it must obtain a certificate from an independent valuer that the price is not below current market value and, if that is unobtainable, it must seek specific consent from the Department to the disposal of land at a lower price.

The corporation becomes bound when contracts become unconditional and the point at which this happens will depend upon the nature of the agreement and on its precise terms.

Spectrum Arena, Birchwood

Mr. Hoyle asked the Secretary of State for the Environment, pursuant to his reply of 1 July, *Official Report*, column *99*, what is the value of the Spectrum Arena in Birchwood; how long the Spectrum Arena has been empty; and if the Spectrum Arena will be available to Warrington borough council under similar terms to other disposals of community-related assets of development corporations.

Mrs. Roe: The Spectrum Arena was closed on 30 June last year. I cannot say how much the development corporation would be prepared to accept for a sale of the arena, without prejudicing its bargaining position. The corporation would consider any reasonable offer from the council.

Radon Gas

Mr. Matthew Taylor asked Secretary of State for the Environment if he will make a statement on his proposals for legislation to prevent the construction of buildings susceptible to the build-up of radon gas.

Mr. Moynihan: The building regulations already provide sufficient powers to regulate the construction of new buildings. The regulations are supported by approved documents which give guidance on how to comply with

regulations. The Department is working on guidance to be included in the approved documents on measures which may need to be taken in areas where radon is a problem.

Nuclear Waste

Mr. Austin Mitchell asked the Secretary of State for the Environment (1) what work is still being done and how many people are still employed on the site of Fulbeck which was earlier being considered for nuclear dumping;

(2) what work is still being done and how many people are still employed on the site of Elstow which was earlier being considered for nuclear dumping;

(3) what work is still being done and how many people are still employed on the site of South Killingholme which was earlier being considered for nuclear dumping;

(4) what work is still being done and how many people are still employed on the site of Bradwell which was earlier being considered for nuclear dumping.

Mr. Moynihan: All four sites are in the final stages of reinstatement in accordance with the conditions in the special development order. The total labour force working on all four sites on 7 July was 11; this number varies from day to day as work progresses.

Birmingham Urban Development Agency

Mr. Rooker asked the Secretary of State for the Environment if he will now set a deadline for the submission by Birmingham city council of its proposals for an urban development agency in Birmingham.

Mr. Trippier: No. The city council and its partners are now appointing consultants to prepare a development strategy for east Birmingham which I understand could be complete in September. This is a constructive move forward.

Mr. Rooker asked the Secretary of State for the Environment if he will set out the dates when Ministers in his Department have had meetings with Birmingham city council about the proposed urban development agency.

Mr. Trippier: My right hon. Friend met the city council on 30 July and 8 December 1986 and proposes to meet it again shortly to discuss its proposals for an urban development agency.

Council Tenants

Mr. Boateng asked the Secretary of State for the Environment what research his Department is carrying out on the effect on council tenants to transfer their existing tenancy to a private landlord on the quality of management and maintenance of rented property in London, particularly as regards the level of vacancy and the physical condition of the property.

Mr. Waldegrave [*pursuant to his reply*, 7 July 1987]: Under our policies, council tenants will be able to judge for themselves which landlord, council or other, offers them the best quality of housing management and maintenance services and to act accordingly.

Mr. Spearing asked the Secretary of State for the Environment if he has any plans to submit for further review the price agreed by the London Docklands Development Corporation and the developers of Canary wharf; and if he will make a statement.

Mr. Trippier: I shall answer this question shortly.

SOCIAL SERVICES

NHS (Expenditure)

Mr. Forth asked the Secretary of State for Social Services if he will give the National Health Service per capita expenditure for each region of the United Kingdom.

Mr. Newton: National Health Service per capita expenditure for each of the English regional health authorities, including estimates of the expenditure on the family practitioner services in each region, is set out in the table. Expenditure in Scotland and Wales is a matter for my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary for Wales.

Region	*Expenditure per capita (£)*
Northern	287·88
Yorkshire	284·10
Trent	264·82
East Anglian	267·88
North West Thames	300·15
North East Thames	328·44
South East Thames	308·83
South West Thames	291·97
Wessex	270·30
Oxford	244·08
South Western	286·68
West Midlands	278·18
Mersey	295·82
North Western	308·52
England total	292·28

Notes:

(1) Derived from the summarised accounts for 1985-86 of Regional Health Authorities, London Post-Graduate Special Health Authorities and Family Practitioner Committees.

(2) On basis of population estimates for mid-1985. (These population figures do not fully reflect relative need for health care in each Region).

Hospital Staffs (East Cumbria)

Mr. Martlew asked the Secretary of State for Social Services (1) what is the turnover in the number of domestic staff at the east Cumbria hospitals since these services were privatised; and what they were for the preceding year;

(2) what is the sickness rate for the domestic staff at the east Cumbria hospitals since these services were privatised; and what were the figures for the preceding year.

Mr. Newton: This information is not held centrally. The hon. Member may wish to write to the chairman of East Cumbria health authority for the information he requires.

NHS (Staff Recruitment)

Mr. Redwood asked the Secretary of State for Social Services what consideration his Department has given to the effect of the boundaries for outer London weighting allowance on the recruitment of skilled staff for health service jobs elsewhere in the south-east.

Mr. Newton: The boundaries within which London weighting allowances are payable are a matter for negotiation between the Management and Staff Sides of the London weighting consortium of the General Whitley Council.

Induced Births

Mrs. Wise asked the Secretary of State for Social Services what information he has about the proportion of births which are started by artificial induction and the proportion which are accelerated; and what are the current trends.

Mrs. Currie: The estimated proportions of deliveries in National Health Service hospitals which were artificially induced or in which labour was accelerated are given in the table. The information is derived from a nominal 10 per cent. sample of cases recorded by the Maternity Hospital In-Patient Enquiry.

Deliveries assisted by Artificial Induction or Accelerated Labour Percentages—England

Year	*Induction*	*Accelerated labour*
[1]1979	21·8	10·8
[1]1980	20·2	11·1
1982	18·7	11·1
1983	18·8	11·7
1984	17·4	11·8
1985	17·6	12·1

[1] England and Wales.
Figures for 1981 are not available.

Invalid Care Allowance

Mrs. Wise asked the Secretary of State for Social Services how many married women have become eligible for invalid care allowance since Mrs. Jackie Drake won her case on this; and if he is satisfied with the rate of take-up.

Mr. Scott: The steps we have taken to publicise the extension of invalid care allowance to married women have produced a substantial response. At 3 July, the latest date for which information is available, over 118,500 claims had been received from married women, of which about 64,000 have been successful and some 34,000 are awaiting decision.

Out-of-School Provision

Ms. Primarolo asked the Secretary of State for Social Services whether he is satisfied that the present level of out-of-school provision meets the need of working parents and their children.

Mrs. Currie: Out of school provision is primarily a matter for parents but many local authorities provide schemes. The Department has for many years recognised the needs of working parents and families under stress by providing funding to the National Out of School Alliance, a voluntary body which stimulates the development of out of school schemes.

Ante-natal Care and Confinement

Ms. Primarolo asked the Secretary of State for Social Services what steps he is taking to allow women the freedom to choose local facilities for ante-natal care and confinement.

Mrs. Currie: We have commended to health authorities the three reports from the Maternity Services Advisory Committee which offer advice on good practice in maternity care. The report on ante-natal care emphasises the need for careful assessment, reflecting the mother's views, needs and wishes in determining the plan for care at all stages in the pregnancy.

Maternity Facilities

Ms. Primarolo asked the Secretary of State for Social Services what is his policy towards the nature and degree of centralisation of maternity facilities.

Mrs. Currie: The second Maternity Services Advisory Committee report encourages women to have their babies in a hospital offering the full range of services necessary to cope with any emergencies. It is for health authorities to determine locally how best to implement this policy.

Maternity Grant

Ms. Primarolo asked the Secretary of State for Social Services how many women claimed maternity grant in the last month of availability in Bristol; and what is the best estimate of the number of women who have had social fund payments for maternity in the first month of availability in Bristol.

Mr. Portillo: The numbers of claims for maternity grant received at the Department's local offices in Bristol between 6 March 1987 and 5 April 1987 are as follows:

Office	*Number*
Bristol Central	70
Bristol East	180
Bristol Horfield	41
Bristol South	116
Bristol West	71

The numbers of Social Fund payments for maternity expenses made by Bristol local offices between 6 April 1987 and 5 May 1987 are as follows:

Office	*Number*
Bristol Central	16
Bristol East	24
Bristol Horfield	14
Bristol South	15
Bristol West	10

Mr. Frank Cook asked the Secretary of State for Social Services how many maternity grants were claimed and how many were awarded during the month of March.

Mr. Portillo: Information is not readily available in the precise form requested and could be obtained only at disproportionate cost. Between 4 March 1987 and 31 March 1987, the Department's child benefit centre at Washington received, from local offices, 9,036 maternity grant claims.

During the same period 7,738 maternity grants were awarded but that figure will include some awards for claims received before 4 March 1987.

Benefit Fraud Investigation

Mr. Martlew asked the Secretary of State for Social Services whether one of the special benefit fraud investigation teams will be operating in Carlisle in the near future.

Mr. Portillo: There are no plans to deploy one of this Department's benefit fraud teams in the Carlisle area in the near future.

Abortions

Mr. Nicholas Bennett asked the Secretary of State for Social Services what is the total number of abortions carried out in each year since the passing of the Abortion Act 1967 for the following reasons: *(a)* rape and *(b)* danger to the life of the mother.

Mr. Newton: The available information is shown in the table. Prior to 1987, it is not possible to identify reliably all those notifications of abortions which mention rape. Arrangements are being made in order to provide this information for current and future abortions.

Number of notifications of abortions carried out under the Abortion Act 1967, residents and non-residents, in emergency in order to save the life of the pregnant woman, England and Wales, 1968-1986

Year	Number
1968	16
1969	14
1970	10
1971	10
1972	10
1973	7
1974	3
1975	6
1976	1
1977	3
1978	5
1979	3
1980	4
1981	5
1982	7
1983	3
1984	9
1985	5
1986	2

Health Education Authority

Mr. Kirkwood asked the Secretary of State for Social Services how many staff of the former Health Education Council are currently employed by the Health Education Authority, in numbers and as a proportion of total Health Education Authority staff.

Mrs. Currie: Forty-nine, representing 96 per cent. of the authority's permanent staff. The authority is currently recruiting additional staff to fill existing vacancies and in preparation for assuming control of the national health educational programme on AIDS.

Cancer Screening

Mrs. Peacock asked the Secretary of State for Social Services what percentage of local health authorities have an adequate recall system for smear testing.

Mrs. Currie: Ninety per cent. of health authorities report that they have adequate recall systems for cervical cancer screening. Several other authorities have systems covering part of the district. In the remaining areas a number of individual general practices operate their own recall system.

All health authorities should have implemented computerised call and recall systems by next spring.

Single Payments

Mr. Frank Cook asked the Secretary of State for Social Services (1) what is the rate of awards of single payments per thousand claimants of *(a)* supplementary pensions and *(b)* supplementary allowances, both nationally and for each of the local offices of his Department in Stockton, Hartlepool, Middlesbrough, Eston and Redcar;

(2) what were the numbers of single payments claimed, and the numbers and value of single payments awarded, both nationally and for each of the offices of his Department in *(a)* Stockton, *(b)* Hartlepool, *(c)* Middlesbrough and *(d)* Eston and Redcar during each month from August 1985 and up to the latest month for which figures are available, under each of Regulation 7, Regulations 9 and 10, Regulation 12, Regulation 27 and Regulation 30 as shown by the "Annual Statistical Enquiry";

(3) what were the total numbers of single payment claims and the numbers and value of single payments awarded, both nationally and for each of the offices of his Department in *(a)* Stockton, *(b)* Hartlepool, *(c)* Middlesbrough and *(d)* Eston and Redcar, during each month from August 1985 up to the latest complete month for which figures are available;

(4) what is the average amount per single payment awarded to claimants of *(a)* supplementary pension and *(b)* supplementary allowances, both nationally and for each of the local offices of his Department in (i) Stockton, (ii) Hartlepool, (iii) Middlesbrough and (iv) Eston and Redcar.

Mr. Portillo: I shall let the hon. Member have a reply as soon as possible.

Mr. Frank Cook asked the Secretary of State for Social Services how many single payments under regulation 8 of the Supplementary Benefit Payment Regulations were claimed and how many were awarded during the month of March.

Mr. Portillo: The information requested is not available on a monthly basis and could be obtained only at disproportionate cost.

Mr. Frank Cook asked the Secretary of State for Social Services what were the numbers and value of single payments awarded *(a)* nationally and *(b)* for each of the offices of his Department at (i) Stockton, (ii) Hartlepool, (iii) Middlesbrough and (iv) Eston and Redcar, under regulation 28 of the Supplementary Single Payment Regulations, during the 12-month period ended 11 August 1986.

Mr. Portillo: The information requested is not available and could be obtained only at disproportionate cost.

Maternity Expenses (Claims)

Mr. Frank Cook asked the Secretary of State for Social Services how many social fund claims for maternity expenses were made and how many were awarded during the month of April.

Mr. Portillo: Figures are not available for April only. During the period 6 April 1987 to 5 May 1987, 16,148 claims for social fund maternity payments were made. During that same period, 11,249 awards were made.

Death Grant

Mr. Frank Cook asked the Secretary of State for Social Services how many death grants were claimed, and how many were awarded, during the month of March.

Mr. Portillo: Information on claims for death grant is reported on a strict four-weekly basis and not for calendar months.

The number of claims for death grant in the period which includes March is as follows:

Period	*Number of Claims*
11 February 1987—10 March 1987	51,472
11 March 1987—7 April 1987	48,554

Information is not reported on the number of death grants awarded.

Severe Weather Assistance

Mr. Frank Cook asked the Secretary of State for Social Services what plans he has to assist vulnerable people during periods of exceptionally severe weather once the present arrangements for severe weather payments are abolished in April 1988; and if he will make a statement.

Mr. Scott: I refer the hon. Member to my reply to the hon. Member for Dunfermline, East (Mr. Brown) on 3 July at column *186*.

State Pensions

Mr. Winnick asked the Secretary of State for Social Services what information he has for each European Economic Community country as to the percentage of average wages paid in state pensions; and what is the figure for the United Kingdom.

Mr. Scott: Most European Community countries pay pensions linked to an individual's own contributions and earnings between set limits. Pension levels may therefore vary widely from pensioner to pensioner, and no comparison with national average wages is feasible. Differences in social security schemes and in the availability of other forms of help for pensioners also mean that pension levels alone are an inadequate indicator of pensioner living standards in different countries. In the United Kingdom the basic pensions for a single person and a married couple at April 1987 were respectively worth 29·8 per cent. and 45·3 per cent. of net average male manual earnings (1). Receipt of graduated pension and state earnings-related pension would increase that percentage. In terms of total net income, pensioners' incomes in 1985 (latest available date) were 60 per cent. of the total average net income of those in full-time work.
(1) provisional figures

Mr. Winnick asked the Secretary of State for Social Services what information he has as to the amount paid in sterling equivalent in state pension to the retired in the other European Economic Community countries; and what is the amount currently paid out in the United Kingdom.

Mr. Scott: I refer the hon. Member to my reply to the hon. Member for Derby, South (Mrs. Beckett) on 7 July.

Mr. Winnick asked the Secretary of State for Social Services what information he has as to the percentage increase which has taken place in other European Economic Community countries in the last eight years in the married and single person's state retirement pensions.

Mr. Scott: Most European Community countries adjust state retirement pensions in line with the movement in prices. The percentage increase in pension rates paid therefore depends largely on the rate of inflation in each country. For more detailed information on the uprating method and timetable used in individual countries, I refer the hon. Member to section IV of the Department's publication, "Tables of Social Benefit Systems in the European Communities (Position at 1 January 1986)", a copy of which is in the Library.

Nurse Training

Dr. Marek asked the Secretary of State for Social Services how much was spent on nurse training in the past four years; how much he estimates will be spent in the year 1987-88; and what are the corresponding figures at constant prices.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Organ Transplants

Mr. Dalyell asked the Secretary of State for Social Services if he will make a statement on his policy on infant organ transplants.

Mrs. Currie: The Conference of Royal Colleges and their Faculties in Great Britain is producing guidance on transplantation from and into neonates. Pending the establishment of valid guidelines, the conference recommended an immediate moratorium on all transplants from and into infants up to the age of one month. On 10 February 1987 the Department's chief medical officer wrote to all regional medical officers endorsing this recommendation and asking that it be brought to the attention of cardiac surgeons and other clinicians with an interest.

Family Income Supplement

Mr. Sayeed asked the Secretary of State for Social Services how many civil servants are in receipt of family income supplement.

Mr. Scott: Some 2,000 non-industrial civil servants (0·4 per cent. of the total work force) are currently estimated to be receiving family income supplement, of whom fewer than 300 are employed by this Department.

TRADE AND INDUSTRY

Insider Dealing

4. **Mrs. Ann Taylor** asked the Chancellor of the Duchy of Lancaster what action he has taken on information so far received from the inspector appointed by him to inquire into insider dealing at the Department of Trade and Industry.

Mr. Maude: Inspectors were appointed last December to investigate possible unlawful insider dealing involving information relating to the exercise of functions under the Fair Trading Act 1973 of the Secretary of State, the Director General of Fair Trading or the Monopolies and Mergers Commission.

My Department is keeping the Director of Public Prosecutions, who would be responsible for any prosecution in this case, informed of its progress, but has not taken any other action on information received from the inspectors.

North Devon

15. **Mr. Speller** asked the Chancellor of the Duchy of Lancaster if he will seek powers to enable him to restore development or assisted area status to north Devon; and if he will make a statement.

Mr. Atkins: I am not persuaded that there is a case for change in the boundaries of the assisted areas map which were established only two and a half years ago.

Manufacturing Industry

16. **Mr. Teddy Taylor** asked the Chancellor of the Duchy of Lancaster what was the deficit on manufacturing trade with European Economic Community countries in the most recent annual period for which figures are available; and what was the export-import ratio in manufactures in that period.

Mr. Alan Clark: In the 12 months to March the deficit was £9·7 billion on the balance of payments basis. The ratio of exports to imports was 72 per cent.

19. **Mr. Loyden** asked the Chancellor of the Duchy of Lancaster when he next intends to meet the Trades Union Congress to discuss investment in manufacturing industry.

Mr. Kenneth Clarke: I have no present plans for a meeting with the TUC on this subject. But I will study with interest any views on investment in manufacturing industry which it lets me have.

21. **Mr. Caborn** asked the Chancellor of the Duchy of Lancaster how much was invested in manufacturing industry in Yorkshire and Humberside in 1986-87.

Mr. Atkins: The data for 1986 and 1987 are not available. Manufacturing investment in Yorkshire and Humberside in 1985 is estimated to be £680 million.

23. **Mr. Knox** asked the Chancellor of the Duchy of Lancaster what is the most recent figure for output in manufacturing industry; and how this compares with the figure for the same month 13 years ago.

Mr. Atkins: My hon. Friend will appreciate that monthly data can be erratic especially when comparisons are made with 1974 when output was affected by the three-day week. However, since the trough of the recession in 1981, manufacturing output has increased by over 16 per cent. to reach a level of 108·1 in April 1987, based on 1980 equal to 100. This was about 6 per cent. lower than the level of output in April 1974.

26. **Mr. Morgan** asked the Chancellor of the Duchy of Lancaster when he next intends to meet the Confederation of British Industry to discuss the trade deficit in manufactured goods.

Mr. Alan Clark: My colleagues and I meet the CBI from time to time. I have no plans for a special meeting on this subject.

36. **Mr. Roy Hughes** asked the Chancellor of the Duchy of Lancaster how much was invested in manufacturing industry in *(a)* Wales and *(b)* England in 1986-87.

Mr. Atkins: The requested investment data for Wales and England for 1986 and 1987 are not available. The latest available data are for 1985. For this year net capital expenditure[1] in manufacturing industry in Wales is estimated to be £563 million. The corresponding figure for England is £7,111 million.

[1] Excludes expenditure on assets leased from the financial industries.

Source: Annual Census of Production 1985.

37. **Mr. Cryer** asked the Chancellor of the Duchy of Lancaster if he will give the current balance of trade in manufactured goods between the United Kingdom and the rest of the world.

43. **Mr Morley** asked the Chancellor of the Duchy of Lancaster what is the size of the current deficit in the balance of trade in manufactured goods.

52. **Mr. Blair** asked the Chancellor of the Duchy of Lancaster what is the current level of the deficit on manufactured trade.

Mr. Alan Clark: In the first four months of 1987 there was a deficit on trade in manufactures of £1·2 billion.

38. **Mr. Ernie Ross** asked the Chancellor of the Duchy of Lancaster what action he intends taking to support manufacturing industry.

Mr. Atkins: We shall continue to pursue policies conducive to enterprise and expansion through lower inflation and sustained economic growth. We are also implementing a range of policies designed to help industry become more flexible and competitive, including the promotion of competition, including a reduction in the role of the state through privatisation; the reduction in the amount of red tape facing business; an emphasis on training and improving the links between industry and education and selective financial support to encourage industrial competitiveness, innovation and exports.

61. **Mr. Fatchett** asked the Chancellor of the Duchy of Lancaster what plans his Department has to review manufacturing industry in the inner cities; and if he will make a statement.

Mr. Kenneth Clarke: The Government are continuing to develop the measure outlined before the election, including my Department's inner cities initiative, for targeting assistance more effectively on the problems of the inner city. I shall ensure that my Department's programmes take proper account of the need to encourage the establishment and revitalisation of businesses in the inner city areas.

63. **Mr. Hardy** asked the Chancellor of the Duchy of Lancaster what steps he is taking to ensure that manufacturing industry is developed within the South Yorkshire area.

Mr. Atkins: The Government are applying measures to create the right climate in which industry generally can prosper. Under the Government's regional policy, the whole of south Yorkshire has assisted area status. This provides access to a range of regional incentives for industrial development from both the United Kingdom Government and the European Community.

7. **Mr. Pike** asked the Chancellor of the Duchy of Lancaster what five sectors of the manufacturing industries have suffered the worst deterioration in balance of trade since 1979.

Mr. Alan Clark [*pursuant to his oral reply*, 8 July 1987]: Following are the five best sectors, excluding oil extraction and financial services:

SIC Group	
364	Aerospace Equipment
251	Basic Industrial Chemicals
257	Pharmaceutical Products
256	Special Industrial and Agricultural Products
424	Spirit Distilling

Brittany Ferries (Ferry Order)

17. **Mr. Millan** asked the Chancellor of the Duchy of Lancaster what has been the outcome of his representations to the European Commission on the placing of a ferry order by Brittany Ferries with a French shipbuilding yard.

Mr. Atkins: The European Commission is actively investigating offers of aid made to secure this order. As a result of our representations, the Commission has informed the French authorities that any aid for the Brittany Ferries order must comply with the new shipbuilding directive and that no aid may be given without the Commission's approval.

Northern Region

18. **Mr. Fallon** asked the Chancellor of the Duchy of Lancaster whether he will estimate the amount of industrial support given to the northern region since 1983.

Mr. Kenneth Clarke: The amount of industrial support given to the northern region by way of regional grant and assistance from my Department since 1983 is £625 million. Industry in the region has also received support directly and indirectly from many other Government programmes.

46. **Mr. Nicholas Brown** asked the Chancellor of the Duchy of Lancaster which industrial sectors he estimates as the major growth areas in the northern region.

Mr. Kenneth Clarke: Over the ten-year period 1975 to 1985, the industrial sectors which have grown faster than any others in the northern region have been financial and business services, and distribution, hotels and catering. Their contributions to the region's total output during the period grew from 6·2 per cent. and 11·3 per cent. respectively in 1975 to 9·5 per cent. and 12·1 per cent. in 1985.

Japan

20. **Mr. Fry** asked the Chancellor of the Duchy of Lancaster if he has been able to obtain from Japanese Government sources the size of individual quotas granted to Japanese importers of British leather and leather goods; and if he will make a statement.

Mr. Alan Clark: No, we have not. We regard the operation of the Japanese quota system for leather and leather goods as highly unsatisfactory, and the European Commission has recently agreed to take up the matter with the Japanese Government.

24. **Mr. Cox** asked the Chancellor of the Duchy of Lancaster if he will make a statement on future trade policy with Japan.

Mr. Alan Clark: The Government remain seriously concerned at Japan's low propensity to import. We will continue to press Japan bilaterally and through the Community to open her markets further and to implement overdue structural and macro economic changes.

40. **Mr. Chapman** asked the Chancellor of the Duchy of Lancaster if he will make a statement on progress in ensuring United Kingdom goods and services have equal access into Japan as Japanese goods and services into the United Kingdom.

Mr. Alan Clark: We are continuing to press for better access to Japan for British goods and services. In the financial area, the recent bilateral consultations on access made good progress. But in all sectors, we still look to Japan for further measures to make her markets as open as those of the United Kingdom.

53. **Mr. Andrew MacKay** asked the Chancellor of the Duchy of Lancaster if he will make a statement on trade with Japan.

Mr. Kenneth Clarke: The Government remain concerned at Japan's low propensity to import. We will continue to press Japan bilaterally and through the Community to open her market further and to implement overdue structural and macro economic changes.

59. **Mrs. Margaret Ewing** asked the Chancellor of the Duchy of Lancaster if he will take steps to discuss with the Japanese Government the level of tax levied on imports of Scotch whisky.

Mr. Alan Clark: As a result of United Kingdom pressure the European Community has, after unsatisfactory negotiations with the Japanese Government, taken Japan's discriminatory tax and duties on alcoholic drinks to the GATT. We expect the GATT panel's report towards the end of August.

Research and Development

22. **Mr. Michael** asked the Chancellor of the Duchy of Lancaster if he will make a statement on the current level of research and development funding by his Department.

28. **Mr. Darling** asked the Chancellor of the Duchy of Lancaster if he will make a statement on the current extent of research and development funding by his Department.

31. **Mr. Strang** asked the Chancellor of the Duchy of Lancaster what is his latest estimate of the likely level of expenditure on research by his Department in the current financial year; and if he will make a statement.

Mr. Butcher: In this financial year my Department expects to spend £412 million on support for R and D. This represents an increase of 70 per cent. on the spend incurred in 1979-80.

54. **Dr. Bray** asked the Chancellor of the Duchy of Lancaster whether the Government will now agree to the European Community framework programme of research and development.

Mr. Kenneth Clarke: I refer the hon. Member to the statement made in the House by my right hon. Friend the Prime Minister on 1 July and the answer provided by my right hon. Friend the Minister of State, Foreign and Commonwealth Office on 1 July at column 108, as amended at columns 160-161 on 2 July. In order not to hinder work on agreed programmes, we have agreed that spending could continue at present levels over the five years of the framework programme.

Insurance Brokers Registration Council

25. **Mr. McCrindle** asked the Chancellor of the Duchy of Lancaster if he has received any recent communication from the Insurance Brokers Registration Council.

Mr. Maude: Last month the Department received a copy of the council's 1986 audited accounts together with a copy of its draft report for that year.

Regional Aid

27. **Mr. Ieuan Wyn Jones** asked the Chancellor of the Duchy of Lancaster what is his Department's total budget for regional aid to industry for the current financial year; and what was the corresponding sum for 1979-80 at current prices.

Mr. Atkins: In the Department's budget for 1987-88 £208 million gross is provided for regional aid to industry in England. Expenditure in 1979-80 for regional aid in England amounted to £517 million at 1987 prices.

Responsibility for regional aid to industry in Wales falls to the Welsh Office.

Mr. Forth asked the Chancellor of the Duchy of Lancaster if he will give, for each region of the United Kingdom, for each of the last 10 years, the expenditure on regional aid and assistance.

Mr. Atkins: The information requested is as follows:

Expenditure at current prices

£ million

Region	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	[4]1986-87
Northern	152·8	159·6	147·8	146·3	176·3	159·3	127·5	122·2	94·4	135·5
North West	65·8	88·5	86·7	131·3	157·9	122·4	101·4	101·6	85·9	125·3
Yorkshire and Humberside	30·8	37·6	32·1	52·2	61·8	52·9	35·5	41·9	34·3	38·7
East Midlands	2·7	4·3	4·2	4·5	8·6	13·6	17·6	10·1	8·3	10·5
West Midlands[3]									5·5	9·8
South West	8·6	9·5	10·7	11·5	14·8	16·2	11·9	13·7	11·8	20·7
Scotland	134·8	148·2	117·9	182·8	220·1	370·9	222·4	184·5	204·7	241·6
Wales	88·9	106·1	104·3	170·8	198·2	181·7	113·5	141·1	132·1	144·3
Great Britain[2]	488·8	606·1	519·0	705·9	853·6	917·0	629·8	615·0	577·0	726·4
Northern Ireland	71·9	115·4	109·4	145·8	115·2	146·8	103·0	137·5	154·8	129·1
United Kingdom	560·7	721·5	628·4	851·7	968·8	1,063·8	732·8	752·5	731·8	855·5

Notes:

[1] All figures are gross and include payments to nationalised industries.

[2] The Great Britain total does not always equal the sum of the component parts due to the inclusion of items which cannot be broken down to the regional level and to rounding.

[3] The figures relate to expenditure in the TTWAs designated as assisted areas on 29 November 1984. Expenditure totalling £400,000 in the period 1977-78 to 1982-83 is included in the figures for east midlands in respect of Oswestry TTWA which ceased to be an assisted area on 1 August 1982.

[4] Figures for 1986-87 are provisional estimates.

The items included in the expenditure are regional development grants and regional selective assistance, expenditure on land and factories by the English Industrial Estates Corporation, the Scottish and Welsh Development Agencies, the Development Board for Rural Wales, and the Highlands and Islands Development Board. Northern Ireland has a different range of financial incentives available and the items included in the expenditure have been restricted to aids similar to the main forms of regional preferential assistance; these are selective financial assistance currently payable under part III of the Industries Development (Northern Ireland) Order 1982, general assistance (capital) grants payable under part IV of the order, and land and factories expenditure.

National Economic Development Council

29. **Mr. McAllion** asked the Chancellor of the Duchy of Lancaster when he next intends to meet the National Economic Development Council to discuss research and development funding.

Mr. Butcher: I have at present no plans to do so.

Plymouth and Cornwall

30. **Mr. Robert Hicks** asked the Chancellor of the Duchy of Lancaster what proposals he intends making to stimulate job creation in the Plymouth and south-east Cornwall area designed to offset employment opportunity losses at Her Majesty's dockyard, Devonport; and if he will make a statement.

Mr. Atkins: In recognition of the problems existing in the area, the Government have proposed to the European Commission that the Plymouth travel-to-work area should retain the intermediate area status agreed by the Commission for the three-year period to November 1987.

Inner Cities

32. **Mr. Adley** asked the Chancellor of the Duchy of Lancaster what new proposals he intends to institute in order to encourage private sector investment in the inner cities; and if he will make a statement.

Mr. Kenneth Clarke: The Government are continuing to develop the measures outlined before the election, including my Department's inner cities initiative, for targeting assistance more effectively on the problems of the inner city. I shall ensure that my Department's programmes take proper account of the need to encourage private sector investment in the inner city.

Queen's Speech

33. **Mr. Thurnham** asked the Chancellor of the Duchy of Lancaster what representations he has received about proposals in the Queen's Speech for which he has responsibility; and if he will make a statement.

Mr. Kenneth Clarke: I have received a large number of representations on the inner cities and these I am considering in relation to my Department's developing policy responsibilities. The Bill to reform the law of copyright and other intellectual property will be based on the proposals in the 1986 White Paper "Intellectual property and Innovation" (Cmnd. 9712). It will reflect our consideration of representations made on the White Paper and on the departmental committee report and the three Green Papers which preceded it.

HOTOL

34. **Mr. Atkinson** asked the Chancellor of the Duchy of Lancaster if he will make a statement of progress on the development of HOTOL.

Mr. Butcher: The current proof-of-concept studies on HOTOL are expected to continue into 1988. It is too early to predict the conclusions of these studies, but both companies have recently been able to report promising progress on both the revoluntary engine concept and on the vehicle design.

Industrial Development

35. **Mr. Wigley** asked the Chancellor of the Duchy of Lancaster what steps are taken to ensure adequate regional balance in the pattern of industrial development;

and if he will seek to amend the Industry Acts in order to provide greater incentives for balanced regional development of new manufacturng industry.

Mr. Atkins: I refer the hon. Member to the White Paper "Regional Industrial Development" (Cmnd. 9111) which sets out the Government's policy towards the regions, a copy of which is available in the Library.

Electronics and Information Technology

39. **Mr. Alex Carlile** asked the Chancellor of the Duchy of Lancaster what assessment he has made of the adequacy of Government funded research and development support in relation to targets for eliminating United Kingdom trade deficits in the electronics and information technology industry; and if he will make a statement.

Mr. Butcher: Our R and D support for the United Kingdom electronics and IT industries is directed to improving its technological capacities and international competitiveness, and not towards specific targets for trade performance.

Rover Group

41. **Mr. Tim Smith** asked the Chancellor of the Duchy of Lancaster when he plans to sell the Rover Group to the private sector.

Mr. Kenneth Clarke: The long-term aim of both the Rover Group board and the Government is to return the company to full private ownership, but we have no specific plans at present.

Regional Development Grant

42. **Mr. McWilliam** asked the Chancellor of the Duchy of Lancaster what sum was spent on regional development grant in 1986-87 in the north; and what sum he expects to spend in 1987-88.

Mr. Atkins: Provisional figures for payments of regional development grant in the northern region in 1986-87 are £102·1 million, of which £79·5 million was for outstanding payments under the old RDGI scheme and £22·6 million for payments under the new RDGII scheme.

Estimates for future expenditure are not broken down by region: the actual distribution will depend on the level of demand. The 1987-88 provision for RDGs in England, as set out in the Supply Estimates, is £108·5 million in gross terms, of which £43·2 million is for RDGI payments and £65·3 million for RDGII.

60. **Mr. Allen McKay** asked the Chancellor of the Duchy of Lancaster what sum was spent on regional development grant in 1986-87 in Yorkshire and Humberside; and what sum he expects to spend in 1987-88.

Mr. Atkins: Provisional figures for payments of regional development grant in the Yorkshire and Humberside region in 1986-87 are £27·1 million, of which £18·2 million was for outstanding payments under the old RDGI scheme and £8·9 million for payments under the new RDGII scheme.

Estimates for future expenditure are not broken down by region: the actual distribution will depend on the level of demand. The 1987-88 provision for RDGs in England, as set out in the Supply Estimates, is £108·5 million in gross terms, of which £43·2 million is for RDGI payments and £65·3 million for RDGII.

62. **Mr. John Evans** asked the Chancellor of the Duchy of Lancaster what sum was spent on regional development grant in 1986-87 in the north-west; and what sum he expects to spend in 1987-88.

Mr. Atkins: Provisional figures for payments of regional development grant in the north-west region in 1986-87 are £101·3 million, of which £82·9 million was for outstanding payments under the old RDGI scheme and £18·4 million for payments under the new RDGII scheme.

Estimates for future expenditure are not broken down by region: the actual distribution will depend on the level of demand. The 1987-88 provision for RDGs in England, as set out in the Supply Estimates, is £108·5 million in gross terms, of which £43·2 million is for RDGI payments and £65·3 million for RDGII.

Merseyside

44. **Mr. Wareing** asked the Chancellor of the Duchy of Lancaster what action he plans to take to prevent further factory closures in Merseyside.

Mr. Atkins: We shall continue the policy of providing the climate in which industry can prosper. This is the control of inflation and measures to achieve a more flexible and competitive economy.

British Shipbuilders Ltd.

45. **Dr. Godman** asked the Chancellor of the Duchy of Lancaster what recent discussions have taken place between his Department and British Shipbuilders Ltd. regarding orders for new vessels.

Mr. Kenneth Clarke: We continue to work closely with British Shipbuilders in its quest for new orders.

Balance of Payments

47. **Mr. Yeo** asked the Chancellor of the Duchy of Lancaster what is his latest forecast for the outturn of the balance of payments for 1987.

Mr. Alan Clark: My right hon. Friend the Chancellor of the Exchequer in his financial statement and Budget report forecast a deficit on current account of £2½ billion in 1987. In fact the figures for the first four months show a surplus on the current account of £0·8 billion. A new forecast will be contained in the autumn statement.

Business Overheads

Mr. Favell asked the Chancellor of the Duchy of Lancaster what information he has as to how business overheads in the north compare with those in the south.

Mr. Atkins: Information is not available to permit a comparison in the form requested.

Generating Set Equipment

49. **Mr. Latham** asked the Chancellor of the Duchy of Lancaster when he last held a meeting with representatives of the manufacturers of generating set equipment; and what action has been taken as a result.

Mr. Atkins: I have not met representatives of the manufacturers of generating set equipment but am aware of their concerns, about which I have written to my hon. Friend.

Inner-city Programme

50. **Mr. George Howarth** asked the Chancellor of the Duchy of Lancaster how much more will be spent in 1987-88 on his inner-city programme in the north-west.

Mr. Kenneth Clarke: During 1986-87 only one inner city task force was operational in the north-west, in the Moss Side and Hulme area of Manchester, but I announced new task forces in Preston and Rochdale in April. Expenditure by the three north-west task forces in 1987-88 will depend upon the timing, scale and quality of the projects which come forward. These and other task forces will also build on the initiative's success in attracting private sector resources and in improving the effect of Government programmes on the skills motivation and job opportunities of inner-city residents.

High Technology

51. **Mr. Geraint Howells** asked the Chancellor of the Duchy of Lancaster what plans he has to assist United Kingdom high technology companies to compete more effectively aganst overseas competitors.

Mr. Butcher: My Department provides support for both the application and the development of high technology and in 1987-88 plans to spend £412 million in support of industrial research and development and the promotion of innovation, collaboration, technology transfer and best practice.

Merchant Shipping (Intervention Fund)

55. **Mr. Robert Hughes** asked the Chancellor of the Duchy of Lancaster if he will now review the criteria for qualification for intervention fund support for merchant shipping orders.

Mr. Kenneth Clarke: Our policy towards yards privatised as naval yards is that intervention fund assistance for merchant orders will be considered only in exceptional circumstances based on the necessary maintenance of defence capacity. I am not persuaded that this policy should be modified in any way. The whole purpose of intervention fund assistance has been to ease the gradual reduction of excess capacity in merchant shipbuilding in this country. As the remaining merchant shipyards are still facing huge difficulties in finding new orders, I see no reason to subsidise an increase in capacity in the merchant sector.

Textile Industry

56. **Mr. Madden** asked the Chancellor of the Duchy of Lancaster what plans he has to meet the Trade Union Congress textile committee to discuss the state of the textile industry.

Mr. Kenneth Clarke: I have no plans to do so at present, but my hon. Friend the Minister for Trade has agreed to a request for a meeting with members of the TUC economic committee and textiles, clothing and footwear committee in connection with the GATT multilateral trade negotiations.

Privatisation

57. **Mr. Nellist** asked the Chancellor of the Duchy of Lancaster how many officials in his Department are currently working on privatisation proposals.

Mr. Butcher: About 24; but most of these spend more time on other work.

Motor Vehicles and Components

58. **Mr. Hoyle** asked the Chancellor of the Duchy of Lancaster what plans he has to reduce the deficit on trade in motor vehicles and auto components.

Mr. Atkins: We intend to continue with our policies to improve the international competitiveness of the United Kingdom motor industry. In particular, we are encouraging the multinational manufacturers to continue to improve their sourcing of vehicles and components from within the United Kingdom.

Pit Bull Terriers

64. **Miss Fookes** asked the Chancellor of the Duchy of Lancaster if he will take steps to ban the import of pit bull terriers in the light of information already supplied to him by the hon. Member for Plymouth, Drake.

Mr. Alan Clark: No. Because of the difficulties in distinguishing between bull terriers specifically bred for fighting and other bull terriers it would not be possible to enforce an import embargo. Furthermore, such action would be contrary to our international trading obligations, unless the domestic sale and commercial breeding of like dogs was similarly controlled.

Space Policy

Mr. Michael Marshall asked the Chancellor of the Duchy of Lancaster if he will make a statement on the Government's response to proposals received from the British National Space Centre relating to future United Kingdom space policy.

Mr. Butcher: The Government are considering the proposals received from the British National Space Centre on future United Kingdom space policy and hope to come to a decision soon.

Trade Statistics

Mr. Teddy Taylor asked the Chancellor of the Duchy of Lancaster what are the latest annual figures for each of 1970, 1975, 1980, 1985 and 1986 for the *(a)* deficit in manufactured trade between Britain and Japan, *(b)* deficit in manufactured trade between Britain and the European Economic Community, *(c)* deficit in manufactured trade between members of the European Community and Japan and *(d)* deficit in manufactured trade between West Germany and Britain, expressed in £ sterling.

Mr. Alan Clark: The information is in the following table:

Balance of Trade in Manufactures[1]

£ billion

	United Kingdom Trade with			EC (12) Trade with
	Japan	EC (12)	Federal Republic of Germany	Japan
1970		0·6	−0·1	−0·3
1975	−0·4	0·1	−0·7	−1·9
1980	−1·3	−1·2	−2·0	−5·9
1985	−3·3	−10·1	−6·1	−11·7
1986	−4·1	−11·2	−6·9	−15·8

Source: Eurostat.

[1] Standard International Trade Classification Divisions 5 to 8.

Note: For consistency all data taken from Eurostat and converted to sterling using annual ecu £ conversion factors. The United Kingdom data will not correspond exactly with United Kingdom sources because of differences in trade definitions.

Manchester Airport (Rail Link)

Mr. Alfred Morris asked the Chancellor of the Duchy of Lancaster what reply he is sending to the recent approach made to him by the chairman of the Greater Manchester passenger transport authority concerning both the rail link to Manchester airport and light rapid transport project; and if he will make a statement.

Mr. Atkins [*pursuant to the reply*, 7 July 1987, c. *79*]: These are both projects which are the responsibility of my right hon. Friend the Secretary of State for Transport. He will be taking the lead in replying. I understand that before reaching any decision on either of the projects he will, amongst other considerations, be taking account of any benefits they will produce towards inner city regeneration and regional development in consultation with my Department and others concerned.

SCOTLAND

Council Houses

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the number of local authority homes in each Scottish local authority area which were considered to be in need of repair in each year since 1979.

Mr. Rifkind: The information requested is not held centrally. However, the 1986 housing plan checklists include figures for the numbers of local authority houses requiring major repairs, which, for this purpose, comprise works like extensive repairs to the structure or fabric of dwellings to overcome problems such as structural instability, water penetration, inadequate thermal or sound insulation or condensation. The figures are shown in the table.

Dwellings requiring major repair in 1986

Local Authority	Number of dwellings requiring major repair
SCOTLAND	153,746
Berwickshire	0
Ettrick and Lauderdale	0
Roxburgh	1,040
Tweeddale	274
Clackmannan	3,706
Falkirk	14,708
Stirling	360
Annandale and Eskdale	0
Nithsdale	0
Stewartry	0
Wigtown	0
Dunfermline	181
Kirkcaldy	40
North East Fife	217
Aberdeen	2,091
Banff and Buchan	1,200
Gordon	376
Kincardine and Deeside	0
Moray	1,372
Badenoch and Strathspey	0
Caithness	145
Inverness	380
Lochaber	108
Nairn	0
Ross and Cromarty	549
Skye and Lochalsh	0
Sutherland	206
East Lothian	1,218
Edinburgh	5,357
Midlothian	0
West Lothian	6,200
Argyll and Bute	2,000
Bearsden and Milngavie	0
Clydebank	4,667
Clydesdale	8,640
Cumbernauld and Kilsyth	102
Cumnock and Doon Valley	1,371
Cunninghame	17,794
Dumbarton	3,215
East Kilbride	0
Eastwood	66
Glasgow	48,803
Hamilton	0
Inverclyde	6,000
Kilmarnock and Loudoun	457
Kyle and Carrick	75
Monklands	0
Motherwell	4,600
Renfrew	1,910
Strathkelvin	1,119
Angus	234
Dundee	11,810
Perth and Kinross	621
Orkney Islands	0
Shetland Islands	534
Western Isles	0

NHS (Waiting Lists)

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the total number of people on National Health Service waiting lists in each specialty and in each health board in Scotland for each year since 1979.

Mr. Rifkind: I refer the hon. Member to section 6 of the 1979-85 editions of "Scottish Health Statistics", copies of which are available in the Library. Estimated data for Shetland health board for the years 1979 to 1983 (which were not included in the published tables) are shown in table I. Information relating to 1986 is shown in table II. The increases in 1982 and 1983 reflect the effect of industrial action. Lists tend to overstate the numbers of patients waiting for treatment since they include duplicated entries and patients who no longer need treatment.

Table I
Shetland Health Board

	All Specialties	General Surgery	Geriatric Long Stay
1979	277	230	47
1980	207	172	35
1981	204	169	35
1982	186	154	32
1983	125	104	21

Table II
Waiting List by specialty and Health board at 30 September 1986 (Provisional)

Number

Specialty	Scotland	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark-shire	Lothian	Orkney	Shetland	Tayside	Western Isles
All Specialties	80,732	6,527	4,862	325	3,205	5,468	2,558	9,969	17,866	3,040	6,249	14,189	50	142	6,214	68
Acute Specialties	71,848	6,490	4,643	295	3,189	5,122	2,299	9,232	14,588	2,790	5,736	11,647		101	5,648	68
General surgery	20,351	3,358	831	95	1,612	1,778	824	1,133	2,869	605	2,906	2,425		101	1,801	9
Orthopaed surgery	13,120	811	1,563	178	258	941	697	1,249	2,248	728	853	2,137			1,437	
E.N.T. surgery	14,786	1,004	948		497	1,392	145	2,943	2,845	495	856	2,734			1,327	10
Ophthalmolgy	5,102	651	160		50	173	100	965	1,166	207	65	1,311			254	
Urology	5,740		382			307	169	550	2,817		514	757			244	
Orthodontics																
Oral surgery	1,926		152		192			264	325	126	93	595			178	1
Rest Dent																
General Medical	1,273	40	8	9	11	13	11	307	587	44		164			77	2
Dermatology	125	5	3					25	61	18		4			9	
Rehabilitat Med	12														12	
Convalescence																
Respiratory Med	1														1	
Paediatric Surgery	1,303					48	22	184	674			277			98	
Paediatric Med	311		14			12		22	53	197		12			1	
Gynaecology	7,751	621	582	13	569	458	331	1,574	1,343	375	446	1,207			204	24
G. P. Acute	13							4		1	3				5	
Acute Mixed	22															22
Other	12							12								
Sup-Area Specs	5,554							271	2,588	189	74	1,973			459	
Neurosurgery	222							44	56			64			58	
Cardiothor Surg	568							22	400		74	72				
Plastic Surg	4,497							167	1,965	173		1,803			389	
Neurology	160							16	101			34			9	
Radiotheraphy	107							22	66	16					3	
Spinal Paral																
Obstet Specs																
Special Obstets																
G.P. Obstetrics																
L-Stay Specs	1,555	37	78	30	16	111	57	233	163	59	189	403	50	41	88	
Geriatric Asses	981	23		5	16	102	57	233	163	4	189	148			41	
Geriatric L.S.	527	14	78	25						17		255	50	41	47	
Young Chro Sick	47					9				38						
Psyc. Specs	1,698		141			230	154	233	527		250	144			19	
Mental Illness	733					6	154	1	218		250	104				
Psychogeriatric	931		141			211		228	309			23			19	
Child Psyc	33					12		4				17				
Adolescent Psyc	1					1										
Mental Handicap	77					5	48			2		22				
Special Cats.																
Communic Dis																
S.C.B.U.																
I.T.U.																
A and E																
Clinic Genetics																

Source: Information Services Division.
Form ISD (5)I

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing *(a)* the total average waiting time for National Health Service in-patient treatment in each specialty in Scotland in each year since 1979 and *(b)* the average waiting time for all specialties in Scotland in each year since 1979.

Mr. Rifkind: The mean waiting times (in days) for all in-patient treatment up to 1985 (the latest year for which statistics are available) were as follows:

Specialty	Year of Discharge 1979	1980	1981	1982	1983	1984	1985
General Surgery	74	69	65	56	88	73	66
Orthopaedic Surgery	118	111	120	114	146	129	123
ENT Surgery	112	113	108	102	138	131	118

Specialty	Year of Discharge						
	1979	1980	1981	1982	1983	1984	1985
Ophthalmology	97	94	90	96	129	111	97
Urology	89	69	67	63	79	70	67
Oral Surgery and Oral Medicine	74	62	58	72	107	110	78
General Medicine	22	19	21	21	20	19	19
Dermatology	26	20	21	27	35	28	23
Rehabilitation Medicine	13	16	9	10	10	10	9
Respiratory Medicine	7	5	8	7	6	7	7
Paediatric Surgery	101	87	80	90	135	108	96
Paediatric Medicine	48	37	38	42	49	36	30
Gynaecology	68	56	50	47	76	54	47
GP	93	73	69	82	79	71	59
Neurosurgery	54	51	38	49	54	35	37
Cardiothoracic Surgery	77	69	63	54	44	52	33
Plastic Surgery	182	177	165	133	177	130	139
Neurology	32	25	28	33	31	29	24
Radiotherapy	21	21	19	18	18	17	14
Geriatric Assessment	28	25	26	24	24	20	20
Geriatric Long Stay	44	39	38	40	40	40	32
Young Chronic Sick	36	44	46	45	86	45	169
All Specialties	80	73	71	65	95	80	72

Community Charge

Mr. Dewar asked the Secretary of State for Scotland if he will give the estimated level of the personal community charge in each regional and district council area in Scotland that would be required in the current financial year if the Abolition of Domestic Rates (Scotland) Act were in force.

Mr. Rifkind: I shall reply to the hon. Member as soon as possible.

Mrs. Margaret Ewing asked the Secretary of State for Scotland how many representations he has received from churches about the implications of the community charge for their finances; and whether he has any plans to exempt churches from the community charge.

Mr. Lang: My right hon. and learned Friend has received 32 representations from church organisations and individual churches about the implications of the community charge for churches and their finances.

As an essential element of the Government's proposals to replace domestic rates by a community charge system, ministers of religion and their adult families, like other adults aged 18 and over, will be required to pay the personal community charge. The present reliefs available to churches in respect of non-domestic rates will continue.

Mrs. Margaret Ewing asked the Secretary of State for Scotland (1) how many individuals have written to him to express reservations about, or opposition to, the implementation of the community charge in Scotland in 1989;

(2) if he will list in the *Official Report* the names of all organisations which have written to him to advise him of reservations about, or opposition to, the implementation of the community charge in Scotland in 1989.

Mr. Lang: My right hon. and learned Friend has received 966 representations from individuals and 240 from organisations on rating reform since the publication of the Green Paper "Paying for Local Government" (Cmnd. 9714). Many representations include comments in favour of some of the proposals and against others. It is not therefore possible to provide the information in the form requested. The following organisations have commented on the proposals.

Local Authorities

Convention of Scottish Local Authorities (COSLA)

Regional Councils

Borders
Dumfries and Galloway
Fife
Grampian
Highland
Lothian
Strathclyde
Tayside

District Councils

Angus
Argyll and Bute
Badenoch and Strathspey
Bearsden and Milngavie
Berwickshire
Caithness
Clydebank
Clydesdale
Cumnock and Doon Valley
Dumbarton
Dundee City
Edinburgh City
Ettrick and Lauderdale
Glasgow
Inverclyde
Kilmarnock and Loudoun
Kincardine and Deeside
Midlothian
Moray
Motherwell
North East Fife
Renfrew
Roxburgh
Stewartry
Stirling
Strathkelvin
Sutherland
Wigtown

Island Councils

Orkney
Shetland
Western Isles

Community Councils

Aithsting and Sandsting, Shetland
Avich and Kilchrenan, Argyll
Bearsden North
Bridge of Allan
Burra and Tronda, Shetland

Croy
Cumbernauld
Cumbrae
Delting, Shetland
Fetlar, Shetland
Girdle Toll and Bourtreehill (Irvine)
Govan
Gulberwick, Quarff and Cunningsburgh, Shetland
Helensburgh
Knightswood
Lenzie
Lerwick, Shetland
Loanhead
Northmavine, Shetland
Pittenweem and District
Sandness and Walls, Shetland
Sandwick, Shetland
Stepps
Stoneyburn
Unst, Shetland
Uphall
West Ardnamurchan
Westfield (Cumbernauld)

Ratepayer Organisations and Tenants' Associations
Aberdeen City Centre Association
Association of Metropolitan Authorities
Ayr and District Ratepayers' Association
Castle Park Residents' Association
Clarkston and Busby Ratepayers' Association
Cross Stobs/Boylestone Ratepayers' Committee (Glasgow)
Esk Place Tenants' Association (Dalkeith)
Federated Associations of Owner-Occupiers of Glasgow
Federation of Scottish Ratepayers
Garscadden Tenants' Association (Glasgow)
Helensburgh and District Ratepayers' Association
Lower Woodburn Tenants' Association (Dalkeith)
Muirend and Netherlee Residents' Association (Glasgow)
Murrayburn Tenants' Association (Edinburgh)
National Union of Ratepayers
Ratepayers Action Group Executive — Lothian (RAGE)
Renfrew Owner-Occupiers' Association
Sandyhills Owner-Occupiers' Association (Glasgow)
Scottish Federation of Owner-Occupiers
Wakefield Ratepayers' Association
Wester Hailes Representative Council
Willowbank Action Group

Political Parties and Groups
Clydesdale Conservative Association
Dunfermline West Conservative Association
Edinburgh Central Liberal Association
Labour Party (Scottish Council)
North Cunninghame Conservative Association
Scottish Conservative and Unionist Association (Central and Southern Area Council)
Scottish Liberal Party
Scottish National Party
Scottish National Party (Rates Action Group)
Social Democratic Party
South Aberdeen Conservative Association
Stirling District Council Conservative Group

Professional Bodies
Association of Valuation Office Valuers
British Association of Social Workers (Scottish Committee)
Chartered Association of Certified Accountants (Scottish Committee)
Chartered Institute of Public Finance and Accountancy (CIPFA)
Institute of Cost and Management Accountants
Law Society of Scotland
Rating Officers' Guild
Rating Surveyors' Association
Rating and Valuation Association
Royal Institute of Chartered Surveyors (Scottish Branch)
Scottish Assessors' Association
Scottish Universities Joint Committee on Valuation and Rating
Society of Local Authority Chief Executives (Scottish Branch) (SOLACE)

Trade Unions and Trades Councils etc.
Association of University Teachers (Scotland)
Co-operative Union Ltd (Parliamentary Committee)
Edinburgh and District Trades Council
Inland Revenue Staff Federation
Moray Trades Council
NALGO—Midlothian
NALGO — Scottish District Local Government Committee
National Farmers Union (Scotland)
National Union of Seamen
NUS (Scotland)
National Union of Tailors and Garment Workers
NUPE (Scottish Office)
STUC
Union of Shop, Distributive and Allied Workers
University of Aberdeen Students' Association
University of Edinburgh Students' Association
University of St. Andrews Students' Association

Social Welfare and other Organisations
Aberdeen Voluntary Service
Albyn House Association
Ark Housing Association
Baptist Union of Scotland
Central Council of Physical Recreation
Child Poverty Action Group
Church of the Nazerene
Church of Scotland (Board of Social Responsibility)
Church of Scotland (Committee on Church and Nation)
Church of Scotland (Law Department)
Church of Scotland (Ministry and Mission)
Churches Main Committee
Congregational Union of Scotland
Council of Social Service (Stirling)
Dr. Barnardo's (Scotland)
Edinburgh Council of Social Service
Erskine Hospital
Grampian Welfare Rights Project
Harris Council of Social Service
Jobs Action Group, Irvine
Methodist Church (Scotland)
National Council of Women
National League of the Blind and Disabled
National Trust for Scotland
North Edinburgh Action Group
Pensioners Action Group
Queensberry House Hosptial, Edinburgh
Scottish Action on Dementia
Scottish Age Concern
Scottish Arts Council
Scottish Association of Citizens Advice Bureaux
Scottish Consumer Council
Scottish Convention of Women
Scottish Council for Community and Voluntary Organisations
Scottish Council for Single Homeless
Scottish Council of Women's Citizens' Associations
Scottish Episcopal Church
Scottish Library Association
Scottish Society for the Mentally Handicapped
Scottish Society of MENCAP (Sutherland Branch)
Scottish Sports Association
Scottish Sports Council
Scottish Women's Aid
Strathclyde Elderly Forum
United Free Church of Scotland

Trade Associations and other Economic Organisations
Association of British Riding Schools
Association of Scottish Chambers of Commerce
Association of Scottish Self-Caterers

Ayrshire Chamber of Industry
British Aggregate and Construction Materials Industries Association
British Horse Society
British Hotels, Restaurants and Caterers' Association
British Paper and Board Industry Federation
British Retailers' Association
CBI (Scottish Office)
Campaign against the Unfair Rating Burden (CURB)
Chemical Industries Association Ltd.
Dundee and Tayside Chamber of Commerce
East Lothian Tourist Board
Edinburgh Chamber of Commerce
Forum of Private Business
Gatehouse of Fleet Chamber of Trade
Highlands & Islands Development Board
Kirkwall Chamber of Commerce
Lerwick Harbour Trust
National Association of Steel Stockholders
National Association of Warehouse Keepers
National Caravan Council
National Chamber of Trade
National Federation of Retail Newsagents
National Federation of Self-Employed and Small Businesses
National Federation of Self-Employed and Small Businesses (Borders Branch)
National Federation of Site Owners
Perthshire Chamber of Commerce
Property Owners and Factors Association (Scotland)
Scotch Whisky Association
Scottish Caravan Industry
Scottish Council Development and Industry
Scottish Landowners' Federation
Scottish Licensed Trade Association
Scottish Recreational Land Association
Scottish Tourism Action for Business
Shetland Chamber of Commerce
Shetland Retailers' Association
The British Council
UK Agricultural Supply Trade Association

Individual Businesses and Public Bodies
Bowfield Country Club (Renfrewshire)
British Airports Authority
BP
Esso Chemicals (Mossmorran)
Fuller Peiser (Chartered Surveyors)
Highland Distilleries
House of Fraser
ICI
Livingston Development Corporation
Royal Highland and Agricultural Society
Shell UK Ltd.
Sullom Voe Terminal Association

Educational Bodies
Association of Camphill Communities
Edinburgh School of Art
Gordonstoun School
Heriot-Watt University
University of Aberdeen
University of Edinburgh
University of Glasgow
University of Lancaster
University of St. Andrews
University of Strathclyde

Prison Population

Mr. Dewar asked the Secretary of State for Scotland if he will give the average daily population of Scottish prisons in each year since 1979.

Mr. Rifkind: The figures are as follows:

Average Daily Population in Penal Establishments: Scotland

Year	*Number*
1979	4,585
1980	4,860
1981	4,518
1982	4,891
1983	5,052
1984	4,753
1985	5,273
1986	5,588

Rates

Mr. Michael Brown asked the Secretary of State for Scotland if he will detail the percentage contributed to total non-domestic rates for Scotland from *(a)* commercial properties, *(b)* industrial properties and *(c)* other premises.

Mr. Lang: The figures show the percentage contributed to total non-domestic rates for Scotland for 1987-88 from commercial properties, industrial properties (including freight transport) and other premises.

	Per cent.
Commercial	46
Industrial and Freight Transport	19
Other	35

Mr. Michael Brown asked the Secretary of State for Scotland what is the average non-domestic rate poundage in Scotland for 1987-88; and if he will list those local authorities with *(a)* the highest and *(b)* the lowest rate poundages in Scotland.

Mr. Lang: The average non-domestic rate poundage in Scotland in 1987-88 in 76p. The authority with the highest rate poundage is Glasgow city (91·5p) and that with the lowest is Kincardine and Deeside (51·2p).

Mr. Michael Brown asked the Secretary of State for Scotland what are the estimated receipts from non-domestic rates in Scotland for 1987-88.

Mr. Lang: £1,260 million.

Mr. Michael Brown asked the Secretary of State for Scotland what are the estimated 1987-88 total annual receipts for rates net of rebates in Scotland; and what percentage this represents of forecast local government expenditure for 1987-88.

Mr. Lang: The estimated 1987-88 total receipts for rates net of rebates in Scotland are £1,835·6 million. This represents 44 per cent. of forecast local government expenditure for 1987-88.

Salmon and Sea Trout (Poaching)

Mrs. Golding asked the Secretary of State for Scotland what success he has had in eliminating the organised poaching of salmon and sea trout; what further measures he intends to take; and if he will make a statement.

Mr. Michael Forsyth: A great deal of effort is devoted to the enforcement of salmon and sea fisheries legislation by the Department of Agriculture and Fisheries for Scotland, district salmon fishery boards, water bailiffs and the police. Fishery protection vessels, fixed wing aircraft, helicopters and shore-based staff equipped with two-way

radio telephones are deployed, with considerable success, to curb the activities of those who fish illegally. In the period from 1 January 1985 to 31 December 1985, the latest year for which figures are available at present, there were 59 and 400 prosecutions respectively for salmon poaching in the sea and in fresh water.

Fishing for salmon by drift nets set from a boat is prohibited in Scottish waters and on 31 March 1986 orders came into effect under sections 1 and 2 of the Inshore Fishing (Scotland) Act 1984 prohibiting fishing for salmon or sea trout with a gill net in a specified sea area off the coast of Scotland and prohibiting the carriage of monofilament gill nets in British fishing boats in Scottish inshore waters.

The Salmon Act 1986 introduced the new offence of being in possession of salmon in circumstances where the possessor believes, or it would have been reasonable for him to suspect, that the salmon had been illegally taken. The Act also provides for the licensing of salmon dealers in Scotland, as well as in England and Wales. These provisions represent important new anti-poaching measures.

Prisons

Mr. Tom Clarke asked the Secretary of State for Scotland what amount was spent in each Scottish prison on training, educational and cultural activity for each year since 1982.

Lord James Douglas-Hamilton: The information relating to each establishment is not readily available and can be obtained only at disproportionate cost. The totals for the Scottish Prison Service as a whole for the years in question are as follows.

The heading "Education and Cultural Activity" includes the salaries of teachers employed by local authorities and working in prisons and the purchases of educational materials and items for sport and recreation; training includes materials and equipment for vocational training courses but not the salaries of departmental instructors, the comparison of whose costs is not readily available.

	Education and cultural activity[1]	*Training*
	£	£
1982-83	526,000	323,000
1983-84	498,000	340,000
1984-85	684,000	357,000
1985-86	607,000	352,000
1986-87	717,000	413,000

[1] Reductions in expenditure in some years reflect variations in the invoicing for teachers salaries by local authorities and not reductions in the level of service.

Mr. Tom Clarke asked the Secretary of State for Scotland what are the numbers employed in the medical services in Scottish prisons for each year since 1982.

Lord James Douglas-Hamilton: The information is as follows at 1 April in each year:

Year	*Medical Officers*		*Prison Officer Nursing Staff*	*Nursing Sisters*
	Full-time	*Part-Time*		
1982	2	20	90	2
1983	3	20	89	1
1984	3	21	88	1
1985	3	21	91	1
1986	3	22	89	1
1987	3	23	94	—

Mr. Tom Clarke asked the Secretary of State for Scotland if he will state the numbers employed in administration in the Scottish prison system for each year since 1982.

Lord James Douglas-Hamilton: The annual report of the Scottish Prison Service, "Prisons in Scotland", gives details of staff numbers at penal establishments in the categories of governor grades, chaplains and visiting chaplains, medical officers, office and store staff; prison officers and others. Staff at the more senior grade have roles which are both administrative and operational. The latest published report covers the year to 31 December 1985. At 31 December 1986 the equivalent numbers were:

	Number
Governor Grades	90
Chaplains	57
Medical Officers	26
Office and Store	205
Officers	2,640
Others	231

Policy and general oversight of penal establishments is exercised by SHHD prisons group. The number of staff in post in the years 1982 to 1986 at 31 December was:

	Number
1982	137
1983	126·5
1984	130·5
1985	141·5
1986	139

Prison Officers

Mr. Tom Clarke asked the Secretary of State for Scotland what were the numbers employed as prison officers in Scotland for each year since 1982.

Lord James Douglas-Hamilton: The number employed as prison officers in Scotland at 31 December in each of the years since 1982 were as follows:

	Number
1982	2,352
1983	2,366
1984	2,466
1985	2,574
1986	2,750

"Prison Officers" include those employed on discipline, nursing, catering, works, clerical and instructing duties.

Crossroads Schemes

Mr. Wilson asked the Secretary of State for Scotland if he will make a statement on the level and nature of support that is available from his Department for Crossroads schemes; and what is his policy towards voluntary efforts in this field.

Mr. Michael Forsyth: Funding of local Crossroads schemes by my Department is limited to two projects forming part of a wider programme embodying different examples of community care. A total of £38,630 is being paid in grant to these schemes in the present financial year, the last of the three years for which grant has been provided. An additional £21,425 is being paid this year to Crossroads (Scotland), which provides direction and support for local Crossroads projects.

We warmly endorse the objectives underlying Crossroads schemes and the contribution they make to the provision of care in the community. Such schemes do not however fall within the established priorities for the main programme of centrally funded grants in the social work field. Some 40 Crossroads schemes are currently receiving support either from the Manpower Services Commission, from local authorities or from health boards under support finance arrangements.

Unemployment

Mr. Parry asked the Secretary of State for Scotland if he will make a statement on the latest level of unemployment in Scotland.

Mr. Lang: Since January seasonally adjusted unemployment in Scotland has fallen by over 12,000, and in May 1987 stood at 337,100, some 2,000 lower than the previous May. Had it not been for the adverse effects of the oil price fall on oil-related activity in Scotland, the fall over the past year would have been greater.

Mr. Parry asked the Secretary of State for Scotland what plans he has to reduce unemployment in Scotland.

Mr. Lang: There has been a fall of over 12,000 in seasonally adjusted unemployment in Scotland so far this year. The Government will continue to pursue the policies of sound financial management designed to reduce inflation, and to promote investment, enterprise and increased employment. Scotland will receive her full share of places on the various national employment, enterprise and training schemes. Economic development and job creation in Scotland will also benefit from the operation of regional incentives and the activities of the Scottish Development Agency and the Highlands and Islands Development Board.

Mr. Parry asked the Secretary of State for Scotland how many persons under 21 years of age were unemployed in Scotland at the most recent date.

Mr. Lang: The information is not available in the precise form requested. On 9 April 1987 (the latest date for which information is available) there were 57,540 unemployed claimants in Scotland aged 19 and under and 74,132 aged 20 to 24.

This information is available in the Library.

Mr. Parry asked the Secretary of State for Scotland if he will list the number of long-term unemployed in Scotland at the latest date.

Mr. Lang: On 9 April 1987 (the latest date for which information is available) there were 146,701 claimants in Scotland who had been unemployed for more than one year.

This information is available in the Library.

A1 (Musselborough Bypass)

Mr. Home Robertson asked the Secretary of State for Scotland if he will make it his policy to erect a barrier in the central reservation of the dual carriageway on the Musselborough bypass section of the A1 trunk road.

Lord James Douglas-Hamilton: Our policy is to provide safety barriers in the central reservations of all dual carriageway trunk roads and motorways in Scotland as funds permit. Priority is being given to provision on motorways.

Nurses

Dr. Marek asked the Secretary of State for Scotland how much was spent on nurse training in the last four years; how much he estimates will be spent in the year 1987-88; and what are the corresponding figures at constant prices.

Mr. Michael Forsyth: The information requested is as follows:

Year	*Actual Expenditure £ million*	*Constant Price*[3] *£ million*
1983-84	47·1	53·8
1984-85	50·6	55·4
1985-86	50·7	52·2
1986-87	[1]54·1	54·1
1987-88	[2]57·6	55·1

[1] Provisional.
[2] Estimated.
[3] Expenditure is expressed in constant 1986-87 prices using the GDP deflator.

The figures include the salaries, national insurance and superannuation costs for learners paid by health boards, the salaries and so on of nurse teachers and support staff at colleges of nursing and midwifery and the administrative and salary costs of staff of the National Board for Nursing, Midwifery and Health Visiting for Scotland. The salary costs do not take into account the service contribution made by students during training, which varies according to the course and particular college of nursing.

A74 (Maintenance)

Sir Hector Monro asked the Secretary of State for Scotland how many stretches of the A74 were under repair on 1 July; and if he will state the length in each case.

Mr. Rifkind: The following sections of the A74 were under repair on 1 July:

	Kilometres
Strathclyde	
Northbound carriageway, Paddy's Rickle Bridge	3
Northbound carriageway, Glengonnar	1
Dumfries and Galloway	
Southbound carriageway, Beattock Village	3
Southbound carriageway, south of Lockerbie	3

Sir Hector Monro asked the Secretary of State for Scotland what steps he will take to reduce the inconvenience through road repairs to motorists on the A74; and if he will return the road to normality by the Glasgow Fair.

Mr. Rifkind: My Department aims to minimise disruption to traffic on the A74 by timing repair work to avoid the Glasgow Fair, and it is hoped that the four major repair schemes currently under way will be completed by 20 July. There will, however, be some unavoidable traffic delays in the Millbank area arising from the M74 extension.

Written Answers to Questions

Thursday 9 July 1987

ENERGY

Civil Servants

Mr. Batiste asked the Secretary of State for Energy how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Parkinson: Civil servants are employed in my Department as follows:

Region	*Number of staff employed*	*Budgeted running costs for the current year £000*
London and the South-East	836	17,650
The South-West	6	100
The Midlands	42	670
The North of England	27	330

EMPLOYMENT

Health and Safety Executive

Sir John Farr asked the Secretary of State for Employment what additional amount of money has been allocated to the Health and Safety Executive in order to enable it to carry out additional duties imposed by the Food and Environment Protection Act.

Mr. Cope: For 1987-88 Parliament has voted grant-in-aid for the Health and Safety Executive of £1 million more than was shown as planned provision in the public expenditure White Paper, Cm. 56 and this provision was intended to include the costs of the additional duties imposed by the FEPA. Planned provision for future years is currently under consideration.

Sir John Farr asked the Secretary of State for Employment when he expects the extra 12 agricultural inspectors required for the Health and Safety Executive to carry out responsibilities under the Food and Environment Protection Act to be appointed.

Mr. Cope: The Health and Safety Executive intends to meet its responsibilities for enforcing the Food and Environment Protection Act from within existing staff resources through a re-arrangement of priorities. It is hoped that further recruitment to the agricultural inspectorate will take place later in the year.

Labour Statistics

Mr. Evennett asked the Secretary of State for Employment if he will publish in the *Official Report* the latest unemployment figures for Erith and Crayford; and if he will make a statement.

Mr. John Lee: The following information is in the Library. On 14 May 1987 the number of unemployed claimants in the Erith and Crayford parliamentary constituency was 3,650.

Parental Leave

Ms. Quin asked the Secretary of State for Employment what estimates he has of the cost to employers of implementing the European Economic Community proposed directive on parental leave.

Mr. Nicholls: There are no precise estimates available, but clearly the directive would be bound to add significantly to employers' costs.

Mr. Thomas asked the Secretary of State for Employment (1) whether he will consider widening the definition of parental leave to include family leave when implementing the European Community draft directive on parental leave; and if he will make a statement;

(2) when he expects the United Kingdom to comply with the provision of the European Community draft directive on parental leave; and if he will make a statement.

Mr. Nicholls: The Government are opposed in principle to this directive, but as it is still at the draft stage no question of implementation or compliance arises.

Maternity Leave

Mr. Thomas asked the Secretary of State for Employment whether he will extend the rights to maternity leave to women working for firms with fewer than 10 employees; and if he will make a statement.

Mr. Nicholls: There is no specific statutory right to maternity leave. However, an employee can earn an entitlement to statutory maternity payments for a period of up to 18 weeks for her maternity absence and, separately, a right to return to her former job.

There is no exemption for small firms in the statutory maternity pay provisions. Firms with fewer than six employees are exempt from the obligations to reinstate, but only if it is not reasonably practicable for them to take the employee back. There are no plans to remove this exemption.

Mr. Wigley asked the Secretary of State for Employment whether his Department has assessed the effects of the implementation of the White Paper, "Building Businesses—Not Barriers," on the rights to maternity leave of women employed at establishments with 10 or fewer employees; and if he will make a statement.

Mr. Nicholls: There is no specific statutory right to maternity leave. However, an employee can earn an entitlement to statutory maternity payments for a period of up to 18 weeks, of her maternity absence and, separately, a right to return to her former job.

The proposals in the White Paper would affect the right of women working in firms with fewer than 10 employees to return to work, but not their entitlement to statutory maternity pay.

It is difficult to estimate how many expectant mothers would subsequently fail to qualify for the right to return to work if these proposals were implemented. However, it

is likely to be few as only a small proportion of those who leave work to have a baby seek to return to their former job.

The proposals in the White Paper are still under consideration.

Wages (Arrears)

Mr. Rooker asked the Secretary of State for Employment how many cases the wages inspectorate took to court in 1985, 1986 and to date in 1987 in respect of arrears of wages; what was the age and sex of the low-paid employees in each case; and how many cases are in hand.

Mr. Nicholls: No civil proceedings were taken by the inspectorate for the recovery of arrears of wages in 1985. In 1986 two cases were taken, the first in respect of two female workers and the second for one female worker. So far in 1987, one case involving a female worker has been taken and three other cases are in hand.

Records are not kept of the ages of workers for whom proceedings action is taken.

Employment Rights

Mr. Wigley asked the Secretary of State for Employment (1) whether his Department has any plans to seek to change the number of hours which must be worked by employees in order to qualify for current statutory employment rights; and if he will make a statement;

(2) whether his Department has any plans to require applicants to industrial tribunals to pay a fee; and if he will make a statement;

(3) whether his Department has any plans to seek to change the qualifying period of employment for the legal right of a statement of the reasons for dismissal; and if he will make a statement;

(4) whether his Department has any plans to change the regulations regarding rights of employees to time off for trades union duties; and if he will make a statement.

Mr. Nicholls: Proposals or suggestions on these matters were set out in the White Paper "Building Businesses . . . Not Barriers" (Cmnd. 9794). They are still under consideration.

"Building Businesses . . . Not Barriers"

Mr. Wigley asked the Secretary of State for Employment whether his Department has assessed the effect of the implementation of the proposals of the White Paper, "Building Businesses — Not Barriers," on those employees at present working less than 20 hours per week; and if he will make a statement.

Mr. Nicholls: The proposals are still under consideration. The position of existing employees will be taken into account when detailed proposals are drawn up.

Job Splitting

Mr. Wigley asked the Secretary of State for Employment whether his Department has considered what effect the implementation of the proposals of the White Paper, "Building Businesses Not Barriers", will have on the practice of job splitting; and if he will make a statement.

Mr. Nicholls: The Government continue to be committed to removing those unnecessary regulations which serve only to hinder and stifle the enterprise that creates jobs. We believe that firms that are able to concentrate their energies on running their businesses efficiently and competitively, with fewer administrative burdens, will be much better placed to provide more employment opportunities, whether full or part time.

Specific proposals of the White Paper are still under consideration.

Mr. Wigley asked the Secretary of State for Employment if he will outline the measures introduced by his Department to encourage job splitting; and what further measures he is considering implementing to encourage this practice.

Mr. Lee: The job-splitting scheme was introduced in January 1983 to help employers create more part-time job opportunities for people who would otherwise be unemployed. The scheme was improved and relaunched with the effect from 1 April this year. The main changes were:

—to increase the grant available to employers from £840 to £1,000, payable in three instalments of £500, £200, and £300;

—part-time employee places to be open to anyone claiming benefits at an unemployment benefit office;

—to change the name of the scheme to jobshare, a title which more accurately reflects the principle behind the provision and the name most commonly used by the public when describing the job splitting scheme.

As with all our programmes, jobshare will be kept under review during the coming year.

TRANSPORT

Light Dues

Mr. Nicholas Bennett asked the Secretary of State for Transport if he will list the rates of light dues in each financial year since 1974, the percentage increase in each year and the reasons for the increases in the present financial year.

Mr. David Mitchell: The following are the light dues charges per voyage for each 10 tons net registered tonnage in the years concerned, respectively for home trade and foreign-going vessels:

	Home Trade	*Per cent. change (rounded)*	*Foreign-going*	*Per cent. change (rounded)*
1974	57p	+ 10	104p	+ 10
1975 April	64p	[1] + 12	128p	+ 23
1975 December	90p	+ 40	180p	+ 40
1977	104p	[2] + 15	208p	[2] + 15
1980	128p	+ 23	256p	+ 23

	Home Trade	Per cent change (rounded)	Foreign-going	Per cent change (rounded)
1981	160p	+ 25	320p	+ 25
1983	144p	− 10	288p	− 10
1986	152p	+ 5	304p	+ 5
1987	173p	+ 14	346p	+ 14

[1] The maximum annual number of voyages on which light dues were payable by home trade ships was also raised from 10 to 12.
[2] The maximum annual number of voyages on which light dues were payable were also raised from 12 to 14 voyages for home trade ships, and from six to seven voyages for foreign-going ships.

The increase in 1987 was needed to bring revenue into line with current operating costs and particularly to meet a new requirement to make provision for the costs of operating the United Kingdom transmitters of the Racal-Decca navigator system. This followed a long period in which light dues had been held well below the rate of inflation by drawing on the cash reserves in the general lighthouse fund.

North-West Region (Road Accidents)

Mr. Pike asked the Secretary of State for Transport to what factors his department attributes the north-west region's high child road accident victim rate; and if he will make a statement.

Mr. Peter Bottomley: We do not know why the overall numbers of child casualties per 100,000 population has been higher in the north-west in recent years than in other regions outside London.

We shall continue in consultation with local authorities to develop initiatives which will help to protect vulnerable road users including children, throughout the country.

Davenham Bypass

Mr. Goodlad asked the Secretary of State for Transport when he expects work to commence on the Davenham bypass; and if he will make a statement.

Mr. Peter Bottomley: The A533 Davenham bypass is a non-trunk road proposal for which Cheshire county council is responsible. The Department's involvement would be limited to considering confirmation of any statutory orders and any bid by the council for transport supplementary grant support.

Road Accident Statistics

Mr. Harry Greenway asked the Secretary of State for Transport if he will issue separate statistics for traffic or road accidents in which horses are affected; and if he will make a statement.

Mr. Peter Bottomley: No. Horses involved in personal injury accidents will continue to be recorded with animals other than dogs. Such accidents account for only ½ per cent. of all personal injury accidents.

A41 (Banbury)

Mr. Baldry asked the Secretary of State for Transport when he expects work to begin on the Warwick road, Ruscote avenue, Orchard way roundabout on the A41 at Banbury.

Mr. Peter Bottomley: We hope to complete the outstanding statutory procedures for the A41 Ruscote avenue Orchard way improvement this autumn. This should enable work to start by about the end of the year.

Trunk Road Schemes

Mr. Roy Hughes asked the Secretary of State for Transport if, in the light of amended criteria for cost benefit analysis, his Department has looked again at trunk road schemes which had failed to achieve a net present value.

Mr. Peter Bottomley: There were 14 COBA negative schemes in the trunk road programme. So far only one scheme has been reassessed following the new value of leisure time and casualty costs. This scheme (Louth) has been reassessed as positive. The others will all be reassessed in due course at the point where decisions concerning their development have to be made.

Schemes for which decisions have already been announced will not be reassessed.

Roads

Mr. Ieuan Wyn Jones asked the Secretary of State for Transport what proportion of the total road length in each of the English regions is *(a)* trunk road, *(b)* dual carriageway and *(c)* urban motorway standard.

Mr. Peter Bottomley: The information is as follows:

Percentages of Road Length for each English Region: 1 April 1986

	All-purpose trunk roads	Motorways	Dual carriageways (excluding motorways)
Eastern	3·3	0·8	1·8
East Midlands	4·4	0·7	1·3
Greater London	2·3	0·5	1·7
Northern	2·8	0·4	2·4
North Western	2·6	1·8	1·8
South Eastern	2·6	1·4	2·0
South Western	2·3	0·7	1·2
West Midlands	3·4	1·1	1·8
Yorkshire and Humberside	2·8	1·1	1·6
England	2·9	1·0	1·7

Urban motorways are not identified separately, but principal road motorways, which tend to be in urban areas, constitute only 0·04 of 1 per cent. of total road length.

Bradford

Mr. Cryer asked the Secretary of State for Transport if he will list the grants made for the installation of railway sidings under section 8 of the Transport Act 1974 in the Bradford area since 1979; how many of these are still in use; and if he will make a statement.

Mr. David Mitchell: No applications have been received, hence no grants awarded towards the cost of work on this type of facility in the Bradford area since 1979.

Mr. Cryer asked the Secretary of State for Transport if he will make a grant aid available for the construction of a standard railway link between the Bradford interchange and Bradford Forster Square station site; and if he will make a statement.

Mr. David Mitchell: I understand that the West Yorkshire passenger transport authority is currently examining the feasibility of such a link, but I have received no application from the authority for grant for the project.

Airedale Route

Mr. Cryer asked the Secretary of State for Transport, pursuant to the reply to the hon. Member for Bradford, South of 30 June, *Official Report*, column *53*, on what estimate of rail costs he based his judgment that road-borne materials would be cheaper than rail for the construction of the Airedale route.

Mr. Peter Bottomley: Officials had discussions with British Rail about the delivery of fly ash to the site of the Kildwick to Beechcliffe section of the Airedale route. Even with an existing railhead available at source, the overall cost markedly exceeded that of supply by road.

Officials also had discussions with British Rail about the delivery of bulk materials to the site of the Victoria Park to Crossflatts section of the route. There was high additional cost. Qualifications attached to the use of the railway would have had further—and incalculable—cost implications.

It was decided that the circumstances did not justify incorporating conditions in either contract about the use of railway for delivey materials.

East Coast Mainline

Mr. Dalyell asked the Secretary of State for Transport what discussions he has had with British Rail on whether the east coast route to Glasgow from King's Cross should go via Edinburgh-Linlithgow-Polmont-Falkirk or Edinburgh-Fauldhouse-South.

Mr. David Mitchell: None.

M25 (Iver)

Mr. Tim Smith asked the Secretary of State for Transport when he expects to make an announcement about the M25 service area at Iver.

Mr. Peter Bottomley: I hope to make an announcement shortly.

Road Safety

Mr. Sheerman asked the Secretary of State for Transport, following the implementation of low cost high return engineering schemes which do not qualify for transport supplementary grant on local authority roads, what proportion of each accident cost saved is of more than local significance in terms of expenditure; and what proportion is of only local significance.

Mr. Peter Bottomley: We do not have this information. Such schemes are the responsibility of the appropriate local highway authority.

Mr. Sheerman asked the Secretary of State for Transport if he will publish an annual report to Parliament giving details of all road accident remedial works implemented primarily for road safety reasons on roads for which he has responsibility.

Mr. Peter Bottomley: The Department publishes regular reports about the motorway and trunk road programme. The most recent is the White Paper, "Policy for Roads in England 1987" (Cmnd. 125). Safety is a major objective of the whole road programme ranging from bypasses of busy urban areas to minor local improvements. I shall be happy to consider what further detailed information on road safety might usefully be included in future reports.

Mr. Sheerman asked the Secretary of State for Transport if a national definition of a hazardous location is available to agent authorities in planning accident investigation and prevention work.

Mr. Peter Bottomley: Any location where vehicles and people conflict is potentially hazardous. The Department's accident investigation and prevention manual, its series of advice notes and leaflets and its programme of seminars in every region all seek to assist every local authority to be as alert and skilled as possible in planning accident investigation and prevention work.

Disabled Persons

Mr. Home Robertson asked the Secretary of State for Transport if he will introduce an amendment to the Disabled Persons (Badges for Motor Vehicles) Regulations 1982 to make it possible for people whose difficulty in walking is not regarded as being permanent to qualify for exemption from restrictions relating to the use of motor vehicles.

Mr. Peter Bottomley: This is one of many possible changes to the scheme that have been aired during our recent consultation. We hope to make an announcement shortly.

Newbury Bypass

Mr. Michael McNair-Wilson asked the Secretary of State for Transport when he expects the public inquiry into the route for the Newbury bypass to start.

Mr. Peter Bottomley: We hope to start the inquiry in the first half of next year. Consideration of the representations and objections is taking longer than expected.

Vehicle Test Certificates

Mr. Butterfill asked the Secretary of State for Transport what action he is taking to ensure that the issue of Ministry of Transport test certificates is not being abused by unscrupulous secondhand car dealers.

Mr. Peter Bottomley: The vehicle inspectorate of the Department of Transport closely monitors the issue of MOT certificates and withdraws garages' authorisation where there is malpractice. Following a recent joint exercise with trading standards department they have identified a number of cases where disciplinary action is being considered against the garages concerned. Buyers of secondhand vehicles must themselves be careful. If they

have any doubts about the condition of a vehicle they should have it examined by an independent expert before agreeing to buy it.

ATTORNEY-GENERAL

Lord Rothschild

Mr. Dalyell asked the Attorney-General when he expects to make a decision on the possible prosecution of Lord Rothschild in relation to the Wright case.

The Attorney-General: Allegations made against Lord Rothschild and also against Mr. Chapman Pincher have been investigated by the police. The Director of Public Prosecutions has now decided that the investigation has not disclosed evidence justifying the bringing of proceedings against either Lord Rothschild or Mr. Chapman Pincher. The director has consulted me and I have agreed with his decision.

Crown Prosecution Service

Mr. Bermingham asked the Attorney-General if he will make it his policy to arrange for the substantive answers to questions from hon. Members relating to policy and statistics on the Crown Prosecution Service to be published in the *Official Report* and not by way of letter to the hon. Member concerned.

The Attorney-General: That is and will continue to be my normal practice.

PRIME MINISTER

Dufftown

Q21. **Mrs. Margaret Ewing** asked the Prime Minister if she will pay an official visit to Dufftown.

The Prime Minister: I have at present no plans to do so.

Strathclyde

Q37. **Mr. David Marshall** asked the Prime Minister when she next intends to visit Strathclyde region.

The Prime Minister: I have at present no plans to do so.

Cabinet Committees

Mr. Austin Mitchell asked the Prime Minister whether she will now publish the names and numbers of Cabinet commitees and sub-committees.

The Prime Minister: There continue to be four standing committees of the Cabinet: a defence and overseas policy committee and an economic strategy committee under my chairmanship; a home and social affairs committee under the chairmanship of my right hon. and noble Friend the Lord President of the Council; and a legislation committee under the chairmanship of my right hon. Friend the Lord Privy Seal. Attendance at these committees will vary according to the subject under discussion. Sub-committees of the standing committees will be continued or established as appropriate. Membership and terms of reference of the standing committees and their sub-committees will remain confidential.

Mr. Austin Mitchell asked the Prime Minister whether she will make it her policy to publish the names and numbers of special ad hoc committees and sub-committees of the Cabinet as they are established.

The Prime Minister: No.

Venice Conference

Mr. Austin Mitchell asked the Prime Minister if she will give the total cost of her recent visit to the Venice conference and the number of hours she spent there.

The Prime Minister: The estimated cost of my visit to the world economic summit conference in Venice with the official party from my office is £5,500. I spent 17½ hours in Venice.

Mr. Austin Mitchell asked the Prime Minister what proposals she made at Venice for concerted action to bring down unemployment; and what action was agreed upon to monitor and combat unemployment.

The Prime Minister: The Venice summit conference confirmed the need for sound finance to support non-inflationary growth. Those are the policies which in the United Kingdom have helped create the conditions for six years of growth averaging nearly 3 per cent. a year, more than a million new jobs since 1983 and, for the past 11 months, falling unemployment. I was also encouraged that the Venice summit agreed on the need for surplus and deficit countries to take action to correct their imbalances.

Members' Correspondence

Mr. Maxwell-Hyslop asked the Prime Minister whether she will repeat her instruction that, to preserve the confidentiality of hon. Members' correspondence with Ministers, acknowledgement cards will not be sent out naked, but enclosed in an envelope.

The Prime Minister: I am aware of the hon. Member's concern. I am looking into the matter and will reply as soon as possible.

Engagements

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Thursday 9 July.

Mr. Stern asked the Prime Minister if she will list her official engagements for Thursday 9 July.

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 9 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Thursday 9 July.

Mr. Ieuan Wyn Jones asked the Prime Minister if she will list her official engagements for Thursday 9 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with a delegation from the Arab League.

FOREIGN AND COMMONWEALTH AFFAIRS

Cyprus

Sir Dudley Smith asked the Secretary of State for Foreign and Commonwealth Affairs what recent contacts

he has had with the Secretary-General of the United Nations over the Cyprus issue; what progress is being made to bring about a lasting solution to that island's problems; what part Her Majesty's Government are prepared to play in bringing about a just settlement; and if he will make a statement.

Mrs. Chalker: My right hon. and learned Friend last discussed Cyprus with the United Nations' Secretary-General in September last year. We also have frequent contacts with the United Nations at official level to discuss Cyprus. The Secretary-General's latest proposals have not yet been accepted by both sides, but he is persisting with his efforts to bring the two sides together. We believe that the Secretary-General is best placed to find a solution to the Cyprus problem, and we shall continue to give active support to his mission of good offices.

Diplomatic Relations

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will list in the *Official Report* the countries which do not have diplomatic relations with the United Kingdom.

Mr. Eggar: We do not have diplomatic relations with the following countries:

Albania
Argentina
Cambodia
Libya
Syria.

We do not have diplomatic relations with the Kingdom of Bhutan but maintain friendly contacts and conduct official business with its embassy in New Delhi.

We have only consular relations with the following countries:

Andorra
San Marino
Monaco
Liechtenstein.

Blood Supplies (Overseas Citizens)

Mr. McCrindle asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements have been made to make supplies of non-contaminated blood supplies for British citizens travelling abroad; and if these arrangements are being co-ordinated by British embassies abroad; and if he will make a statement.

Mr. Eggar: In January this year we asked our posts overseas to consider, in the light of local circumstances, establishing a list of voluntary blood donors for use of local British residents and visitors in an emergency. A number of posts now have such a list and others may be drawn up if the situation requires it. This facility is entirely at the risk of those who use it.

Mr. McCrindle asked the Secretary of State for Foreign and Commonwealth Affairs what steps he intends to take to publicise the availability of non-contaminated blood supplies for British citizens travelling abroad; and if he will make a statement.

Mr. Eggar: The travel inquiry unit in the consular department of the Foreign and Commonwealth Office can provide telephone callers with information, provided by posts abroad, about local arrangements for screening blood for HIV. Posts will also on request provide British visitors with names of local doctors, dentists and hospitals, and information about the availability of non-contaminated blood.

Members' Correspondence

Mr. Sedgemore asked the Secretary of State for Foreign and Commonwealth Affairs why a letter was not sent by the Parliamentary Under-Secretary of State to the hon. Member for Hackney, South and Shoreditch until 2 July concerning the application of Mrs. Chacadben Patel for entry clearance to attend a wedding in Hackney on 27 June.

Mr. Eggar: The hon. Member will recall that he first wrote to me about Mrs. Patel's application for entry clearance on 5 May 1987, received in my office on 12 May. It was necessary to consult the post concerned and a substantive reply to that letter was sent in my absence, by my office on 10 June, in view of the wedding date. The hon. Member wrote again on 18 June. I replied on 2 July reiterating the position set out in the earlier reply of 10 June.

EC Directives

Mr. Cryer asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the number of European Economic Community directives which have been applied in the United Kingdom in each year from 1979 to 1986 and 1987 to the most recent practicable date.

Mrs. Chalker: I shall let the hon. Member have a reply as soon as possible.

HOME DEPARTMENT

Dogs

Mr. Andrew F. Bennett asked the Secretary of State for the Home Department how many prosecutions there were, during the most recent period for which figures are available, in the United Kingdom, of dog owners who allowed their dogs to foul the pavement or other prohibited areas.

Mr. John Patten: Prosecutions for dog fouling offences cannot be separately distinguished in the information collected centrally. The readily available data, which may be affected by variations in the completeness of reporting, relate to all offences covering dogs under local Acts and byelaws and show 69 persons proceeded against in England and Wales for such offences in 1985, and 176 in Scotland. Comparable information is not available for Northern Ireland.

Immigration (Carriers Liability) Act 1987

Ms. Ruddock asked the Secretary of State for the Home Department which airlines or shipping companies have been fined under the Immigration Carriers (Liability) Act; and what are the sums of money and numbers of passengers involved.

Mr. Renton: Since 5 March a substantial number of airlines and shipping companies have incurred liability under the Immigration (Carriers' Liability) Act. A comprehensive list is not readily available, their cases are still being processed. The total number of passengers

involved, at 26 June 1987, was about 1,500; this number will be reduced if carriers are able to show that the charge should not be imposed in particular cases. In each case the sum is £1000 per passenger.

Women Prisoners

Mrs. Wise asked the Secretary of State for the Home Department how many male warders now supervise women in prisons *(a)* nationally and *(b)* in Holloway; and what safeguards against sexual harrassment exist in view of the vulnerability of the women prisoners.

Mr. John Patten: The table shows the number of male prison officers, up to the rank of principal officer, currently serving in Holloway and other female establishments. These officers are deployed within establishments in such a way that their presence does not compromise privacy and propriety.

Male Prison Officer grades serving in female establishments

	Holloway	*Other female establishments*
Discipline:		
Principle Officers	—	—
Senior Officers	7	—
Officers	—	—
Specialists[1]:		
Principal Officers	2	5
Senior Officers	2	4
Officers	9	10

[1] Includes: Works, Catering and Physical Education Officer.

Prisoners (Discipline)

Mr. Soley asked the Secretary of State for the Home Department what was the number and proportion of prisoners appearing on disciplinary charges before boards of visitors in each year since the Tarrant judgment who applied for and were granted legal representation.

Mr. John Patten: This information cannot be provided in the form requested. Since the Tarrant judgment in November 1983 legal representation is known to have been granted to over 300 prisoners appearing on disciplinary charges before boards of visitors.

Postal Voting

Sir Dudley Smith asked the Secretary of State for the Home Department whether, in the light of the experience of the recent general election and the many complaints of hon. Members, he will review the whole operation of postal voting, with a view to introducing legislative improvements.

Mr. Douglas Hogg: I said in reply to the Adjournment debate on 3 July at columns 809-16, that we were reviewing the absent voting provisions in consultation with electoral registration officers and the political parties, with a view to amending the Representation of the People Regulations.

Television Licences

Mr. Andrew Bowden asked the Secretary of State for the Home Department what is the total number of 5p concessionary television licences issued in the last year for which figures are available; and what proportion of those licences are held by pensioners.

Mr. Renton: At the end of May 1987, 690,629 people benefited from concessionary licences, which are known as accommodation for residential care licences. Separate records are not kept showing how many are retirement pensioners or physically disabled or mentally disordered people, but the great majority are believed to be retirement pensioners.

Mr. McCusker asked the Secretary of State for the Home Department how many black and white and colour television licences have been issued each year in Northern Ireland during the past five years; and how many successful prosecutions there have been in each year against licence fee evaders.

Mr. Renton: The available information relates to the number of general form television licences in force at the end of March in each of the years mentioned, and to the number of convictions in each year to that date:

Year	*Monochrome*	*Colour*	*Total*	*Convictions*
March 1983	90,174	183,758	273,932	341
March 1984	83,818	192,553	276,371	574
March 1985	79,357	199,055	278,412	645
March 1986	75,724	194,941	270,665	736
March 1987	74,061	196,539	270,600	818

Mr. McCusker asked the Secretary of State for the Home Department (1) how many successful prosecutions against television licence evaders in Northern Ireland during the past five years have been taken as a result of information obtained from *(a)* detector vans and *(b)* search warrants;

(2) how many search warrants have been sought during the past 12 months in Northern Ireland to detect television licence evasion.

Mr. Renton: Detector van equipment has not been used in Northern Ireland. One conviction for licence evasion has been obtained in the last five years as a result of a search warrant; this was one of four sought in the last 12 months.

South African Embassy (Policing)

Mr. Pike asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police for the Metropolis regarding the conduct of the policing of the round-the-clock picket of the South African embassy.

Mr. Douglas Hogg: The policing of the demonstration outside the South African embassy is an operational matter which is the responsibility of the Commissioner of Police of the Metropolis.

Metropolitan Police

Mr. Chapman asked the Secretary of State for the Home Department what is the current number of officers in the Metropolitan police.

Mr. Douglas Hogg: The strength of the Metropolitan police on 30 June was 27,105.

Police (Entry and Search)

Mr. Greg Knight asked the Secretary of State for the Home Department (1) if he will call for a report from the chief constable of Greater Manchester as to the reasons why the police have refrained from arresting Mr. Virji Mendis in the church buildings which he is currently occupying; and if he will make a statement;

(2) if he intends to issue any guidance to chief constables concerning their practice towards the arrest of suspects or persons who have committed offences and who remain upon church property in an attempt to avoid arrest; and if he will make a statement;

(3) if he has any plans to introduce legislation to recreate a right of sanctuary from arrest in Church buildings; and if he will make a statement.

Mr. Douglas Hogg: The Police may enter and search any premises for the purposes of making an arrest, including those used for religious purposes, in accordance with the provisions of section 17 of the Police and Criminal Evidence Act 1984. The decision whether or not to use this power in the circumstances of a particular case is an operational matter for the judgment of the appropriate chief officer of police who will take account of all the factors which he considers to be relevant. We have no plans to call for a report from the chief constable of Greater Manchester or to introduce legislation to create a right of sanctuary or to issue guidance to chief officers.

South African Embassy

Mr. Tony Banks asked the Secretary of State for the Home Department on what authority individuals have been prevented from peaceful demonstrations immediately outside the South African embassy; and why this was done.

Mr. Douglas Hogg: I understand that the Commissioner directed that the demonstration be moved from outside the South African embassy to Duncannon street following an incident on 6 May when the embassy building was attacked and damaged. This direction was made under the Metropolitan Police Act 1839.

Mr. Tony Banks asked the Secretary of State for the Home Department what has been the total cost of police services outside the South African embassy in each of the past three years; and what has been the cost since 6 May.

Mr. Douglas Hogg: I understand that the additional cost to the Metropolitan Police of policing demonstrations outside South Africa House between 6 May and 5 July was about £10,000. Information for the past three years is not readily available and could be obtained only at disproportionate cost.

Mr. Tony Banks asked the Secretary of State for the Home Department what discussions his Department has had with the Commissioner of Police of the Metropolis concerning policing arrangements outside the South African embassy.

Mr. Douglas Hogg: Officials have discussions as necessary with the Metropolitan Police about the arrangements for the policing and protection of diplomatic missions, including the South African embassy.

Mr. Tony Banks asked the Secretary of State for the Home Department how many arrests have been made outside the South African embassy since 6 May; and what charges have been brought.

Mr. Douglas Hogg: I understand that since 6 May a total of 172 arrests have been made. Those arrested have been charged with a variety of public order and other offences, including criminal damage, assault on police occasioning actual bodily harm, breach of bail conditions and obstruction.

Embassies and High Commissions

Mr. Tony Banks asked the Secretary of State for the Home Department how many police officers on average are involved in policing duties outside embassies and high commissions in London.

Mr. Douglas Hogg: There are a small number of officers permanently deployed on duties concerned with the security of diplomatic missions. Others are deployed as necessary. Their number will depend on various factors, including the size and nature of any demonstrations.

Crime Prevention Schemes

Mr. Ieuan Wyn Jones asked the Secretary of State for the Home Department whether he is satisfied with the progress made with crime prevention schemes in England and Wales; and if he will make a statement.

Mr. John Patten: We are satisfied that good progress is being made in building up a wide range of crime prevention schemes and initiatives throughout England and Wales. The variety of bodies and organisations now actively engaged in crime prevention schemes both nationally and locally has never been broader. From members of the public who have now joined together in over 35,000 neighbourhood watch schemes through to an increasing number of authorities, organisations, companies and groups across all sectors there has come a welcome recognition that much crime is preventable and that the responsibility for preventing it does not only rest with the police. Local crime prevention initiatives which have taken a variety of forms have already proved their worth and we look forward to a further expansion in their numbers and their influence.

Mr. Ieuan Wyn Jones asked the Secretary of State for the Home Department if he will list the crime prevention schemes set up in Wales.

Mr. John Patten: There are 588 places on 27 community programme crime prevention initiative projects in various parts of Wales. There are 18 local Crime Prevention Panels, 1,666 neighbourhood watch schemes spread over the four police areas. In addition, one of the local crime prevention projects which make up the

"Five Towns" initiative is based on the Penlan Estate in Swansea: I understand that the project will shortly extend its activity to other areas of Swansea. I am aware that my right hon. Friend the Secretary of State for Wales has also introduced a number of other initiatives.

Mr. Ieuan Wyn Jones asked the Secretary of State for the Home Department what is the level of funding from his Department for each crime prevention scheme; and whether such schemes are directly funded from his Department or are funded through agencies.

Mr. John Patten: Local crime prevention schemes may receive funding or support in kind from a variety of sources, but, as a general rule, they do not receive Home Office funding either directly or indirectly. However, from the beginning of January 1986 the Home Office has met in full the salaries and related expenses of the co-ordinators of the five local crime prevention projects in Croydon, Bolton, north Tyneside, Swansea and Wellingborough which together made up our five towns crime prevention initiative. The Home Office has also provided some financial support for local publicity for these projects. We estimate that when the five towns initiative ends in October this year, Home Office funding for these projects will have amounted to about £170,000.

TV Licence Fee

Mr. Budgen asked the Secretary of State for the Home Deartment what conclusions he has reached on the proposal, contained in the report of the committee chaired by professor Peacock on the financing of the BBC, that the television licence fee should be replaced by a system of subscription; and if he will make a statement.

Mr. Hurd: In announcing my response to Professor Peacock's report, I said that I would be engaging independent consultants to examine the technical and economic feasibility of this proposal. Communications Studies and Planning International Limited, who are now merged with Booz Allen and Hamilton International (UK) Limited, were appointed to undertake this study, which they completed in May. I have today published their report and a copy has been placed in the Library. The findings of the report are those of the consultants, and do not necessarily reflect the direction of present Government policy. We would welcome comments on the analysis and conclusions contained in the study, and we have invited comments to be sent to the Home Office by 30 September 1987. Any decisions will be taken in the light of these comments.

NORTHERN IRELAND

Labour Statistics

Mr. Parry asked the Secretary of State for Northern Ireland if he will list the number of unemployed under 21 years of age in the Province at the latest date.

Mr. Viggers: The number is 22,106 as at 14 May 1987.

Mr. Parry asked the Secretary of State for Northern Ireland if he will list the number of long-term unemployed in the Province at the latest date.

Mr. Viggers: At 14 May 1987, 65,313 claimants had been continuously unemployed for more than one year in Northern Ireland, representing 51·8 per cent. of unemployed claimants in the Province on that date.

Mr. Parry asked the Secretary of State for Northern Ireland what plans he has to reduce unemployment in the Province.

Mr. Viggers: The Government continue to pursue a series of measures designed to reduce unemployment. These include the substantial measures to secure new jobs in Northern Ireland through the Industrial Development Board, the Local Enterprise Development Unit and through a unique framework of financial assistance distributed to that end. They also include an extensive programme of employment and training measures which include Action for Community Employment, Enterprise Ulster, the new workers scheme, jobclubs, restart, the new job training programme, the enterprise allowance scheme and the youth training programme.

Mr. Parry asked the Secretary of State for Northern Ireland if he will make a statement on the latest unemployment figures in the Province.

Mr. Viggers: At 14 May 1987 there were 126,105 unemployed claimants in Northern Ireland, representing 18·4 per cent. of the working population.

The Government recognise the seriousness of the unemployment problem in the Province and continues to give a high priority to employment, training and enterprise programmes. Besides having a direct impact on the unemployment situation these programmes should also help to improve the conditions for economic growth in the Province.

WALES

Labour Statistics

Mr. Wigley asked the Secretary of State for Wales what was the number of persons employed in the electrical and electronic industry in Wales at the most recent date; how this compares with the figure in September 1984 and in September 1981, respectively; and if he will make a statement on the significance of any changes.

Mr. Peter Walker: The latest estimate of people employed in electrical and electronic industries in Wales was 34,400 in mid-1986. This compares with 33,800 in mid-1984 and 32,900 in mid-1981.

Public Bodies (Membership)

Mr. Murphy asked the Secretary of State for Wales if he will list the names of all chairmen and members of public bodies in Wales for whose appointment he is responsible.

Mr. Peter Walker: I will write to the hon. Gentleman as soon as possible and place a copy of my letter in the Library of the House.

Roads

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales how many miles of trunk roads there are in each of the counties of Wales; what proportions of those roads are dual carriageway; and of those what proportion is of urban motorway standard.

Mr. Wyn Roberts: The information requested is as follows:

County	*Trunk road mileage (including motorway)*	*Percentage of trunk roads and motorways that is dual carriageway*	*Percentage of dual carriageway that is motorway*
Clwyd	125·7	n a	n a
Dyfed	238·0	7·6	17·0
Gwent	108·0	58·3	39·2
Gwynedd	208·8	4·9	0·0
Mid Glamorgan	55·6	65·9	45·6
Powys	263·8	1·5	0·0
South Glamorgan	17·2	100·0	74·7
West Glamorgan	39·5	68·5	61·3

n/a Not yet available.

The above figures are as at 1 April 1987 and are provisional.
Urban motorways are not identified separately.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what proportion of the total road length in Wales is *(a)* trunk road, *(b)* dual carriageway and *(c)* urban motorway standard.

Mr. Wyn Roberts: Provisional figures as at 1 April 1987 show that of the total road length in Wales *(a)* 5·2 per cent. was trunk road (including motorway), *(b)* 0·9 per cent. was dual carriageway (excluding Clwyd for whom no figures are available), and *(c)* 0·4 per cent. was motorway.

No data are available for lengths of roads of urban motorway standard.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales (1) what plans he has for the improvement of the A5 road from the Welsh border to Holyhead; and if he will make a statement;

(2) what plans he has for the improvement of road links between north and south Wales between *(a)* Bangor and Carmarthen and *(b)* Wrexham and Cardiff; and if he will make a statement.

Mr. Wyn Roberts: "Roads in Wales 1985" contains details of planned improvements to these routes. In drawing up the road programme for the 1990s consideration is being given to further schemes to be added to the programme.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what plans he has for further improvements to the A55 Chester to Bangor road; what is the projected expenditure on each of the stages of improvement; and when he expects them to be completed.

Mr. Wyn Roberts: Three schemes (the Conwy crossing; Penmaenbach-Dwygyfylchi; Penmaenmawr bypass) are at present under construction at a total estimated cost of £230 million. The following schemes are in preparation:

Estimated Gross cost at November 1986 prices

	£ million
1. Northop Bypass	11·328
2. Llanfairfechan Bypass	18·936
3. Traveller's Inn Improvement	3·789
4. Pen-y-Clip tunnels	28·174
5. Rhuallt Hill Improvement	8·312
6. Aber Improvement	7·850

The upgrading of the A55 is expected to be complete around the turn of the decade.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what was the total expenditure of his Department on roads in Wales at outturn and current prices in each year since 1977-78; and what is the projected expenditure for 1987-88, 1988-89, 1989-90 and 1990-91.

Mr. Wyn Roberts: Details of expenditure since 1977-78 are as follows:

£000's

Year	*Outturn Expenditure on Trunk Roads and Motorways*	*Expenditure on Trunk Roads and Motorways at 1986-87 Prices*[1]
1977-78	52,964	113,969
1978-79	61,351	119,284
1979-80	73,747	122,695
1980-81	92,251	129,391
1981-82	107,815	137,702
1982-83	118,707	141,362
1983-84	148,310	169,075
1984-85	104,913	114,684
1985-86	101,630	104,687
1986-87	114,461	114,461

[1] The figures at 1986-87 prices have been calculated by the application of the GDP Deflator at market prices.

Provision for trunk roads and motorways for 1987-88 is £124 million. It is currently estimated that in each of the years 1988-89 and 1989-90 expenditure will be in the region of £140 million. No firm decisions have however yet been taken on the apportionment of the Welsh block expenditure to individual services for the years beyond 1987-88. Planned provision for 1990-91 will be announced in the 1988 Public Expenditure White Paper.

Integrated Operations Programme

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales if he will make it his policy to support the recent submission of Gwynedd, Dyfed and Powys county councils to the European Community under the integrated operations programme; and if he will make a statement.

Mr. Peter Walker: I understand that the local authorities concerned have yet to complete their work on the preparation of an integrated operations programme for this area but that a submission is expected shortly. Once the programme is submitted I, and my officials who are already in consultation with the local authorities on the initiative, will of course give it full and early consideration.

Transport Supplementary Grant

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales which road improvement schemes in Wales, in each year since 1979, qualified for the transport supplementary grant.

Mr. Wyn Roberts: Until 1982-83 transport supplementary grant was paid on local authority programmes of capital and current expenditure and from 1982-83 to 1984-85 on programmes of capital expenditure. Information on all individual schemes is not available.

Since 1985-86 the only new expenditure accepted for TSG relates to schemes estimated to cost £5 million or more. The following have been accepted for grant:

Year of Acceptance and Scheme	*County*
1985-86	
A534 Holt Farndon By-Pass	Clwyd
A484 Loughor Bridge and Approaches	Dyfed West Glamorgan[1]
A4119 Mid Rhondda Access Road	Mid Glamorgan
1986-87	
Bridge over Wrexham-Bidston Railway	Clwyd
A467 Abertillery-Brynmawr Improvement	Gwent
Cardiff Central Link	South Glamorgan
Neath Urban Inner By-Pass	West Glamorgan
A4067 Glais-Pontardawe Improvement	West Glamorgan
1987-88	
Cardiff Butetown Link	South Glamorgan

[1] Joint project.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales whether he will make it his policy to lower the qualifying threshold for transport supplementary grants in order to make some trunk roads eligible; and if he will make a statement.

Mr. Wyn Roberts: Transport supplementary grant is payable only on local authority road schemes. The trunk road programme is wholly funded by the Government.

ADAS

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales how many people are employed by the Agricultural Development and Advisory Service in Wales at present; and what was the corresponding figure in 1979.

Mr. Peter Walker The number of ADAS staff in post in Wales on 1 April 1987 was 356 and the number in post on the corresponding date in 1979 was 493. These figures include staff at the experimental husbandry farms and ADAS headquarters staff outstationed in Wales.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what was the total budget of the Agricultural Development and Advisory Service in Wales in each financial year since 1978-79.

Mr. Peter Walker It is not possible to extract this information in the form requested.

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales whether his Department has any plans for changes in the operations of the Agricultural Development and Advisory Service in Wales; and if he will make a statement on the future of the service.

Mr. Peter Walker: The future organisation of ADAS in Wales is being discussed by my Department and MAFF in the light of the reorganisation which MAFF is currently implementing.

European Regional Development Fund

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales which schemes for road improvements in each of the counties of Wales have received assistance from the European regional development fund since its inception.

Mr. Wyn Roberts: To date total ERDF assistance to road improvement schemes in each county in Wales is as follows:

	£
Clwyd	30,568,451·90
Dyfed	17,570,954·10
Gwent	25,756,626·00
Gwynedd	7,278,806·40
Mid Glamorgan	25,226,911·36
Powys	1,328,674·50
South Glamorgan	31,321,242·70
West Glamorgan[1]	14,853,374·00
Total Wales	153,905,040·96

[1] includes a joint scheme with Dyfed CC.

I will write to the hon. Gentleman in due course with details of the schemes involved and place a copy of my reply in the Library of the House.

Welsh Language

Mr. Wigley asked the Secretary of State for Wales when he expects to be able to announce the result of his Department's consultation on the need for new Welsh language legislation; and if he will make a statement.

Mr. Wyn Roberts: I have nothing to add to the reply I gave to the hon. Gentleman on 26 February at column *349*.

County Hospital, Panteg

Mr. Paul Murphy asked the Secretary of State for Wales if he will meet the Gwent health authority to discuss the future of the County hospital, Panteg.

Mr. Ian Grist: The future of County hospital is a matter for Gwent health authority in the first instance. Any proposals to vary substantially the service provided at County hospital would be subject to extensive consultation. Should local agreement not be reached, the proposals would be submitted to my right hon. Friend for a decision. It would therefore be inappropriate for my right hon. Friend or me to enter into discussions with the authority which might prejudice any future role in this matter.

Sheep Monitoring

Mr. Raffan asked the Secretary of State for Wales what are the latest results of sheep monitoring in north Wales.

Mr. Peter Walker: Monitoring shows that some sheep within the present restricted area continue to have readings above the action level. In addition a number of sheep with readings above this level have been found in an area of about 10 sq. miles to the west of Llanuwchllyn immediately outside the restricted area. In the light of

these results I have today made an Order to re-introduce restrictions on the movement and slaughter of sheep from this area. Some 17 producers and around 10,000 sheep are affected and will qualify for compensation arrangements under the existing schemes. Monitoring of sheep inside and adjoining the restricted area boundaries will continue and any action needed to protect public health and maintain market confidence will be taken if necessary.

The monitoring results are being published and a copy will be placed in the Library of the House.

AGRICULTURE, FISHERIES AND FOOD

Stray Dogs

Mr. Andrew F. Bennett asked the Minister of Agriculture, Fisheries and Food how many cattle, sheep or other animals were killed or seriously injured by stray dogs worrying them in the last year for which figures are available; and what was the estimated cost of the damage.

Mr. Donald Thompson: Records of the numbers of farm animals killed or injured by dogs in Great Britain have not been collected centrally since 1978 because collection was considered to be an undue burden on the local constabularies, who were responsible for gathering the data. The statistics for 1978 based on police returns to local authorities, were as follows:

Species	*Killed*	*Injured*
Sheep	3,951	2,805
Poultry	1,760	245
Cattle	11	78
Pigs	12	8
Goats	2	7
Domestic rabbits	1	—
Horses/ponies	1	1
TOTAL	5,738	3,144

These figures exclude West Yorkshire, where returns were discontinued earlier.

There is no estimate available of the cost of the damage resulting from these attacks.

Intervention Stores

Mr. Tony Banks asked the Minister of Agriculture, Fisheries and Food how much has been spent on maintaining European Economic Community food intervention stores in London by borough in each of the past four years.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Farm Bankruptcies

Mr. Nicholas Bennett asked the Minister of Agriculture, Fisheries and Food what is the estimated number of farm bankruptcies in *(a)* the United Kingdom, *(b)* Scotland, *(c)* Wales, *(d)* England, *(e)* Northern Ireland, *(f)* Dyfed and *(g)* Pembrokeshire, in each of the years 1980 to 1986, inclusive.

Mr. Maude: I have been asked to reply.

The information that is available for the agriculture and horticulture industry is given in the table. I regret that no industrial analysis is available for sequestrations in Scotland (equivalent to bankruptcies) or for company liquidations in Northern Ireland. No area analysis of company liquidations is available. For bankruptcies in England and Wales, although an area analysis of the total is available, there is no analysis of the area figures by industry.

Insolvencies in Agriculture and Horticulture 1980-1986

Number

	Bankruptcies[1]		*Company liquidations*[2]	
	England and Wales	*Northern Ireland*	*England and Wales*	*Scotland*
1980	50	2	34	3
1981	70	11	56	8
1982	78	2	55	8
1983	98	9	74	5
1984	155	8	77	7
1985	[3]136	7	102	4
1986	n/a	9	128	6

[1] Bankruptcies are of unincorporated businesses classified to agriculture and horticulture, deeds of arrangement are included.

[2] Compulsory and creditors' voluntary liquidations.

[3] Discontinuity in serious because of changes to monetary limits on petitions.

EDUCATION AND SCIENCE

Schools (Open Enrolment)

Mr. Pawsey asked the Secretary of State for Education and Science if he will make a statement about the Government's plans to provide for more open enrolment to schools.

Mr. Kenneth Baker: I intend to bring forward legislation to change the present arrangements for admissions to schools so that local education authorities and governing bodies, depending on who is responsible for admissions policy at any particular school, would be required to admit pupils up to the limit of that school's available capacity.

I am today publishing a consultation document which develops the proposal I first announced in a public speech on 1 May. I shall be inviting comments by 16 September 1987. Copies of the document have been placed in the Library.

ENVIRONMENT

House of Commons

Mr. Campbell-Savours asked the Secretary of State for the Environment what tendering procedures works under the House of Commons maintenance allocation in the Supply Estimates which are carried out by private contractors or sub-contractors are subject to; and if he will publish the guidelines covering the awarding of maintenance work either in house or to outside contractors.

Mr. Chope: The parliamentary works office is responsible for the care and maintenance of the Palace of Westminster, including the parliamentary outbuildings. As part of the Property Services Agency it conforms to the rules of Government contracting designed to ensure the proper use of public money and to obtain good value for the funds expended. For maintenance schemes a variety of tendering methods are available, according to the type of service required.

Civil Servants

Mr. Batiste asked the Secretary of State for the Environment how many civil servants are employed by his Department in (a) London and the south-east, (b) the south-west, (c) the midlands and (d) the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Ridley: On 1 June 1987 my Department employed 6,486 staff in the Department of the Environment (central) and 19,012 in the Property Services Agency. My Department's estimates for 1987-88 include provision for £147·7 million running costs expenditure by the Department of the Environment (central) and £333·7 million by the Property Services Agency. The regional breakdown of the totals is:

Region	*Department of the Environment (Central)*		*Property Services Agency*	
	Staff Employed	*Running costs provision*	*Staff employed*	*Running costs provision*
		£ Million		£Million
London and the South East	5,225	119.7	12,205	213.6
The South West	595	13.5	2,463	43.4
The Midlands	210	4.8	1,490	26.7
The North of England	426	9.7	2,854	50.0
Total	6,486	147.7	19,012	333.7

Note: The running costs provision for each region is calculated pro rata to staff numbers.

Landlord and Tenant Act 1987

Sir Brandon Rhys Williams asked the Secretary of State for the Environment when it is intended to bring into effect the provisions of the Landlord and Tenant Act 1987.

Mr. Waldegrave: I hope that it will be possible to do so during the autumn as soon as the necessary supporting orders and regulations have been made.

London Docklands Development Corporation

Ms. Gordon asked the Secretary of State for the Environment what guidance he has given to the London Docklands Development Corporation concerning public access to riverside land when giving consent to planning applications; and if he will instruct the London Docklands Development Corporation, when it considers planning applications, to provide for continuing public access to the river bank as part of development schemes.

Mr. Trippier: No guidance from my right hon. Friend is necessary. Development control in the docklands is guided by the provisions of the Greater London development plan, in which development control authorities are urged to give special attention to, inter alia, the creation of better public access with new and improved riverside walks, open spaces and viewpoints. The London Docklands Development Corporation, in its planning briefs on individual sites, aims to provide for greater public access to the river bank.

Nuclear Waste

Mr. Austin Mitchell asked the Secretary of State for the Environment what costs have been incurred on the site of South Killingholme since the announcement that the Government were not going to use shallow tunnel disposal of nuclear waste;

(2) what costs have been incurred on the site of Elstow since the announcement that the Government were not going to use shallow tunnel disposal of nuclear waste;

(3) what costs have been incurred on the site of Bradwell since the announcement that the Government were not going to use shallow tunnel disposal of nuclear waste;

(4) what costs have been incurred on the site of Fullback since the announcement that the Government were not going to use shallow tunnel disposal of nuclear waste.

Mr. Moynihan £5 million is the estimated total of the costs that will be incurred at all four sites from the announcement on 1 May until the final reinstatement of the sites.

Mr. Austin Mitchell asked the Secretary of State for the Environment whether the contracts between NIREX and various contractors for the exploration of sites considered for nuclear dumping include penalty clauses if the contract is cancelled by either side.

Mr. Moynihan: No.

Empty Dwellings (Copeland)

Dr. Cunningham asked the Secretary of State for the Environment if he will list the number of empty dwellings, as at 1 April 1986, in the Copeland constituency, owned by *(a)* the local authority, *(b)* the private sector, *(c)* housing associations, *(d)* the Ministry of Defence, *(e)* the Home Office and *(f)* others in the public sector.

Mr. Ridley: The information available to my Department is for vacant housing within the borough of Copeland at 1 April 1986, provided in the council's 1986 housing investment programme return, which is in the Library. Any vacant housing owned by Government Departments is included in the category "other public sector".

Community Charge

Mr. Favell asked the Secretary of State for the Environment what estimate he has made of the *(a)* number and *(b)* proportion of those living in metropolitan borough councils who will be liable to pay only the minimum 20 per cent. of the proposed community charge.

Mr. Howard: There are approximately 8·5 million adults living in the metropolitan areas. Of these, it is estimated that about 1·3 million, or 15 per cent. could receive the benefit of 80 per cent. rebates of their community charge.

Housing Act 1985

Mr. Bidwell asked the Secretary of State for the Environment if he is satisfied with the working of the Housing Act 1985 as it relates to allegations of racial harassment and attacks.

Mr. Waldegrave: My reply of 3 July to the Hon. Member for Ealing, North (Mr. Greenway) referred to the circumstances in which councils may seek orders for possession under grounds laid down in the Housing Acts 1980 and 1985. The Department is monitoring the operation of the provisions, but there has been little experience to date of their use in the courts in cases of racial harassment.

Hospitality

Mr. Tony Banks asked the Secretary of State for the Environment how much was spent by his Department on *(a)* ministerial hospitality and *(b)* other official hospitality in 1985-86 and 1986-87.

Mr. Ridley: Expenditure on hospitality in my Department was:

	1985-86 £	*1986-87* £
Ministerial	14,740	13,650
DOE(C) Official	16,560	17,470
PSA Official	10,520	19,920
Total	41,820	51,040

Transport Museum (Low Moor)

Mr. Cryer asked the Secretary of State for the Environment if he will list the grant aid available for the development of a transport museum at Low Moor in Bradford; and if he will make a statement.

Mr. Trippier: The site of the proposed West Yorkshire Transport Museum at Low Moor, Bradford, was reclaimed with the help of derelict land grant.

Additional funds may be available through the urban programme, but the Department is able to consider grant assistance only on those projects which local authorities are minded to support.

Assistance may be available from the European regional development fund, provided the scheme meets Commission requirements and domestic practices relating to trusts and scheme eligibility. The scheme must also have the support of the regional and English tourist boards.

Contributions to museums and museum projects are also made through the Manpower Services Commission and organisations such as English Heritage and the English tourist board. Grants may also be available from the Musuem and Galleries Commission and the Yorkshire and Humberside Museums Council.

House Building (Slaley, Northumberland)

Dr. David Clark asked the Secretary of State for the Environment if he will call in for public inquiry the planning application to build 65 permanent houses in the green belt at Slaley in Northumberland.

Mr. Waldegrave: The planning application made to Tynedale district council has been advertised by it as a departure from the development plan because it involves residential development in the green belt. If the local planning authority is minded to approve the application, it may refer it to the Secretary of State under the Town and Country Planning (Development Plans) (England) Direction 1981. The Secretary of State will then consider the merits of the proposal before reaching any decision.

Housing (Green Belt)

Dr. David Clark asked the Secretary of State for the Environment what studies his Department is undertaking into the prospects for new housing in the green belt in each of the standard regions of England, respectively.

Mr. Waldegrave: None. Green belt policy remains as set out in circular 14/84 and there must continue to be a general presumption against inappropriate development within green belts.

Parrots

Mr. Dalyell asked the Secretary of State for the Environment what is the policy of Her Majesty's Government on the Uruguayan proposal for a complete suspension of the international commerce in wild caught parrots for the pet trade, to be raised at the sixth meeting of the parties to the convention on international trade in endangered species in Ottawa in July; and who will be representing the United Kingdom at the meeting.

Mr. Moynihan: The Department has not been notified by the secretariat of the convention on international trade in endangered species of wild fauna and flora of any such Uruguayan proposal. The United Kingdom delegation will decide whether to support any proposal of this sort after considering the details of the proposal and in the light of the debate. The United Kingdom's general view is that, provided the species in question can sustain the trade, commercial trade in wild taken animals should not be banned.

The United Kingdom delegation to the conference will comprise the head of the Department's wildlife division, the head of the endangered species branch and representatives from the Department's scientific advisers — the Nature Conservancy Council and the Royal Botanic Gardens, Kew—the British high commission in Ottawa and the Cayman Islands and Hong Kong Governments.

Local Government Expenditure

Mr. Anthony Coombs asked the Secretary of State for the Environment whether he has considered further the recommendation of the Widdicombe committee for an interim doubling of the limit on expenditure under section 137 of the Local Government Act 1972 for metropolitan district and London borough councils.

Mr. Howard: We are continuing our consideration of the Widdicombe committee's recommendations on discretionary spending by local authorities. I have, however, already reached the conclusion that this recommendation of the Widdicombe committee did not pay sufficient regard to the wide range of the other discretionary powers available to those local authorities. In many cases, not least in the area of economic development activity, expenditure attributed to section

137 should properly come under another power; and, in particular, section 48 of the Local Government Act 1985 gives a wide new power to metropolitan district and London borough councils, outside the section 137 limit, for grants to voluntary organisations. I do not therefore consider that there should be a change to section 137 of the kind recommended by the Widdicombe committee.

Rate Support Grant

Mr. Hayes asked the Secretary of State for the Environment when the second rate support grant supplementary report 1986-87 will be published.

Mr. Ridley: I have laid this report before the House today.

My right hon. Friend the Secretary of State for Education announced to the House on 2 March his proposals for teachers' pay under the Teachers' Pay and Conditions Act 1987. He promised that the Exchequer would make a significant contribution through RSG towards the extra cost that would result in 1986-87 and the current financial year.

On 5 May the House approved of the first Supplementary Report 1987-88, which increased the expenditure provision by £460 million and block grant by £183 million to cover the extra cost of school teachers' pay in the current financial year. The purpose of this second supplementary report for 1986-87 is to honour the undertaking to make a contribution towards the cost in 1986-87. It will increase the expenditure provision for local authorities by a £111 million and block grant by £5 million. As usual, the report will make a number of changes to grant related expenditure assessments, and take account of the latest information available from authorities on total expenditure.

Copies of the report and tables showing exemplifications of likely revised grant entitlements are being sent to all local authorities and the local authority associations. Copies are being placed in the Library and in the Vote Office.

Local Authority Employees

Mr. Michael Morris asked the Secretary of State for the Environment if he has considered what action he should take following the High Court judgment in the case of Oliver *v* Northampton Borough Council that any information which a local authority held about its employees' personal affairs was open to public scrutiny at the time of audit.

Mr. Chope: I have today placed in the Library a paper which is being sent to the local authority associations, the Audit Commission, and other interested parties inviting comments on a proposal that at the next convenient opportunity amending legislation should be introduced so that all information which an authority holds about its employees would be excluded from public inspection, except information about gross pay, allowances, bonuses and overtime payments which would continue to be open to inspection at the time of audit.

LDDC (Canary Wharf)

Mr. Spearing asked the Secretary of State for the Environment if he has any plans to submit for further review the price agreed by the London Docklands Development Corporation and the developers of Canary wharf; and if he will make a statement.

Mr. Trippier [*pursuant to his reply*, 8 July 1987]: When the LDDC sells land it is required to obtain a certificate from an independent valuer that the land is not below current market value and, if that is unobtainable, it needs specific consent from the Department to the disposal of its land at a lower price. The Department is keeping the terms of the whole agreement, including the land price, under continuing review as negotiations proceed with the aid of independent financial and legal advice.

Derelict Land Grant

Dr. Cunningham asked the Secretary of State for the environment if he will list the amount of derelict land grant made available to individual local authorities for each year since 1979, and where appropriate, split these into class A and class B grants.

Mr. Ridley [*pursuant to his reply*, 6 July 1987, c. 55]

Amounts of derelict land grant paid to individual authorities for each year since 1979 are given in the following table. Figures are not yet available for 1986-87, nor is it possible to split the figures between category A and category B projects. In any event, this categorisation has not been applied to schemes approved since 1985.

Local Authority	*1979-80 Grant paid*	*1980-81 Grant paid*	*1981-82 Grant paid*	*1982-83 Grant paid*	*1983-84 Grant paid*	*1984-85 Grant paid*	*1985-86 Grant paid*
	£	£	£	£	£	£	£
AVON							
Bath		3,572	1,786		5,358		3,572
Bristol				25,892	13,176	19,101	20,689
Kingswood	4,822	3,733	1,618	1,618	2,251	1,618	1,618
Wansdyke					3,496		
Woodspring					20,348	1,814	
BERKSHIRE							
Reading					9,577	19,154	9,577
Windsor and Maidenhead	2,708	959	959	759	955	959	959
BEDFORDSHIRE							
North Bedfordshire						5,755	6,245
Luton	2,438	2,438	7,142	2,438	2,438	2,438	2,438
South Bedfordshire	34,552	4,936	4,936	4,936	4,936	4,936	4,936
BUCKINGHAMSHIRE							
Milton Keynes					3,836	4,972	9,636
CAMBRIDGESHIRE							
Peterborough	1,376	1,840	2,127	5,292	2,127	2,127	2,127
CHESHIRE							
Congleton	24,854 (75)						162,704 (100)
	68,799 (100)	109,817	6,690		236,632	35,453	413 (75)
Chester		27,082	565,196	18,600	35,339	6,217	
			413 (75)				
Crewe and Nantwich	217,594	85,725	11,044 (100)	56,621	266,107	1,322	32,415
Ellesmere Port	52,664	34,465	25,175	1,887,594	2,698,821	1,023,635	354,961
Halton	20,567 (85)	13,287					
	239,435 (100)	570,774	592,921	823,907	1,033,011	842,537	775,075
Macclesfield	834,673	169,204	793,283	536,979	616,055	1,112,272	350,133
Vale Royal			952 (85)				
	3,017 (75)		5,112 (75)	371,931 (100)		14,882	30,402
	40,764 (100)		136,511 (100)	750 (75)			
Warrington	64 (75)	1,397	599,465	474,350	1,815,468 (100)	442,150	2,627,749
	91,784 (100)	160,321			1,320 (75)		
Cheshire county council	47,492	47,087	664,115	433,547	862,622	1,946,593	2,034,154
CLEVELAND							
Hartlepool	11,387 (85)	2,172					
	1,610,146 (100)	245,195	268,580	340,036	340,172		69,443
Langbaurgh	6,349 (85)	101,389	19,203				
	7,738 (100)	1,655	3,970	58,006	395,649	1,138,858	484,056
Middlesbrough	150,000	110,848	53,732		262,901		679,122
Stockton-on-Tees	35,700		42,759	19,049	199,728	139,618	11,201
Cleveland county council		1,028 (85)					215,995 (100)
		154,971 (100)	115,620	12,543	852,390	566,889	5,818 (85)
CORNWALL							
Carrick					762,754	441,418	792,794
Kerrier	1,970		731 (85)				
			369 (100)	8,974	2,478	2,145	182,984
North Cornwall						57,088	2,321
Restormel					6,711		
Cornwall county council	46,562	3,435	10,371	8,365	100,997 (100)	55,217	33,005
					991 (85)	6,641	
CUMBRIA							
Barrow-in-Furness		10,898 (85)	2,839	13,529	3,709	355,440	244,573
		65,088 (100)	47,097				
Allerdale	116,502	26,622 (85)	39,275		104,669 (100)	613,953	361,662
		35,2[illegible] (100)	28,224		95,460 (85)	2,380	
Carlisle				20,425	44,634	40,092	19,829
Copeland	27,178	94,075	47,062	1,873,411	1,275,791	482,096	72,943
Eden			3,656		46,261	49,853	68,242
South Lakeland							2,216
Cumbria county council	2,377 (85)	87,909	7,764 (85)	431,882	288,846	3,433,939 (100)	4,658,228
	342,459 (100)		149,329 (100)			29,730 (85)	6,392

Local Authority	1982–83 Grant paid	1983–84 Grant paid	1984–85 Grant paid	1985–86 Grant paid	1986–87 Grant paid	1987–88 Grant paid	1988–89 Grant paid
DERBYSHIRE							
Amber Valley				349,232	881,731	545,178	557,746
Chesterfield	527	527	527	527	527	527	527
Derby		49,431	1,422	11,700	1,565		
North East Derbyshire					8,448		
South Derbyshire					3,950	780	
West Derbyshire					198,132		111,424
Derbyshire county council			221,580	982,564 (100)	1,302,435	1,240,782	978,681
	12,997 (75)	9,099	23,661	1,632 (75)			
	1,215,693 (100)	1,143,078	258,426	1,576 (50)			
DEVON							
East Devon							7,091
Exeter		25,000			2,413	5,648	8,300
North Devon		49,818	24,889	5,832	25,967		
Plymouth	21,696	16,780		10,252	16,865	9,889	14,781
South Hams					119,155		
Teignbridge		15,183	366,553		231,160	37,602	
Torbay	7,265	14,926 (50)	7,397	17,636	66,570 (100)	9,869	10,744
		66,842 (100)	6,195	7,397	7,397 (50)	7,397	7,397
West Devon					11,300		
Devon county council			5,050				
DORSET							
North Dorset					5,111	151	
Poole					5,226		
West Dorset						2,846	
Weymouth and Portland							7,406
Dorset county council	3,509	2,649	68,764	2,649	2,649	2,649	4,279
EAST SUSSEX							
Hastings					8,936		11,899
East Sussex county council	720	720	720	720	720	720	720
DURHAM							
Chester-le-Street	7,704	38,589	78,497	30,691	622	3,359	6,121
Darlington	252	196,666	19,709	262,152	585,939	419,480	363,492
Derwentside		2,025 (85)	15,085	623,433 (100)	1,184,445	591,578 (100)	2,578,129
	43,073	128,813 (100)	488,785			182,185	2,283
Durham	302			717,780 (100)	15,849	3,657	
				44,548 (85)	24,291		
Easington	1,267,888	291,014	250,291	25,864	483,305	82,814	160,606
Sedgefield					51,452		13,044
Teesdale		26,158 (85)					
		16,810 (100)	36,920	10,306	82		1,232
Wear Valley	26,189 (85)			19,794 (100)	63,024	51,852	125,887
	44,313 (100)	21,132	56,360	2,910 (85)			
Durham County Council	81,451 (85)	31,255	39,306	121	1,579,101 (100)	1,204,621	939,789
	791,539 (100)	831,560	1,409,089		245 (85)	13,249	618
						24,812 (50)	(repayment
							861)
ESSEX							
Thurrock			4,197				
HEREFORD AND WORCS							
Hereford					20,880		
Leominster		313		626		626	313
Wychavon	4,320	960	480	480	480	480	480
Wyre Forest					11,608		
HUMBERSIDE							
Beverley				45,052		2,264	
Booth Ferry	136,187	2,255	10,996			12,584	1,466
Cleethorpes	6,939						
Glanford			8,166		460,963	622,078	591,831
Grimsby			25,965				91,491
Holderness							1,482
Kingston-upon-Hull		333,246 (75)	1,078,594	314,092 (100)	429,278	32,425	
		516,766 (100)		16,115 (75)			

Local Authority	1979-80 Grant paid	1980-81 Grant paid	1981-82 Grant paid	1982-83 Grant paid	1983-84 Grant paid	1984-85 Grant paid	1985-86 Grant paid
(North Wolds) East Yorkshire	2,717 (75) 2,217 (100)			3,352		1,215	
Scunthorpe	25,240	55,459	58,554	9,337			
Humberside county council	18,398		18,235		75,025	480	139,436
WARWICKSHIRE							
North Warwickshire					49,586	337,304	16,755
Nuneaton and Bedworth	3,444	4,172	13,800	48,178 7,723	778,193 (100) 8,779 (50)	327,903 8,779	328,122 8,779
Rugby					13,705		
Warwickshire County Council	14,949	28,985	31,293	8,277	302,721 (100) 23,333	190,384 23,333	642,536 28,989
KENT							
Canterbury	4,029						
Maidstone	24,207	17,252	8,109	8,109	8,109	8,109	8,109
Swale					4,115		969
Kent County Council	6,756		2,126	1,270	3,922		11,942
LINCOLNSHIRE							
Boston					11,019	11,063	22,126
East Lindsey					6,783		
Lincolnshire County Council			1,875 (75) 2,273 (100)	1,342			
LEICESTERSHIRE							
Leicester						1,590	10,944
Leicestershire County Council	21,049	39,824	23,443		9,572 (100) 37,497 (50)	8,605 7,851	3,973 14,387
WILTSHIRE							
Thamesdown	731	731	731	731	731	731	23,953
Wiltshire County Council		47,880		3,420	3,420	3,420	3,420
WEST YORKSHIRE							
Bradford	654	654	654	654	26,111 (100) 654 (50)	7,603 654	975,183 654
Calderdale	320 (75) 913 (50) 20,201 (100)	913 (50) 2,871 (75) 53,210 (100)	913 733	422,456 (100) 656 (75) 913 (50)	4,952 25,225 913	222,730 1,466 913	115,201 21 913
Kirklees	5,579 (75) 117,738 (100)	2,084 30,984	1,413 379,894	216,048	361,710	268,195	436,775
Leeds	904	904 (50) 169,294 (100)	904 152,946	64,005 904	115,711 904	91,918 904	114,817 904
Wakefield	54,833 (100) 495 (50) 833 (75)	495 (50) 227 (75) 142,015 (100)	495 27,938 (100)	46,899 (100) 495 (50)	104,793 495	28,665 495	185,976 495
West Yorkshire county council	27,468 (75) 372,768 (100)	69,605 452,476	17,802 169,102	839,575 (100) 3,456 (75)	595,433 19,635	842,275 1,981	693,881 2,757
LANCASHIRE							
Blackburn	92,282		242,085	311,427 (100) 9,750 (75)	412,170	118,782	789,469
Blackpool					564,341		3,991
Burnley	28,998 (75) 173,296 (100)	224,496	43,921 (75) 193,866 (100)	118,593 (100) 2,981 (75)	173,273	75,053	142,523
Chorley	46,870	39,862	262,117	140,863	360,848	123,531	100,484
Hyndburn	25,284	14,363	14,505	33,824	224,052	39,603	172,440
Lancaster			3,650	468,134	1,509,301	1,219,707	822,683
Pendle	305 (75) 75,632 (100)	118,407 (100)	179,947	165,138	127,171	43,022	98,237
Preston	29,071	4,371		19,531	2,421,900	2,595,274	1,124,400
Ribble Valley		120,429	256,986	199,740	23,204	3,000	158,196
Rossendale	93,163 (100) 522 (50)	522 (50) 118,980 (100)	522 131,177	214,422 (100) 9,443 (75) 522 (50)	289,958 (100) 522 (50)	674,061 522	534,896 522
South Ribble	21,636		378,169	262,633	316,815	121,031	156,256
West Lancashire			3,561		833,332	187,700	100,505
Lancashire county council	156,430 (100) 2,081 (50) 1,976 (75)	2,081 (50) 662,898 (100)	2,081 430,921	569,204 (100) 2,789 (75) 2,081 (50)	738,249 (100) 2,081 (50)	536,289 93 (75) 2,081	486,503 2,081
WEST SUSSEX							
Arun					2,488		1,870
Chichester	487	487	487	487	487	487	487
Mid Sussex							79
Worthing	744	1,488	744	744	744	744	744
West Sussex County Council	2,972						
GREATER MANCHESTER							
Bolton	46,960	74,589	149,646	139,343 (100) 3,563 (75)	162,497	228,771	291,408

Local Authority	1979-80 Grant paid	1980-81 Grant paid	1981-82 Grant paid	1982-83 Grant paid	1983-84 Grant paid	1984-85 Grant paid	1985-86 Grant paid
Bury	120,321	64,406 (75)	2,545		179,109	116,416	705,350
		4,000 (100)	118,690				
Manchester	515,875	88,313 (75)	441,090	273,439	2,090,783	762,459	931,046
		354,129 (100)					
Oldham	4,425 (75)	2,749	5,402	215,012 (100)	547,849	792,926	314,882
	56,134 (100)	268,246	234,988	1,102 (75)			11,591
Rochdale	118,926	110,817	323,418	169,733	17,682	250,680	369,577
Salford	12,452 (75)	26,589	10,333	450,708	2,707,956	1,886,726	877,166
	11,289 (100)	87,756	345,366				
Stockport	7,984	3,350 (75)	171,892	56,797	257,080	149,734	158,542
		118,991 (100)					
Tameside	126,003	4,002 (75)	17,709	466,926 (100)	538,175	233,105	512,840
		391,966 (100)	531,119	2,377 (75)			
Trafford	15,498	4,567	52,147	13,188	4,482	227,450	1,031,333
Wigan	325,461		14,788 (75)	437,679 (100)	599,551	1,024,056	481,083
			1,276,455 (100)	48,530 (75)			
Greater Manchester County Council	31,868 (75)	15,861	27,285	2,474,679 (100)	1,992,143	2,135,935	1,682,112
	669,664 (100)	1,029,972	1,053,322	11,449 (75)	9,232	40	9
NORFOLK							
Great Yarmouth		4,822	6,660	8,453	8,533	7,695	15,390
South Norfolk	361	2,279	361	361	361	361	2,049
West Norfolk					4,651		
Norfolk county council						5,867	5,466
MERSEYSIDE							
Knowsley				14,311	191,013	767,389	889,993
Liverpool	531,250	191,077	615,992	30,094	650,229	137,726	
St. Helen's	333 (85)		5,719 (85)	374,678 (100)	866,642	373,942	1,391,389
	109,110 (100)	101,325	377,585 (100)	3,599 (85)			
Sefton	57,277	19,623	140,553	68,998	149,194	501,991	349,142
Wirral		1,375			34,260	117,277	436,411
Merseyside county council	660,685	406,651	690,220	705,654	2,021,795	3,318,020	2,164,399
GLOUCESTERSHIRE							
Cheltenham					8,441		
Forest of Dean							5,255
Gloucester						1,382	
HAMPSHIRE							
Eastleigh					3,081	8,080	4,040
New Forest				1,005	2,375		
Portsmouth						4,227	
Hampshire county council	304	304	8,085	544	1,969	1,969	1,959
SURREY							
Elmbridge					2,007		
Guildford					920		1,424
Reigate and Banstead							71
Waverley	2,939			1,303			6,099
Surrey county council							3,948
SUFFOLK							
Ipswich	260	260	260	260	260	260	260
Mid Suffolk							8,495
St. Edmundsbury	1,266	1,266	1,266	1,266	1,266	1,266	1,266
Suffolk Coastal		4,896	2,448			7,342	
Suffolk county council	2,719	716	431	433	433	433	433
NORTHUMBERLAND							
Alnwick				4,188	4,143		
Blyth Valley		31,950		2,113			
Castle Morpeth				32,808			
Wansbeck	1,509				12,582		2,596
Northumberland county council	314,267 (85)	147,870	46,706	940,579 (100)	914,800	545,360	
	1,166,870 (100)	1,008,586	489,190	188,708 (85)	60,263	64,032	321,907
NORTHAMPTONSHIRE							
Corby			1,260,937	1,508,424	4,312,397	2,209,342	2,125,948
Kettering						7,158	7,377
Northamptonshire					1,170		
Wellingborough						4,992	514
GREATER LONDON							
Barking						2,120	
Barnet	2,567	2,694		11,121	2,836	4,458	6,839
Bexley					4,094		
Bromley						4,681	
Camden			19,703	5,578	7,619	18,922	17,400
Croydon				3,633			
Ealing				4,163	10,028	4,370	46,903
Enfield		13,524	4,508		7,478	10,694	13,340
Greenwich		5,989	21,910	29,769	261,261 (100)	17,602 (50)	(96,095) (100)
					37,196 (50)		(17,602) (50)

Local Authority	1979-80 Grant paid	1980-81 Grant paid	1981-82 Grant paid	1982-83 Grant paid	1983-84 Grant paid	1984-85 Grant paid	1985-86 Grant paid
Haringey	1,115	1,115	1,115	1,115	7,531	1,115	6,427
Harrow							10,024
Hillingdon	19,870	19,675		45,894		25,220	71,921
Hounslow	13,454	8,340	13,375	11,767	37,934	15,211	15,211
Kensington and Chelsea						14,318	
Kingston-upon-Thames					6,384	6,384	6,384
Lewisham	2,472	5,941	2,431	7,108	376,280 (100)	8,996	9,536
					7,720 (50)	25,375	
Merton				9,365	687,376	120,573	164,566
Richmond-upon-Thames	1,233	1,233 (50)	1,233	1,233	1,233	4,746	1,233
Southwark	51,419	783,890 (100)		560,456 (100)	129,927	35,688	61,057
		57,419 (50)	8,313	46,961 (50)	119,590		
Tower Hamlets	4,720	2,205,873 (100)	1,059,507 (100)	26,118			79,386
		41,244 (50)	60,549 (50)				
Wandsworth					5,690	2,845	2,845
Greater London County Council	8,563	8,563	8,563	8,563	296,333	320,306	1,143,830
Tyne and Wear							
Gateshead	16,201 (85)	4,760	299,383	155,656 (100)	275,096	425,206	1,042,393
	86,110 (100)	148,907		3,044 (85)			
Newcastle-upon-Tyne	81,955	14,161 (85)	39,038 (85)	239,272	221,998	202,829	734,821
		9,953 (100)	217,881 (100)				
North Tyneside	89,122	1,584 (85)					
		99,763 (100)	45,933	282,186	441,612	399,219	322,106
South Tyneside	20,742 (85)	2,078	21,647	370,889	715,412	355,915	245,871
	194,558 (100)	48,663	118,613				
Sunderland	82,163 (85)	19,183		582,883 (100)	675,943	1,279,255	587,406
	254,402 (100)	273,272	502,972	405 (85)			
Tyne and Wear County Council	27,672 (85)	141,582	37,652	1,049,424 (100)	1,251,570	3,137,747	230,718
	214,310 (100)	2,001,158	660,528	52,850 (85)	95		
West Midlands							
Birmingham	13,650 (50)	32,149	11,418	106,735 (100)	410,869 (100)	87,388 (100)	23,360
	499,397 (100)	50,850	102,106	80,578 (50)	23,360 (50)	23,993 (50)	
Coventry		3,674					
Dudley	60,933 (50)	18,122	14,656	483,098 (100)	838,797	1,031,274	2,252,229
	250,423 (100)	92,146	187,020	3,529 (50)	16,639	17,387	44,098
Sandwell	23,333 (50)	72,890	32,283	129,314 (100)	381,486	596,247	1,050,670
	24,258 (100)	82,239	318,890	32,283 (50)	32,283	32,283	32,283
Walsall	22,944 (50)	42,126	18,366	237,604 (100)	372,540	912,570	1,718,835
	23,005 (100)	57,094	131,857	3,640 (50)	20,325	52,021	26,265
Wolverhampton	19,231	58,838 (50)	33,183	221,605 (100)	81,877 (100)	293,353	328,504
		99,615 (100)	26,702	12,493 (50)	12,493 (50)	12,493	12,493
West Midlands county council	15,853 (50)	43,906	13,678	1,185,493 (100)	2,352,640	2,394,745	1,500,009
	710,393 (100)	764,370	988,786	4,777 (50)	16,080	28,954	22,362
Shropshire							
Oswestry	190,495	31,982	4,874 (73)	19,618			6,500
			29,358 (100)				
The Wrekin	4,184	11,646	10,658	9,715	27,293	21,317	24,814 (100)
							19,361 (50)
Shropshire county council	308,024	48,758	132,995	52,457	35,418 (100)	41,339	393,011 (100)
					43,815 (75)	4,914	19,799 (75)
					10,548 (50)		4,012 (AONB)
							133,270 (50)
Oxfordshire							
Oxford	—	9,777	10,239	10,239	10,963	10,963	10,963
South Oxfordshire	—					1,168	
Oxfordshire county council	29,533		66,286	49,096			
Nottinghamshire							
Ashfield					146,284		
Bassetlaw	34,100						5,768
Gedling	11,273	15,008		43,163	393,615	116,590	43,527
Mansfield					191,919		87,631
Newark					30,860	82,440	124,710
Nottingham	134,671	442,719	203,366	247,798	115,452	37,409	58,227
Nottinghamshire county council	493 (50)	493 (50)	493 (50)	493 (50)	1,733,381	1,728,536 (100)	
	5,002 (75)	746,619 (100)	1,313,183 (100)	423,813	3,419 (75)		733,443 (100)
	468,974 (100)				493 (50)	493 (50)	493 (50)
North Yorkshire							
Craven	20,692		2,453				
Harogate	4,583		868	180	3,196		
Richmondshire				14,835		3,594	671
Ryedale	1,636						
Scarborough				80,122	68,780		371,437 (100)
							6,508 (50)
Selby					15,272		
York	180			119,484	48,202	250	
North Yorkshire county council		11,644	1,197				550

Local Authority	1979-80 Grant paid	1980-81 Grant paid	1981-82 Grant paid	1982-83 Grant paid	1983-84 Grant paid	1984-85 Grant paid	1985-86 Grant paid
SOUTH YORKSHIRE							
Barnsley	42,017	18,639	54,882	1,521	81,191	306,575	202,948
Doncaster	52,016 (100)	1,010 (50)	1,010 (50)	1,010	104,218 (100)	44,708	12,087
	5,785 (75)	117,206 (100)	118,100 (100)		1,010 (50)	1,010	1,010
	1,010 (50)						
Rotherham	1,768 (75)	768,720 (100)	143,212	22,427	96,987	17,873	78,461
	72,549 (100)						
Sheffield	47,955	20,457 (75)	38,619	21,674	4,017 (100)	5,030	141,122
		42,549 (100)			586 (75)		
South Yorkshire county council	549 (50)	549 (50)	549 (50)	771,357 (100)	532,123 (100)	389,949	377,642
	6,369 (75)	134,480 (75)	2,744 (75)	9,935 (75)	12,682 (75)	549 (50)	549 (50)
	706,835 (100)	1,025,229 (100)	480,099 (100)		549 (50)		
SOMERSET							
Sedgemoor	16,930	3,071	3,071	3,071	3,271	3,071	3,071
West Somerset						4,580	
Yeovil					5,192	1,196	1,196
Somerset county council	2,050	1,564	1,993	1,993	1,993	1,993	1,993
STAFFORDSHIRE							
Cannock Chase	5,257 (50)	4,586 (50)	12,532 (50)	65,191 (100)	386,982 (100)	1,696,026	799,966 (100)
	6,957 (100)	102,456 (100)	75,525 (100)	4,749 (50)	2,500 (50)	4,284	9,190 (50)
East Staffordshire					4,750		
Lichfield			100,292		199,361	156,879	186,591
Newcastle under Lyme	1,341 (75)	5,343 (50)	851 (50)	245,277 (100)	161,287 (100)	82,103	273,784 (100)
	815 (50)	715 (75)		13,819 (75)	851 (50)	851	851 (50)
	304,649 (100)	110,493 (100)	39,272 (100)				
South Staffordshire		1,052 (50)		274,772 (100)	355,318 (100)	594,734	170,281 (100)
		158,568 (100)	742,771	3,120 (50)	526 (50)	526	526 (50)
Staffordshire Moorlands		6,106	21,388		47,563	317,126	
Stoke-on-Trent	18,128 (75)	33,020	17,174 (75)	1,738,823	2,727,262	4,122,980	1,882,420
	751,581 (100)	535,272 (100)	537,219 (100)	1,440 (75)	1,327 (75)	15	
Tamworth	2,532	4,802	1,226	11,458	40,427	6,955	15,205
Staffordshire county council	5,711 (50)	52,837 (50)	20,063 (50)	255,898 (100)	134,259 (100)	879,316	236,542
	922 (50)	255 (75)	157 (75)	70,651 (50)	2,385 (75)		31,125
	482,863 (50)	281,583 (100)	186,505 (100)		13,905 (50)	70,356	

Note: Figures in brackets represent the percentage where there is more than one grant rate paid.

SCOTLAND

National Health Service (Waiting Times)

Mr. Galbraith asked the Secretary of State for Scotland if he will publish a table showing the total average waiting time for National Health Service in-patient treatment in each surgical specialty in each hospital in Scotland for 1986.

Mr. Michael Forsyth: Information for 1986 is not yet available. The table gives the mean waiting time (in days) for patients admitted from the waiting list and discharged from surgical specialties during 1985. The figures do not include emergency admissions; those in brackets are based on less than five cases.

	General surgery	Ortho-paedic surgery	Ent. surgery	Opthal-mology	Urology	Neuro-surgery	Cardio-thoracic surgery	Plastic surgery	Oral surgery and medicine	Paedia-tric surgery	Gynae-cology
Ayrshire and Arran											
Crosshouse	59	83	193						112		86
Ayr County	53	145	287								(216)
Heathfield	—	—	—	64							
Seafield Sick Children's	154	39	194	—	41						
Ballochmyle	24	123	293		59				42		54
Borders											
Peel	35	73									
Argyll and Clyde											
Dunoon and District General	53	(266)									44
Victoria Rothesay	90										102
West Highland	18	(98)	164						30		
Vale of Leven District General	55	53	73								66
Victoria Infirmary, Helensburgh	54										23
Inverclyde Royal	133	227	103	167					2		53
Hawkhead		(1)									29
Royal Alexandra Infirmary	113	83									
Royal Alexandra Annexe		123	156								
Royal Victoria Eye Infirmary				66							
Thorn											85

	General surgery	Orthopaedic surgery	Ent. surgery	Opthalmology	Urology	Neurosurgery	Cardiothoracic surgery	Plastic surgery	Oral surgery and medicine	Paediatric surgery	Gynaecology
Fife											
Victoria Kirkcaldy	184	130	192	67	124	—	—	—	38	115	33
Adamson	276	53	—	—	—	—	—	—	—	—	42
St. Andrews	155	494	—	—	137	—	—	—	—	—	42
Randolph Wemyss Memorial	129	—	—	—	—	—	—	—	—	—	—
Dunfermline and West Fife	88	118	—	—	—	—	—	—	—	(1)	41
Maternity Hospital, Dunfermline	—	—	—	—	—	—	—	—	—	—	25
Greater Glasgow											
Canniesburn	—	—	—	140	—	—	—	201	—	—	—
Glasgow R I	64	75	82	—	63	—	51	10	63	—	31
Stobhill	63	75	56	60	27	—	—	—	54	—	38
Mearnskirk General	9	5	149	—	—	—	—	—	130	—	—
Philipshill	—	158	—	—	—	—	—	—	—	—	—
Royal Samaritan Hospital for Women	—	—	—	—	—	—	—	—	—	—	22
Victoria Infirmary	58	—	161	—	94	—	—	—	222	—	41
David Elder Infirmary	—	—	—	—	—	—	—	—	—	—	43
Elder Cottage	—	(24)	—	—	—	—	—	—	—	—	—
Southern General	82	103	—	135	103	28	—	—	148	—	32
Gartnavel District General	42	82	100	70	—	—	—	—	—	—	—
R H S C, Drumchapel	—	—	—	—	—	—	—	—	—	(1)	—
R H S C, Yorkhill	—	60	187	43	—	—	59	—	—	117	—
Western Infirmary	39	—	—	—	89	—	80	—	—	—	29
Highland											
Dunbar Hospital, Thurso	—	—	—	—	—	—	—	—	—	—	71
Bignold	86	—	—	—	—	—	—	—	—	—	—
Lawson Memorial	13	—	—	—	—	—	—	—	—	—	—
R N I, Inverness	32	19	65	91	—	—	—	235	—	—	—
Raigmore	45	161	90	113	—	—	—	359	74	—	35
Belford	17	—	221	—	—	—	—	—	—	—	—
Mackinnon Memorial	15	—	—	—	—	—	—	—	—	—	—
Ross Memorial	44	103	144	—	—	—	—	—	—	—	—
Lanarkshire											
Monklands District General	22	22	26	—	21	—	—	26	14	—	20
Cleland	14	—	—	—	—	—	—	—	—	—	—
Law	62	134	120	—	85	—	—	—	—	126	27
Hairmyres	54	77	—	—	36	—	22	—	29	—	49
Stonehouse	61	69	68	59	85	—	—	—	—	—	36
Grampian											
Aberdeen Royal Infirmary	64	148	196	—	74	42	27	—	86	—	99
Woodend	74	112	—	209	—	—	—	157	—	—	85
Royal Aberdeen Children's	—	57	62	161	—	—	—	166	40	65	—
Aberdeen Maternity	—	—	—	—	—	—	—	—	—	—	13
Huntly Jubilee	36	—	—	—	—	—	—	—	—	—	65
Chalmers	45	125	—	—	—	—	—	—	—	—	87
Dr. Grey's	20	—	—	201	—	—	—	—	197	—	—
Turner	109	—	—	—	—	—	—	—	—	—	—
Leanchoil	—	—	—	—	—	—	—	—	—	—	210
Orkney											
Balfour	28	—	—	—	—	—	—	—	—	—	—
Lothian											
Beechmount	4	(7)	—	4	3	4	—	—	(1)	—	7
Eastern General	50	—	—	—	—	—	—	—	—	—	19
East Fortune	(5)	—	—	—	—	—	—	—	—	—	—
Leith	42	—	—	—	—	—	—	—	—	42	—
Roodlands General	68	—	—	—	—	—	—	—	—	—	48
Western General	69	162	—	—	70	36	—	—	—	40	54
Astley Ainslie	—	—	—	—	—	—	—	—	—	(12)	—
Bruntsfield	—	—	—	—	—	—	—	—	—	60	45
Chalmers	88	—	—	—	—	—	—	—	—	—	—
City Edinburgh	(19)	—	96	—	—	—	11	—	—	—	—
Deaconess	28	—	—	—	—	—	—	—	—	—	—
Longmore	40	—	—	—	—	—	—	—	—	—	—
P M R Orthopaedic	—	128	—	—	—	—	—	—	—	—	—
R H S C, Edinburgh	—	—	133	—	—	—	—	110	—	129	—
Edinburgh Royal Infirmary	51	13	—	101	57	(24)	17	(26)	74	—	49
Bangour General	37	47	90	—	—	—	—	149	—	—	26
Tayside											
Ninewells	96	—	152	97	194	—	—	—	21	118	52
Dundee Royal Infirmary	—	190	—	—	101	48	—	74	53	—	—
Bridge of Earn	23	98	67	—	—	—	—	96	—	—	—
Perth Royal Infirmary	36	—	—	(12)	—	—	—	66	67	—	36
Blairgowrie and Rattray Cottage	45	—	—	—	—	—	—	—	—	—	—
Meigle Cottage	17	—	—	—	—	—	—	—	—	—	—
Arbroath Infirmary	36	—	—	—	—	—	—	—	—	—	86
Forfar Infirmary	78	156	(30)	—	—	—	—	—	—	—	36
Strachthro	24	228	—	—	—	(13)	—	—	—	—	32

	General surgery	Orthopaedic surgery	Ent surgery	Ophthalmology	Urology	Neurosurgery	Cardiothoracic surgery	Plastic surgery	Oral surgery and medicine	Paediatric surgery	Gynaecology
Forth Valley											
Falkirk Royal Infirmary	107	121	32	49	61						48
Stirling Royal Infirmary	55	115	58	58						62	29
Clackmannan County	64	260									17
Western Isles											
Lewis	28		186						95	26	52
Daliburgh	15										
Dumfries and Galloway											
Cresswell Maternity											126
Dumfries and Galloway R I	93	82	114	93					172	89	117
Garrick	78										
Shetland											
Gilbert Bain	59										
Scotland Summary	66	123	118	47	67	37	33	139	78	96	47

Prison Population

Mr. Tom Clarke asked the Secretary of State for Scotland what is the average age of the prison population for each Scottish penal establishment for each year since 1982.

Lord James Douglas-Hamilton: This information could not be provided without disproportionate cost.

Mr. Tom Clarke asked the Secretary of State for Scotland what was the average prison population for each Scottish prison for each year since 1982.

Lord James Douglas-Hamilton: The 1986 figures are set out in the table. Figures for the earlier years have been published in Appendix 1 of the annual reports "Prisons in Scotland", of which copies are available in the Library.

Average daily number of prisoners or inmates

Establishment	*1986*
Prisons	
Aberdeen	180
Barlinnie (inc. Special unit)	1,270
Cornton Vale	166
Dumfries	144
Dungavel	135
Edinburgh	776
Friarton [1]	41
Greenock	147
Inverness	109
Low Moss	345
Penninghame	69
Perth	578
Peterhead	182
Shotts	60
Young Offenders Institutions	
Castle Huntly	103
Cornton Vale	22
Glenochil	365
Noranside	74
Polmont	378
Detention Centres	
Friarton [1]	15
Glenochil	146
Remand Institution	
Longriggend	280

[1] Friarton changed use from detention centre to prison during 1986; the figures shown are average figures for each use calculated over the year.

Female Prisoners

Mr. Tom Clarke asked the Secretary of State for Scotland what was the number of women committed to Scottish prison systems for each year since 1982.

Lord James Douglas-Hamilton: Following is the information:

Female receptions to penal establishments 1982-86: Scotland

Type of reception	*1982*	*1983*	*1984*	*1985*	*1986*
Remand	807	886	907	897	993
Under sentence	773	907	791	1,204	1,200
Civil prisoner	1	—	—	1	1
Total	1,581	1,793	1,698	2,102	2,194

Prisons

Mr. Tom Clarke asked the Secretary of State for Scotland what was the level of capital expenditure and revenue expenditure for each Scottish prison for each year since 1982.

Lord James Douglas-Hamilton: The information is as follows:

Gross Expenditure (£'000)

	1982-83		*1983-84*		*1984-85*		*1985-86*		*1986-87*	
Penal establishment	*Capital*	*Revenue*	*Capital*	*Revenue*	*Capital*	*Revenue*	*Capital*	*Revenue*	*Capital*	*Revenue*
Aberdeen	178	1,432	397	1,419	227	1,497	164	1,586	155	1,704
Barlinnie	200	6,085	447	6,750	645	7,195	908	7,758	1,327	8,121
Castle Huntly	60	916	145	927	38	1,003	42	1,106	43	1,170
Cornton Vale	9	2,370	20	2,493	330	2,643	146	2,833	269	2,839

Penal establishment	1982-83		1983-84		1984-85		1985-86		1986-87	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
Dumfries	,184	1,301	78	1,435	345	1,578	81	1,683	44	1,751
Dungavel	51	1,099	73	1,189	68	1,280	58	1,233	20	1,284
Edinburgh	1,143	4,273	771	4,666	550	5,302	496	6,882	402	7,119
Friarton	43	659	16	643	40	769	130	846	91	890
Glenochil	75	4,874	194	4,904	417	5,231	259	6,101	140	6,562
Greenock	885	197	587	195	1,202	244	1,835	768	379	2,280
Inverness	41	1,032	170	1,094	168	1,142	60	1,254	23	1,387
Longriggend	50	1,652	163	1,848	366	1,927	145	2,284	142	2,333
Low Moss	122	2,118	46	2,575	84	2,432	102	2,363	83	2,317
Noranside	62	840	53	950	185	988	201	1,094	124	1,072
Penninghame	84	574	89	593	92	599	24	692	31	689
Perth	422	3,638	642	3,945	1,538	4,256	500	4,832	220	5,287
Peterhead	340	3,337	521	3,683	308	4,215	269	4,566	138	5,061
Polmont	659	3,005	551	3,240	1,228	3,627	708	3,852	176	4,097
Shotts	83	1,045	24	1,275	55	1,441	34	1,557	1,430	1,800

Mr. Tom Clarke asked the Secretary of State for Scotland what are the numbers of mentally-handicapped or mentally-ill persons at present in Scottish prisons.

Lord James Douglas-Hamilton: In 1986 medical attention was required for 3,434 inmates suffering from various forms of neurosis or mental disorder. Only 63 inmates, however, were diagnosed as suffering from psychosis and five inmates found to be mentally handicapped.

Traffic Flows

Mr. Andrew Welsh asked the Secretary of State for Scotland what studies his Department has made of the effects of slow moving local traffic flows daily crossing dual carriageway roads which carry fast moving inter-city traffic; what effects this situation is estimated to have on accident rates; and what is his policy with regard to avoiding such situations in new dual carriageway construction.

Lord James Douglas-Hamilton: Studies have been undertaken over many years by the Transport and Road Research Laboratory and the Department of Transport on the aspects of design which influence the capacity and safety of junctions. The benefit of this research is contained in a technical memorandum (SH/82) used by roads authorities.

All trunk road manoeuvres create some hazard. Excessive speed of traffic on the trunk road and inexperienced drivers, who have difficulty in negotiating junctions, are the main causes of accidents. Accident rates on new stretches of road tend to drop once drivers have become used to the junctions.

In the design of new dual carriageways the policy adopted is to minimise the frequency of junctions and, where possible, to concentrate traffic crossing, joining and leaving the dual carriageway at the minimum number of locations.

Stracathro Hospital

Mr. Andrew Welsh asked the Secretary of State for Scotland if he will list for the latest year for which figures are available the number of reported accidents and fatalities on the road at Stracathro hospital; and what safety measures have so far been taken.

Lord James Douglas-Hamilton: Between January and December 1986 1 fatal and 1 serious accident occurred on the relevant stretch of the A94. Between January and May of this year there has been 1 fatal accident.

Safety measures already taken include additional advance direction signs at half mile distance on both carriageways, together with the blue "H" hospital sign; on the hatching within the junction two arrows have been painted on the carriageway indicating the path to follow; and further warning signs have been provided indicating "dual carriageway ahead" on the exit from the hospital.

Prisoners (Educational Qualifications)

Mr. Tom Clarke asked the Secretary of State for Scotland if he will list educational qualifications gained by prisoners who began their studies in prison, in each Scottish prison for each year since 1982, including SCE awards, GCE awards and Open University awards, and so on.

Lord James Douglas-Hamilton: This information is not held centrally and can be obtained only at disproportionate cost.

Education Statistics

Mr. Wallace asked the Secretary of State for Scotland if he will publish a table showing *(a)* the total number of pupils on school rolls and *(b)* the pupil-teacher ratio for primary and secondary schools in each islands council area in Scotland for each academic year since 1979.

Mr. Michael Forsyth: The information for local authority schools is set out in the tables:

Pupils and pupil-teacher ratios in education authority schools

Island authorities Scotland	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Primary schools								
Number of pupils								
Orkney	2,000	1,923	1,886	1,910	1,910	1,866	1,825	1,826

Island authorities Scotland	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	[1]1986-87
Shetland	2,711	2,705	2,681	2,564	2,478	2,388	2,386	2,387
Western Isles	3,681	3,529	3,435	3,346	3,198	3,119	3,155	3,000
Scotland	545,161	518,492	492,645	467,971	448,009	437,538	435,454	433,459
Pupil/Teacher ratios								
Orkney	17·3	17·2	16·9	17·2	16·7	16·8	15·9	15·8
Shetland	15·8	15·7	15·0	14·3	14·4	14·0	14·4	13·7
Western Isles	17·1	16·5	16·7	16·4	16·2	16·7	17·3	16·8
Scotland	20·3	20·3	20·3	20·4	20·3	20·4	20·4	20·4
Secondary schools								
Number of pupils								
Orkney	1,496	1,541	1,521	1,496	1,464	1,443	1,414	1,376
Shetland	1,618	1,631	1,702	1,715	1,797	1,760	1,740	1,709
Western Isles	2,549	2,727	2,777	2,752	2,793	2,732	2,639	2,583
Scotland	410,242	407,844	404,575	399,075	390,368	376,071	360,645	344,369
Pupil/Teacher ratios								
Orkney	13·0	13·2	12·9	12·5	12·0	12·0	11·7	11·7
Shetland	13·2	12·5	12·5	11·5	11·5	11·0	10·5	10·0
Western Isles	12·1	12·4	12·2	11·6	11·3	11·0	10·7	10·4
Scotland	14·4	14·4	14·4	14·3	14·0	13·7	13·5	13·2

[1] Provisional.

Health Care

Dr. Moonie asked the Secretary of State for Scotland when the revised document setting out priorities for health care in Scotland will be published.

Mr. Michael Forsyth: The report of the working group set up to review health authorities' priorities for the eighties and nineties (the SHARPEN report) was received by the Scottish Health Service Planning Council at its meeting on 10 June. I understand that the council considered it desirable to seek comments from interested bodies on the report's recommendations before itself forming conclusions. I expect to receive the council's proposals shortly.

Leukaemia

Mr. Bill Walker asked the Secretary of State for Scotland when the final conclusions of the study by the Information Services Division of the Common Services Agency for the Scottish Health Service into the incidence of leukaemia in Scotland will be published.

Mr. Michael Forsyth: The full results of the study have been published in the May edition of the health bulletin issued by the Chief Medical Officer of the Scottish Home and Health Department (Vol. 45 No 3). I have arranged for copies to be placed in the Library. The results have been referred to the Committee on the Medical Aspects of Radiation in the Environment for guidance on the need for further investigation.

DEFENCE

Departmental Land

Mr. Andrew F. Bennett asked the Secretary of State for Defence how much defence land has been sold, or returned to former owners since 1979; how much land has been acquired; how defence land holdings compare today with holdings 10 and 20 years ago; and what proposals there are for extra acquisition of land for the Department.

Mr. Freeman: Records are not held in a form which would allow sales and acquisitions to be readily identified in the form requested without disproportionate cost. However, on 1 April 1979 defence estate holdings stood at 621,118 acres. By 1 April 1987 this had fallen to 591,376 acres. Comparative figures for 1 April 1967 were 654,274 acres and for 1 April 1977 625,583 acres. The Department's main acquisition proposals concern the purchase of land for training purposes. There are also a number of other proposals designed to meet specific requirements.

Warrant Officer Ross

Mr. Campbell-Savours asked the Secretary of State for Defence on what basis Warrant Officer Ross, serving in the British Army, was involved in the training of private persons in shooting at a privately-organised training exercise held at an Army shooting range in the United Kingdom.

Mr. Freeman: Former Warrant Officer Ross retired from the Royal Marines in 1984. It appears that while on 28 days terminal leave, and acting in a private capacity, he helped arrange for a security firm to hire the Bisley range, which is managed by the National Rifle Association. The last 28 days of service may be taken up in civilian employment under MOD regulations.

Nuclear Defence Policy

Mr. Canavan asked the Secretary of State for Defence whether he will conduct a review of the Government's nuclear defence policy; and if he will make a statement.

Mr. Stewart: No. Her Majesty's Government remain committed to the policies of successive Governments in maintaining an independent nuclear deterrent and

supporting NATO strategy. The Government believe that possession by the United Kingdom of an independent nuclear deterrent will remain fundamental to the maintenance of this country's security for the foreseeable future.

Browning Ammunition

Mr. Rooker asked the Secretary of State for defence what is his policy with respect to the supply of 0·5" Browning ammunition from *(a)* United Kingdom suppliers and *(b)* foreign suppliers.

Mr. Sainsbury: Our policy is to secure the best long-term value for money on a national basis in procuring the equipment that the armed forces need. We buy British whenever it is sensible, economic and consistent with our international obligations to do so and acquire from overseas only when the advantages of cost, performance and timescale outweigh the longer term benefits of procuring the British alternative. We have recently invited bids from five companies, two of them British for the supply of this ammunition in the quantities required.

Nuclear Submarines (Waste)

Mr. Austin Mitchell asked the Secretary of State for Defence what exploratory work is now in progress, and where, to find sites for the dumping of waste from nuclear submarines.

Mr. Sainsbury No exploratory work is in progress to identify sites for the disposal of reactor compartments for decommissioned nuclear submarines.

Mr. Richard Branson (Rescue Costs)

Mr. Ron Brown asked the Secretary of State for Defence what is the estimated cost to public funds of the armed forces' rescue of balloonist Richard Branson and his pilot; and if he will make a statement.

Mr. Cryer asked the Secretary of State for Defence what was the cost to public funds of the recent support and rescue operation for Mr. R. Branson and his balloon pilot; and if he will make a statement.

Mr. Freeman: The armed forces stand ready to provide assistance when required if there is immediate danger to life. The Virgin Flyer rescue was such an example. The estimated cost is £34,000, which covers the rescue of Mr. Richard Branson and his pilot and the recovery of the Virgin Flyer from the sea.

Trident

Mr. William Powell asked the Secretary of State for Defence whether he will make a statement about progress with development of the Clyde submarine base required in support of Trident.

Mr. Freeman: The Property Services Agency of the Department of the Environment, which acts on behalf of the Secretary of State in matters of design and construction, is today letting a major contract for construction of a shiplift, berthing and other support facilities at Faslane. This is a very significant step in the development of facilities to support Trident, and it marks the beginning of the main construction phase at Faslane, where site preparation and advance works have been under way for some 18 months.

By the late autumn we expect to have let three more large construction contracts for Trident facilities at the armament depot at Coulport, the PSA will have invited tenders for the floating explosives handling jetty. When that contract, too, is awarded the great bulk of the development of the Clyde submarine base will be under way.

The contract announced today is worth some £120 million, but with further work for sub-contractors still to be settled the value of the overall package will rise to around £150 million. Construction of the shiplift brings with it some 600 jobs to the west of Scotland as well as important orders for suppliers of equipment and materials in other parts of Britain.

THE ARTS

Objects in Lieu of Tax

Mr. Faulds asked the Minister for the Arts whether he will specify the allocations made to public institutions in the United Kingdom during the half-year ended 30 June of individual works of art and museum objects pre-eminent for national, scientific, historic or artistic interest which have been accepted in satisfaction of inheritance tax or capital transfer tax, together with information, where applicable, as to conditions or wishes expressed by testators or executors in the matter of allocation; whether he will list the works of art or museum objects which are still awaiting allocation, with the respective date of their acceptance in satisfaction of inheritance tax or capital transfer tax; and whether the customary press notice will be issued from the Office of Arts and Libraries covering the information given in his reply.

Mr. Luce: The information is as follows:

Items allocated since 1 January 1987

Item	*Conditions or wishes expressed*	*Recipient institution*
Portrait of a Man by Roger van der Weyden	Conditional	Trustees of Home House Society on behalf of the Courtauld Institute
Mother and Child by Sir Jacob Epstein	Conditional	Birmingham City Art Gallery and Museum
Archive from the Dukes of Portland and Newcastle	Unconditional—Wish expressed that the Archive be allocated to the five institutions holding the respective parts at the time of the offer	Nottingham University Library; Nottinghamshire Record Office; Bodleian Library; British Library, Hampshire Record Office

Item	Conditions or wishes expressed	Recipient institution
Girl on a Sofa by Philip Wilson Steer	Conditional	Ipswich Museum and Art Gallery
Apotheosis of Delacrox by Paul Cezanne	Conditional	British Museum
Portrait of Jean Genet by Alberto Giacometti	Conditional	Tate Gallery
Madonna and Child by Giovanni Bellini	Conditional	Ashmolean Museum, Oxford
Sidereal clock by Matthew Boulton	Unconditional — Wish expressed that it be allocated to Birmingham City Art Gallery and Museum	Birmingham City Art Gallery and Museum

Items awaiting allocation

Item	Conditions or wishes expressed	Date of acceptance
Deux Pierreuses by Henri Toulouse-Lautrec	Unconditional	7 April 1987
Portrait by Sir Thomas Lawrence	Conditional on its remaining in situ at Sledmere House	9 April 1986
Portrait by Sir William Beechey	Conditional on its remaining in situ at Norton Conyers	25 July 1986
Three Flemish still-life paintings	Unconditional — Wish expressed that they are allocated to the National Gallery	21 August 1986
Clark Archive	Unconditional—Wish expressed that it is allocated to the Tate Gallery	7 May 1987

A press notice covering this information is issued today.

Works of Art (Exports)

Mr. Faulds asked the Minister for the Arts whether he will list the items for which the issuing of export licences was withheld on the recommendation of the Reviewing Committee on the Export of Works of Art during the half-year ended 30 June, specifying in each case the valuation and whether an item was eventually exported or retained, with particulars in the latter event of the acquiring institution; whether he will list any items for which licences have been withheld but the final disposal of which is not yet decided, specifying in each case *(a)* the valuation and *(b)* the relevant time limit; and whether a press notice will be issued from the Office of Arts and Libraries covering the comprehensive information given in his reply, in accordance with established practice.

Mr. Luce: The Secretary of State for Trade and Industry accepted my recommendation following consideration by the Reviewing Committee on the Export of Works of Art to defer making for a specified period a decision on an export licence application in respect of the items listed. Details of the items listed were given in press notices issued at the time the Secretary of State decided to accept the recommendation; however a further press notice will be issued.

Description of Item	Valuation £	Outcome
A painting, "La Rue Mosnier aux Paveurs", by Edouard Manet	7,805,000	Decision deferred for six months until 2 September 1987. Licence granted following a review of the situation after six weeks.
A painting, "Alexander III, King of Scotland rescued from the fury of the stag, by the intrepidity of Colin Fitzgerald", by Benjamin West	575,627	Decision deferred for three months until 2 June 1987. Purchased by the National Galleries of Scotland.
A painting, "Virginia Woolf", by Vanessa Bell	30,000	Decision deferred for 2 months until 2 May 1987. Purchased by the National Portrait Gallery.
A painting "Sunflowers" by Vincent van Gogh	25,087,500	Decision deferred for six months until 23 November 1987. Licence granted following a review of the situation after six weeks.
A group of four marble statues known as "The Judgement of Paris": *(a)* Venus removing her sandal, *(b)* Minerva, *(c)* Juno — all by Joseph Nollekens	1,350,000	Decision deferred for six months until 4 December 1987. Licence granted following a review of the situation after one month.
(d) A 16th century Italian marble statue of Paris		

NATIONAL FINANCE

Interest Rates

8. **Dr. Bray** asked the Chancellor of the Exchequer what information he has on the current level of real short-term interest rates in the United Kingdom by comparison with those in the United States, the Federal Republic of Germany and Japan.

Mr. Lawson: Real short-term interest rates in the United Kingdom are currently about ½ per cent. higher than the average of the seven major industrial countries.

20. **Dr. Godman** asked the Chancellor of the Exchequer if he will make a statement on the present level of interest rates.

Mr. Lilley: I refer the hon. Member to the answer I gave earlier to the hon. Member for Western Isles (Mr. Macdonald).

Privatisation

10. **Mr. Stott** asked the Chancellor of the Exchequer what is his latest estimate of receipts from privatisation for the year 1987-88.

Mr. Major: £5 billion.

38. **Dr. Twinn** asked the Chancellor of the Exchequer how many companies, with how many employees, have been transferred from the public sector to the private sector since 1979.

Mr. Norman Lamont: I refer my hon. Friend to the answer given earlier today by my right hon. Friend the Chief Secretary to my hon. Friend the Member for Swindon (Mr. Coombs).

62. **Mr. Hardy** asked the Chancellor of the Exchequer what is his estimate of the sums which will be received as a result of the sale of public assets during the present and in each of the next five financial years.

Mr. Norman Lamont: As shown in the 1987 public expenditure White Paper (Cm. 56-I), the estimate of receipts from the privatisation programme in each of the years 1987-88, 1988-89 and 1989-90 is £5 billion. No estimate has been made of proceeds in later financial years.

Economic Growth

14. **Mr. Wilkinson** asked the Chancellor of the Exchequer how the growth of economic output in the United Kingdom since 1983 compares with that of other major industrialised countries.

Mr. Major: Since 1983 output in the United Kingdom has grown faster than in any other major European economy.

27. **Mr. Greg Knight** asked the Chancellor of the Exchequer how the growth of economic output in the United Kingdom since 1983 compares with that of other major industrialised countries in the same period.

49. **Mr. Nicholas Bennett** asked the Chancellor of the Exchequer how the growth of economic output in the United Kingdom since 1983 compares with that of other major industrialised countries in the same period.

Mr. Lilley: I refer my hon. Friends to the answer my right hon. Friend the Chancellor gave earlier today to my hon. Friend the Member for Ruislip - Northwood (Mr. Wilkinson).

44. **Mr. John Hunt** asked the Chancellor of the Exchequer what is his latest estimate of the growth of the output in the economy.

56. **Mr. Gwilym Jones** asked the Chancellor of the Exchequer what is his latest estimate of the growth of output in the economy.

Mr. Major: Measured at 1980 prices, the average estimate of gross domestic product at factor cost is provisionally estimated to have risen by 3½ per cent. in the year to the first quarter of 1987.

Manufacturing Industry

19. **Mr. Bruce** asked the Chancellor of the Exchequer what is the current projected deficit in manufactured goods compared with the estimates at the time of the last Budget.

Mr. Major: The performance so far in 1987 has been better than implied at Budget time; in the four months to April the trade deficit in manufactures fell by £1·1 billion compared to the last four months of 1986. A new forecast will be published in the usual way at the time of the autumn statement.

43. **Mr. Gregory** asked the Chancellor of the Exchequer what are the most recent statistics for the growth of manufacturing industry productivity in the United Kingdom; and if he will make a statement.

59. **Mr. Summerson** asked the Chancellor of the Exchequer what are the latest figures for the growth of manufacturing productivity in the United Kingdom.

Mr. Lilley: I refer my hon. friends to the answer my hon. Friend the Economic Secretary gave earlier today to my hon. Friend the Member for Norwich, North. (Mr. Thompson)

Non-North Sea Companies

21. **Mr. Colvin** asked the Chancellor of the Exchequer what is the latest figure for the net real rate of return for non-North sea companies in the United Kingdom.

Mr. Lilley: 8 per cent.

Public Expenditure

22. **Mr. Ralph Howell** asked the Chancellor of the Exchequer what is his latest estimate of general Government expenditure as a proportion of gross domestic product.

26. **Mr. Couchman** asked the Chancellor of the Exchequer what is his latest estimate of general Government expenditure as a proportion of gross domestic product.

Mr. Major: General government expenditure represented just under 43 per cent. of gross domestic product in 1986-87.

54. **Mr. Rowe** asked the Chancellor of the Exchequer what is his latest estimate of central Government expenditure as a proportion of gross domestic product.

Mr. Major: The normal measure for assessing trends in public spending is general government expenditure as a percentage of GDP. The latest estimate for that in 1986-87 is 43 per cent. The figure for central Government expenditure is 32 per cent.

Self-employment

Mr. Brandon-Bravo asked the Chancellor of the Exchequer by how much self-employment has grown in the United Kingdom since 1979.

Mr. Lilley: I refer my hon. Friend to the answer I gave earlier today to my hon. Friend, the Member for New Forest (Mr. McNair-Wilson).

Oil Prices

24. **Mr. Salmond** asked the Chancellor of the Exchequer what is his Department's current assessment of the impact of lower oil prices on the United Kingdom's economy.

Mr. Major: Individuals and companies are benefiting from lower fuel costs and the manufacturing sector is already responding to the competitiveness gains which have occurred.

EC (Finance Ministers)

25. **Dr. Marek** asked the Chancellor of the Exchequer when he will next meet the Finance Ministers of the European Economic Community.

Mr. Brooke: The next meeting of European Community Economic and Finance Ministers is scheduled for 13 July.

Personal Taxation

28. **Mr. Tim Smith** asked the Chancellor of the Exchequer, what representations he has received regarding the reform of personal taxation.

Mr. Lamont: Following the publication of the Green Paper "The Reform of Personal Taxation" responses were received from around 70 organisations and about 400 individuals. Although a majority of those who expressed a preference favoured the introduction of a system of independent taxation of husband and wife with transferable allowances, the total number responding was low. In these circumstances we did not yet feel there was sufficient support to go ahead with so far-reaching a reform. We are exploring the possibility of finding a halfway house to the Green Paper approach. Ministers continue to receive correspondence on the issues discussed in the Green Paper.

Value Added Tax

29. **Mr. Geraint Howells** asked the Chancellor of the Exchequer if he has any plans to introduce value added tax on children's clothes; and if he will make a statement.

53. **Mr. Wareing** asked the Chancellor of the Exchequer what plans he has for changes in the scope of value added tax.

Mr. Brooke: I refer the hon. Members to the reply I gave earlier today to the hon. Member for Clwyd, South-West (Mr. Jones).

34. **Mr. Wallace** asked the Chancellor of the Exchequer if he has any plans to introduce value added tax on books, and if he will make a statement.

Mr. Brooke: My right hon. Friend has no such plans.

40. **Mr. Madden** asked the Chancellor of the Exchequer what representations he has received about extensions of value added tax paid in the United Kingdom.

Mr. Brooke: My right hon. Friend received a number of representations in the run-up to the election urging him not to extend value added tax to various items currently zero-rated.

42. **Mr. Alex Carlile** asked the Chancellor of the Exchequer if he will make a statement on the effect of the Civil Service dispute on value added tax refunds affecting small businesses.

50. **Mrs. Gorman** asked the Chancellor of the Exchequer what steps he is taking to mitigate the effects on traders of the current value added tax dispute; and if he will make a statement.

Mr. Brooke: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Ryedale (Mr. Greenway) on 2 July at column *167*.

46. **Mr. David Nicholson** asked the Chancellor of the Exchequer how many new company value added tax registrations there were in 1986.

Mr. Baldry askd the Chancellor of the Exchequer how many new company value added tax registrations there were in 1986.

Mr. Brooke: I refer my hon. Friend to my reply earlier today to my hon. Friend the Member for Darlington (Mr. Fallon).

47. **Mr. Nicholas Brown** asked the Chancellor of the Exchequer if he will make a statement regarding the operation of recent changes in the regulations governing the collection of value added tax by the Customs and Excise.

Mr. Brooke: Regulations about the implementation of the default surcharge and the repayment supplement were effective from 1 October 1986. Their operation, together with other value added tax measures arising from the Keith Committee recommendations enacted in the 1985 Finance Act, will be reviewed before the 1988 budget. More recently, the Finance Act 1987 provided authority for schemes of cash and annual accounting. A copy of the draft regulations for the Cash Accounting scheme was placed in the Library on 24 April. Draft regulations for Annual Accounting will be provided, on the same way, closer to the mid-1988 date of introduction.

Unemployment Costs

30. **Mr. Nigel Griffiths** asked the Chancellor of the Exchequer whether he will provide an estimate of the cost of unemployment in Scotland.

Mr. Major: I regret that regional figures for benefit expenditure on the unemployed are not available.

Public Sector Borrowing Requirement

31. **Mr. Yeo** asked the Chancellor of the Exchequer what is his latest forecast for the public sector borrowing requirement for 1987-88.

Mr. Major: The figure is £3·9 billion, or 1 per cent. of GDP as published in the "Financial Statement and Budget Report" for 1987-88.

Budget Proposals

32. **Mr. Allen McKay** asked the Chancellor of the Exchequer what further representations he has received on his Budget.

Mr. Norman Lamont: The proposals in my right hon. Friend's Budget have been widely welcomed.

Inflation

33. **Mr. Andrew MacKay** asked the Chancellor of the Exchequer if he will make a statement on the level of inflation.

55. **Mr. McLoughlin** asked the Chancellor of the Exchequer if he will make a statement on the current level of inflation.

Mr. Lilley: The increase in retail prices for the 12 months ending May 1987 was 4·1 per cent.

Overseas Assets

35. **Mr. Quentin Davies** asked the Chancellor of the Exchequer if he will make a statement on the present level of net United Kingdom assets overseas.

45. **Mr. Hannam** asked the Chancellor of the Exchequer if he will make a statement on the present level of net United Kingdom assets overseas.

Mr. Major: Net United Kingdom overseas assets are estimated to have increased from about £80 billion at the end of 1985 to about £110 billion at the end of 1986. This is equivalent to 28 per cent. of GDP, the highest recorded level since the war.

Credit Cards

36. **Mr. Tony Banks** asked the Chancellor of the Exchequer what representations he has received seeking regulations of the credit card industry.

Mr. Lilley: Very few. Credit card agreements are subject to the Consumer Credit Act which is the responsibility of my right hon. Friend the Secretary of State for Trade and Industry. The Director General of Fair Trading has asked the Monopolies and Mergers Commission to investigate credit card services.

Shareholders

37. **Mr. Charles Wardle** asked the Chancellor of the Exchequer if he will give the latest figure on the number of shareholders in the United Kingdom.

51. **Mr. Ashby** asked the Chancellor of the Exchequer if he will give the latest figure of the number of shareholders in the United Kingdom.

58. **Mr. Butler** asked the Chancellor of the Exchequer if he will give the latest figure on the number of shareholders in the United Kingdom.

Mr. Norman Lamont: The joint Treasury and Stock Exchange survey carried out in January and February this year estimated that there were 8½ million shareholders, 19½ per cent. of the adult population, roughly three times the equivalent figure for 1979.

European Monetary System

39. **Mr. Robert Hicks** asked the Chancellor of the Exchequer when he next proposes to have discussions with the European Community Council of Ministers about the United Kingdom joining the exchange rate mechanism of the European monetary system; and if he will make a statement.

Mr. Lilley: My right hon. Friend discusses aspects of the European monetary system with his European colleagues from time to time.

Greenhouses (Capital Allowances)

41. **Mr. Hind** asked the Chancellor of the Exchequer what plans he has to change capital allowances for owners of greenhouses in the nursery industry.

Mr. Norman Lamont: I have noted my hon. Friend's suggestion.

Industrial Production

48. **Miss Emma Nicholson** asked the Chancellor of the Exchequer what is his latest estimate of the level of industrial production.

Mr. Major: I refer my hon. Friend to the reply my hon. Friend the Economic Secretary gave earlier today to my hon. Friend the Member for Esher (Mr. Taylor).

Unit Labour Costs

52. **Sir Anthony Meyer** asked the Chancellor of the Exchequer what are the latest figures for the growth of unit labour costs.

Mr. Major: In the fourth quarter of 1986, wages and salaries per unit of output in the whole economy were 5·2 per cent. above the corresponding period of 1985. In the manufacturing sector, in the three months to April 1987, wages and salaries per unit of output were 0·9 per cent. above the corresponding period a year earlier.

Personal Incomes

57. **Mr. Shersby** asked the Chancellor of the Exchequer how the present level of real take-home pay of a married man on average earnings with two children compared with 1978-79.

Mr. Norman Lamont: Real take-home pay is estimated to have risen by 21·6 per cent. between 1978-79 and 1987-88 for a married man on average male earnings with two children.

Third World Debt

60. **Mr. Skinner** asked the Chancellor of the Exchequer what recent discussions he has had with the Governor of the Bank of England regarding Third world debt; and if he will make a statement.

Mr. Lilley: My right hon. Friend the Chancellor of the Exchequer regularly meets the Governor of the Bank of England and international economic issues, including developing country debt, are amongst the topics they discuss.

EC (Financial Contributions)

Mr. Cryer asked the Chancellor of the Exchequer what was the net financial contribution made by the United Kingdom to the European Economic Community in each year from 1979 to 1986.

Mr. Brooke: I refer to the answer I gave to my hon. Friend the Member for Norfolk, North (Mr. Howell) on 22 April 1987 at columns 577-78.

Museums (Grant Aid)

Mr. Cryer asked the Chancellor of the Exchequer if he will list the grant aid, showing the amount in each case, given to museums and museum projects in Yorkshire and Humberside in 1985, 1986 and 1987 to the most recent practicable date.

Mr. Luce: I have been asked to reply.

Central Government supported expenditure on museums and museum projects in Yorkshire and Humberside are included in the table.

Contributions to museums and museum projects are also made from central Government funds through museums and galleries commission local museum purchase grants, the Manpower Services Commission and organisations such as English Heritage and tourist boards.

	1984-85 £	*1985-86* £	*1986-87* £
1. Area Museum and Art Gallery Service for Yorkshire and Humberside	388,088	424,800	424,400
2. Science Museum			
National Railway Museum	1,157,480	1,267,500	1,066,780
National Museum of Photograph, Film and Television	909,450	995,900	1,167,940
3. Museums and Galleries Commission			
Capital Grants	10,000	57,000	23,000
Conservation Grants	22,400	NIL	22,200
Post abolition transitional grant	N/A	N/A	129,550
4. Business Sponsorship Incentive Scheme Awards	25,000	9,000	3,734
	(1984)	(1985)	(1986)
5. Urban Programme	5,300	15,000	124,500
6. Derelict Land Grant	NIL	NIL	103,500
7. Local authority expenditure from rate support grant	252,973	199,953	N/A

Tax Law (Repeal)

Mr. Tim Smith asked the Chancellor of the Exchequer what would be the cost to the Exchequer of repealing section 37 of the Income Tax and Corporation Taxes Act 1970.

Mr. Norman Lamont [*pursuant to his reply*, 7 July 1987, c. *83*]: This would depend on the levels of allowances available to husbands and wives, the rules of distinguishing a wife's income from that of her husband, and any transitional provisions following the change.

SOCIAL SERVICES

Maternity Grant

Mrs. Wise asked the Secretary of State for Social Services how many women claimed maternity grant in the last month of availability *(a)* nationally and *(b)* in Preston; and how many women have had social fund payments for maternity in the first month of availability (i) nationally and (ii) in Preston.

Mr. Portillo: Information on the numbers of maternity grant claims made in Great Britain in the calendar month immediately preceding 6 April 1987 is not readily available and could be obtained only at disproportionate cost. Between 4 March 1987 and 31 March 1987, the Department's child benefit centre at Washington received, from local offices, 9036 maternity grant claims. The numbers of maternity grant claims received at the Department's local offices at Preston, North and Preston, South between 6 March 1987 and 5 April 1987 were 113 and 227 respectively.

Between 6 April 1987 and 5 May 1987, Social Fund payments for maternity expenses in Great Britain numbered 11,248 including 65 at Preston, North and 38 at Preston, South local offices.

Drugs (Prices)

Mr. Ashley asked the Secretary of State for Social Services whether the prices negotiated for National Health Service drugs include an allowance for the risk of drug damage for which the company would have to pay compensation.

Mr. Newton: Costs of pharmaceutical companies accepted for the purposes of the pharmaceutical price regulation scheme, and thus reflected in National Health Service medicine prices, would include a due share of the cost of a company's product liability insurance premiums.

Drugs (Clinical Trials)

Mr. Ashley asked the Secretary of State for Social Services what rules are laid down by the Committee on Safety of Medicines in respect of the inclusion of old people in clinical trials for drugs which will be used extensively by old people.

Mr. Newton: The current guidelines are given in annex IVB of "Guidance Notes on Applications for Product Licences (MAL 2)", a copy of which is in the Library. These guidelines are issued by the licensing authority after taking into consideration the advice of the Committee on Safety of Medicines.

Eli Lilly

Mr. Ashley asked the Secretary of State for Social Services how many drugs are supplied to the National Health Service by the firm Eli Lilly; and if he will list them.

Mr. Newton: This company produces a wide range of branded medicinal products, details of which may be found under the names of Dista Products Limited and Eli Lilly & Company Limited, in the Association of the British Pharmaceutical Industry data sheet compendium 1986-87. A copy of the compendium is held as a reference volume in the Scientific and Defence Section of the Library. Doctors may prescribe any of the products mentioned for National Health Service patients, apart from any which appear in schedule 3A of the National Health Service (General Medical and Pharmaceutical Services) Amendment Regulations, 1985.

Drugs (Adverse Reactions)

Mr. Ashley asked the Secretary of State for Social Services in what way, and to what extent, his Department checks the warnings given by drug manufacturers about the risk of adverse reactions.

Mr. Newton: Any medicinal product which is promoted to doctors must be accompanied by a data sheet, which must be consistent with the product licence and must include an accurate account of the uses of the drug and its contra-indications and warnings. Data sheets submitted with licence applications are scrutinised to ensure that they reflect the data supporting the application.

The Committee on Safety of Medicines promote and monitor the reporting of adverse drug reactions. The adverse reactions group of CSM's sub-committee on safety (ARGOS), operates a prospective monitoring scheme to look every month at recently reported adverse reactions to selected new drugs. In addition, a team of doctors in the Department with appropriate experience carries out a fortnightly surveillance of all recently-received individual patient reports. The international published literature on adverse drug reactions is scrutinised by the Department and by ARGOS. The aim in each case is to identify new or increased hazards. As fresh information about adverse reactions becomes apparent officers of the Department may discuss revisions to the data sheet with the licence holder, or the CSM may advise the licensing authority on courses of action including measures to secure compulsory variation of a data sheet.

Mr. Ashley asked the Secretary of State for Social Services what severity of reaction is understood by his Department to be indicated where a pharmaceutical company warns of a mild adverse reaction; and whether such a reaction is understood to include photosensitivity;

Mr. Newton: In the medical sense, mild carries the same connotations as in lay usage. It specifically excludes all reactions which are fatal, life-threatening, disabling, incapacitating or which result in or prolong hospitalisation. Photosensitivity can be mild, moderate or severe.

Mr. Ashley asked the Secretary of State for Social Services what approximate period of time is understood by his Department to be referred to where a pharmaceutical company warns of a transient adverse reaction in connection with a drug.

Mr. Newton: In the medical sense, transient carries the same connotations as in lay usage. However, the significance of a transient reaction can be considered only in relationship to the drug and reaction in question.

Opren

Mr. Ashley asked the Secretary of State for Social Services (1) how many people are estimated to be still suffering from photosensitivity as a result of taking Opren; and how many people are estimated to be suffering from a liver condition as a result of taking the drug;

(2) what information he has as to how many people aged over 65 years took part in the clinical trials for Opren, and as to the average length of time that such people took part in the trial;

(3) how many people are estimated to have taken the drug Opren; and how many of these were aged over 65 years;

(4) if he or his officials have had any discussions with Eli Lilly about the possibility of the company establishing a structured compensation scheme for the alleged victims of the drug Opren;

(5) how many people are estimated to have died as a result of taking Opren.

Mr. Newton: These questions concern matters contained in current legal actions before the High Court against both the licensing authority and the Committee on Safety of Medicines. I am advised that they are therefore sub-judice.

Mr. Ashley asked the Secretary of State for Social Services in each calendar year since Opren received a product licence, how many adverse reaction cards relating to it have been received by the Committee on Safety of Medicines; and how many in each year indicated a death.

Mr. Newton: The figures are not readily available in the form requested. I refer the right hon. Member to the debate in the House on 27 January 1983, at columns 1098-1122 and to the Committee on Safety of Medicines' update in the *British Medical Journal* of 3 May 1986 volume 292 pages 1190-1191.

Drugs (Damage)

Mr. Ashley asked the Secretary of State for Social Services if he will examine the possibility of making it a condition of a pharmaceutical company receiving a contract to supply drugs to the National Health Service that, in the event of that company paying any compensation for drug damage, British citizens would receive equal treatment.

Mr. Newton: Compensation questions fall to be determined between the parties or failing that by the courts in the light of the circumstances of the case. We have no plans to associate compensation arrangements with the supply of medicines to the NHS.

Benefits

Mr. Fatchett asked the Secretary of State for Social Services how many children, on the latest available figures, are now living in households dependent on social security benefits in (*a*) the Leeds Central constituency and (*b*) the Leeds metropolitan district council area.

Mr. Portillo: It is not possible to provide statistically valid estimates of the number of children living in families receiving supplementary benefit in Leeds Central constituency.

The Department's quarterly administrative statistics for February 1987 indicate that in the Leeds Metropolitan District, some 32,000 dependant children lived in families where the head was receiving supplementary benefit.

Geriatric Wards (Women)

Ms. Gordon asked the Secretary of State for Social Services what advice he has given to regional or district health authorities concerning the practice of placing patients of both sexes in overnight geriatric wards in mental hospitals; and what safeguards exist against physical harassment of vulnerable women patients.

Mrs. Currie: The principles which should govern the provision of mixed sex wards were conveyed to area health authority chairmen, at a meeting in 1980 chaired by the then Secretary of State, to the effect that patients' dignity and privacy must be respected, any arrangements whereby men and women share bedrooms is unsatisfactory, and sanitary facilities should give complete privacy. The desirability of a male and female nurse always being present in a mixed day area, and of nurses of both sexes being on call during the night was emphasised.

Mixed wards managed on this basis can be of positive therapeutic value to elderly people who are mentally ill. They can provide a setting for social contact, and may encourage improved social behaviour, personal hygiene and appearance.

Carers (Holidays)

Mr. D. E. Thomas asked the Secretary of State for Social Services whether he will consider plans to extend the opportunities of carers of elderly, handicapped or ill relatives to take holidays; and if he will make a statement.

Mr. Scott: We recognise the value to family carers of relief from the burden of continual care and the part respite care services can play in this. However, responsibility for these services rests with local social services and health authorities. These authorities are best placed to assess local needs and to decide within the resources available what provision to make.

Invalid Care Allowance

Mr. D. E. Thomas asked the Secretary of State for Social Services whether he has any plans to increase the value of invalid care allowances; and if he will make a statement.

Mr. Scott: We are pledged to maintain the value of invalid care allowance in line with the movement in prices and, since coming to office in 1979, we have more than done so. My right hon. Friend will be making the usual annual statement in the autumn about benefit upratings.

Nursing Services (Privatisation)

Mr. Austin Mitchell asked the Secretary of State for Social Services whether it is his intention to privatise the provision of nursing services in National Health Service hospitals.

Mr. Newton: No.

NHS (Private Contractors)

Mr. Austin Mitchell asked the Secretary of State for Social Services what information he has about difficulties experienced by hospital administrators or health authorities in enforcing the terms of contracts in respect of hospital cleaning services which have been granted to private contractors.

Mr. Newton: It is the responsibility of health authorities to monitor the performance of a contractor to ensure that the service delivered meets the standards specified in the contract. Day-to-day management information of the sort requested is not collected centrally.

Departmental Leaflets

Ms. Mahon asked the Secretary of State for Social Services (1) how many complaints have been received from citizen's advice bureaux and other organisations over the last three years about difficulties and delays in obtaining departmental leaflets for distribution to the public;

(2) if he will give more resources to his departmental leaflets unit in order to reduce the problems presently experienced by citizens advice bureaux and their clients in obtaining such leaflets.

Mr. Portillo: The Department does not record the number of such complaints. Demand of departmental leaflets has recently increased sharply and regrettably there has been some delay in processing orders. I am considering a number of options to improve the situation.

Genetic Screening

Mr. McCrindle asked the Secretary of State for Social Services if he will make a statement on the funding of the investigation of genetic screening for common inherited diseases at Cardiff, Manchester and London.

Mrs. Currie: A special medical development at these locations has been funded by the Department for three years to enable a full evalution of the service implications of the application of DNA technology to genetic services. The current period of support ends in December 1987.

Mr. McCrindle asked the Secretary of State for Social Services if additional funding is to be made available to regional health authorities for the investigation of genetic screening for common inherited diseases; and if he will make a statement.

Mrs. Currie: It is for health authorities locally to determine the allocation of resources for genetic services within the overall resources available to them. We have no current plans to allocate resources to regional health authorities specifically for genetic services.

Primary Health Care

Mr. Colvin asked the Secretary of State for Social Services when he will be publishing a White Paper on primary health care following completion of discussions on his Green Paper (Cmnd. 9771), on the same subject.

Mr. Newton: We shall announce our conclusions on the primary health care review as soon as possible.

Organ Donors

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services whether he has received the report from Sir Raymond Hoffenberg and his committee about proposals to introduce a required request procedure in hospitals where organ donors arise.

Mrs. Currie: The working group, chaired by Sir Raymond Hoffenberg, the president of the Royal College of Physicians, is examing various ways of increasing the availability of donor organs for transplantation. The group has not yet submitted its report to the conference of royal medical colleges and their faculties. We understand that the report will be sent to the Department when it has been considered by the conference.

Hours of Work

Mr. Ieuan Wyn Jones asked the Secretary of State for Social Services (1) what is his Department's policy towards issuing guidelines to each health authority in England and Wales governing the hours to be worked by junior doctors in general hospitals;

(2) what guidelines his Department issued to area health authorities on the hours of work of working parties; and if he will make a statement on their future;

(3) whether his Department has reviewed rota arrangements for junior doctors, in view of the agreement reached between his Department and the British Medical Association in 1982; and if he will make a statement.

Mr. Newton: The issue of guidance to health authorities in Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Departmental guidance to authorities in England on the hours of work of junior hospital doctors and dentists is contained in circulars PM(82)37, AL(MD)3 83 and PM(85)1, copies of which I have placed in the Library. This bans regular rotas requiring a practitioner to be on duty, on average, for more than one night and one weekend in two. It also asks authorities to aim for a target maximum commitment of one in three or better, where practicable, and to set up local professional working parties to recommend means of achieving this.

Following reviews undertaken in consultation with working parties betwen 1982 and 1985, it is estimated that the number of rotas more onerous than one in three fell or was planned to fall from 5,000 to 3,500, representing 18·4 per cent. of junior posts. In addition, the average weekly contracted hours of juniors have fallen in every year since 1979, from over 90 to 85·7, and surveys commissioned by the Review Body on Doctors' and Dentists' Remuneration show that the average weekly hours actually worked have also fallen, from 58·3 in 1981 to 57 in 1985. We expect authorities to keep the need for the remaining rotas more onerous than one in three under review, and it is open to them to convene working parties for that purpose.

The Department is currently collecting further information on practitioners' hours of work which it has undertaken to discuss with the profession's representatives.

Diseases Classification (Data)

Mr. Sheerman asked the Secretary of State for Social Services if he will take steps to encourage regional health authorities to use the most recent version of the international classification of diseases code to improve the quality of HAA and HIPE data with a view to resolving current problems of inferior quality of data for record linkage purposes.

Mrs. Currie: All the regional health authorities used the most recent version of the international classification of diseases to code their hospital activity analysis data. We have not received any reports that the hospital activity analysis data are of inferior quality.

Abortions

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) how many abortions have been performed under the Abortion Act 1967 in each of the last five years for which figures are available on pregnancies of *(a)* under 20 weeks, *(b)* 20 weeks, *(c)* 21 weeks, *(d)* 22 weeks, *(e)* 23 weeks and *(f)* 24 weeks or more; and how many of the abortions in each case were performed under (i) ground 1 and (ii) ground 5 of the Act;

(2) how many abortions have been performed under the Abortion Act 1967 in the first quarter of 1987 and the first quarter of each of the five preceding years on pregnancies of *(a)* under 20 weeks, *(b)* 20 weeks, *(c)* 21 weeks, *(d)* 22 weeks, *(e)* 23 weeks and *(f)* 24 weeks or more; and how many of the abortions in each case were performed under (i) ground 1 and (ii) ground 5 of the Act.

Mr. Newton: The available information is given in the tables. Data for the first quarter of 1987 have not yet been processed fully.

Number of notifications of abortions carried out under the Abortion Act 1967 by grounds and gestation period. Residents and non-residents
Annual and first quarter, 1982-1986
England and Wales

Grounds	*Gestation period in completed weeks*					
	under 20	*20*	*21*	*22*	*23*	*24 and over*
1982						
All	159,276	1,262	623	854	477	462
1 (with any other)	662	5	1	3	1	2
5 (alone)	4					3
1983						
All	158,186	1,322	651	936	451	505
1 (with any other)	523	6	2	2	1	11
5 (alone)	2					1
1984						
All	165,563	1,550	695	938	619	532
1 (with any other)	586	2	1	3		4
5 (alone)	6	1				2

Grounds	Gestation period in completed weeks					
	under 20	20	21	22	23	24 and over
1985						
All	167,413	1,475	835	904	724	494
1 (with any other)	520	1	2	3	3	5
5 (alone)	3	1	-	1	-	-
1986						
All	168,168	1,389	753	876	880	204
1 (with any other)	479	3	1	2	2	1
5 (alone)			2			
First Quarter March						
1982						
All	42,208	331	141	221	147	120
1 (with any other)	169	1	-	2		1
5 (alone)	1					
1983						
All	42,332	346	160	229	114	137
1 (with any other)	162	3		1		4
5 (alone)	1					
1984						
All	43,244	372	169	208	140	143
1 (with any other)	158	1				
5 (alone)	-	1		-		
1985						
All	43,006	391	222	228	183	145
1 (with any other)	188	-				2
5 (alone)	1	-				
1986						
All	42,671	332	181	204	195	77
1 (with any other)	103	-	-	1	-	-
5 (alone)	-	-	1	-	-	-

Notes

Notifications with unknown gestation period are excluded.

Ground 1: the continuance of the pregnancy would involve risk to the life of the pregnant woman greater than if the pregnancy were terminated.

Ground 5: in emergency, to save the life of the pregnant woman.

Tabulation categories as in OPCS published data (series AB)

Nurses (Pay)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what percentage of a nurse's take-home pay is related to accommodation costs; and whether he has given any consideration to assisting nurses with their housing costs in areas such as Berkshire where rents are generally higher than in other parts of the United Kingdom.

Mr. Newton: A nurse's take home pay depends on his or her individual circumstances, as does the proportion of that pay which is devoted to accommodation costs. Nurses' average earnings have risen by 30 per cent. since 1979, after allowing for movements in prices, including housing costs. The NHS Management Board is encouraging a number of experiments to develop schemes which could be used by health authorities in areas where housing costs are thought to be a contributory factor in staffing shortages.

Kidney Patients

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what is the planned annual rate of increase in treatment for new renal patients, regional health authority by regional health authority, for 1987-88.

Mrs. Currie I shall let my hon. Friend have a reply as soon as possible.

Histopathology (Staff)

Mr. Dobson asked the Secretary of State for Social Services if he has received representations from the British Society for Clinical Cytology asking for further consultant histopathology posts to be created; and if he will make a statement.

Mrs. Currie: We are not aware of representations from the British Society for Clinical Cytology in this respect.

Cancer Screening

Mr. Dobson asked the Secretary of State for Social Services if his Department has estimated the number of new medical laboratory scientific officers who will be needed to deal with the extra work load created by the planned three-year recall cervical cytology programme.

Mrs. Currie: It is for the individual health authorities to estimate the type and number of staff they need in the light of their local arrangements for laboratory examination of cervical smears.

Mr. Dobson asked the Secretary of State for Social Services how many pathology laboratories in England and Wales undertake the processing of cervical cancer smears within the National Health Service; how many of these laboratories are equipped with a computer to assist them

in the processing of smears; and how many of the laboratories have a computer linked directly with the FPC computer which issued the initial call.

Mrs. Currie: A total of 214 pathology laboratories in the National Health Service in England and Wales processed cervical smears in 1986. Information on the number of laboratories equipped with a computer and how many have computers linked with the family practitioner committee computer is not collected centrally.

Mr. Dobson asked the Secretary of State for Social Services which district health authorities are using private laboratories to process cervical cancer smears; and which companies are being used.

Mrs. Currie: It is for health authorities to decide how to obtain satisfactory processing of cervical smear tests. Some health authorities have sent cervical smears to private laboratories, particularly where backlogs arose following the sharp increase in the number of smears taken in the last two years. Comprehensive information on which district health authorities use private laboratories, and which companies are used, is not collected centrally.

Social Security Records (Police Access)

Mr. Wells asked the Secretary of State for Social Services if he will set out his policy on the disclosure of information from social security records to the police; and whether any measures have been taken in respect of the requirements of the Data Protection Act 1984.

Mr. Portillo: It is the long-standing policy of successive Governments that information may be disclosed on request to the police in a case which involves a serious crime or a missing person under age 18. The information is given orally and in confidence and in respect of specific named individuals only. The Department will also provide information, including a written statement, to the police where they are investigating alleged offences in which the Department has an interest, for example benefit fraud.

This policy will continue under the provisions of the Data Protection Act 1984 when it comes fully into force in November 1987. In accordance with section 3(3)*(d)* of the Act, the police have been registered with the Data Protection Registrar as a body to whom we may wish to disclose personal data.

Mr. P. J. Johnson

Mr. Terry Fields asked the Secretary of State for Social Services when his Department intends to reply to correspondence from Mr. P. J. Johnson of 40 Gloucester road, Liverpool 6, a constituent of the hon. Member for Liverpool, Broadgreen, which was dispatched on 16 January; when his Department intends to reply to correspondence from Mr. P. J. Johnson which was dispatched by recorded delivery, on 18 May; and if he will return documents included in correspondence to Mr. P. J. Johnson; and if he will make a statement.

Mr. Portillo [*pursuant to his reply*, 6 July 1987, c. *45*]: A reply was sent to Mr. Johnson on 7 July enclosing the documents he requested.

TRADE AND INDUSTRY

National Credit Registry

Mr. McCrindle asked the Chancellor of the Duchy of Lancaster if he has any plans to create a national credit registry.

Mr. Maude: No. I consider that the existing credit reference agencies perform a valuable service and I welcome current moves to expand information on debtors into more comprehensive credit registers involving a wide range of lending institutions.

CS Gas

Mr. Greenway asked the Chancellor of the Duchy of Lancaster if he will take steps to prohibit the importation into the United Kingdom of CS gas; and if he will make a statement.

Mr. Alan Clark: The possession, purchase, acquisition, manufacture, sale or transfer of CS gas canisters in Great Britain is already strictly controlled under section 5 of the Firearms Act 1968 and requires the special written authority of my right hon. Friends the Secretary of State for the Home Department or the Secretary of State for Scotland as appropriate. Import licences are required before such goods may be imported and are granted only to those similarly authorised.

House of Fraser plc

Mr. Butterfill asked the Chancellor of the Duchy of Lancaster what instructions on reporting within a specific time limit he has given to the inspectors appointed to inquire into the acquisition of House of Fraser plc by the Fayeed Brothers.

Mr. Maude: Inspectors were appointed on 9 April 1987 under section 432(2) of the Companies Act 1985 to investigate and report on the affairs of House of Fraser Holdings plc. It is not the practice to instruct Companies Act inspectors to report by a specific date.

News International Ltd.

Mr. Fisher asked the Chancellor of the Duchy of Lancaster on what occasions he has visited News International Ltd. at Wapping during the past three months.

Mr. Kenneth Clarke: I have never visited News International Ltd. at Wapping.

Mr. Rupert Murdoch

Mr. Fisher asked the Chancellor of the Duchy of Lancaster on what occasions he has met Mr. Rupert Murdoch on official business during the past three months.

Mr. Kenneth Clarke: So far as I can recall, I have never met Mr. Rupert Murdoch on any occasion, official or private.

"Today" (Takeover)

Mr. Fisher asked the Chancellor of the Duchy of Lancaster at what time, and on what day, News

International Ltd. and Lonrho Ltd. deposited with his Department the financial and other information necessary for him to consider his responsibilities under section 58 of the Fair Trading Act 1973.

Mr. Kenneth Clarke: Letters from News International Ltd. and Lonrho plc. were received by my officials at approximately 4.45 pm on 30 June and on behalf of News International Ltd. at approximately 11 am on 1 July. Further information was provided at a meeting between my officials and representatives of Lonrho plc. News (UK) Ltd. and its auditors at 11.30 am on 1 July, and shortly thereafter they supplied some additional information. What was important to the Secretary of State in reaching his decision was the nature to the information provided, not its timing.

Mr. Fisher asked the Chancellor of the Duchy of Lancaster at what time, and on what day, he met representatives of *(a)* Lonrho Ltd. and *(b)* News International Ltd. to discuss the financial background to the takeover of the *Today* newspaper.

Mr. Kenneth Clarke: Neither the Secretary of State nor I personally met representatives of either Lonrho plc. or News International Ltd. at any time on any day to discuss the financial background to the takeover of the *Today* newspaper.

Mr. Fisher asked the Chancellor of the Duchy of Lancaster whether he will deposit in the Library a memorandum of the financial and other material upon which he formed his judgment not to refer the takeover of the *Today* newspaper to the Monopolies and Mergers Commission.

Mr. Kenneth Clarke: I will deposit in the Library such material as can be made available subject to the normal limits of commercial confidentiality and the requirements of the Fair Trading Act 1973.

Origin Marking

Mr. Cryer asked the Chancellor of the Duchy of Lancaster if, pursuant to his reply of 30 June, *Official Report*, column *58*, to the hon. Member for Bradford, South, he will take steps to enable consumers to know when the criminal offence of misleading consumers about the origin of goods has taken place.

Mr. Maude: I have no plans to do so. However, as my predecessor indicated on 13 May during the passage of the Consumer Protection Act 1987, we believe that it will be possible to introduce a successor regime to the 1972 Trade Descriptions Act. This Act, which requires origin marking of imported goods where they are supplied in the United Kingdom bearing a United Kingdom name or mark, has to be repealed for reasons of Community law. We are now considering the terms of a draft order to provide for a successor regime.

The Trade Descriptions Act 1968 already prohibits the application to goods of false or misleading indications in respect of a number of characteristics of goods including their place of manufacture or production. Enforcement of the Act is a matter for local authority trading standards departments.

Written Answers to Questions

Friday 10 July 1987

TRANSPORT

Civil Servants

Mr. Batiste asked the Secretary of State for Transport how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Channon: The staff employed in the areas concerned, and their estimated budgeted salary and associated costs are

	Staff in post at 1 June 1987	*Costs £ million*
London and South East (including East Anglia)	4,961	106
South-West	1,018	22
Midlands	1,171	25
North	1,841	39
Total, England	8,991	192

The Department also employs 5,343 staff, at a cost of £114 million, in Scotland and Wales.

Docklands Light Railway

Mr. Evennett asked the Secretary of State for Transport whether there are currently any plans to extend the Docklands light railway to Thamesmead.

Mr. David Mitchell: At present LRT have no plans to extend the Docklands light railway to Thamesmead. The possibility of further extensions to the railway, including one to Thamesmead, is being considered in the context of a study of the future development of public transport in the Docklands, jointly commissioned by London Regional Transport and the London Docklands Development Corporation. We shall look closely at any proposals which emerge from this work.

East London River Crossing

Mr. Evennett asked the Secretary of State for Transport when he expects to receive the inspector's report of the public inquiry into the east London river crossing.

Mr. Channon: Early in 1988.

Motorway Service Areas (Crime)

Mr. Raison asked the Secretary of State for Transport what evidence he has of the incidence and types of crime committed at motorway service areas.

Mr. Peter Bottomley: No statistics are available of criminal offences committed at motorway service areas. The Department has not received any recent complaints about such offences. It would be for local police forces to respond to inquiries about offences at individual service areas. Police posts exist at most of them.

Cyclists

Mr. Watts asked the Secretary of State for Transport whether he has any information about the incidence of injuries to pedestrians caused by cyclists riding on footpaths.

Mr. Peter Bottomley: No. The Stats 19 road accident report form does not identify incidences of cyclists riding on footpaths.

M1-A1 Link

Mr. O'Brien asked the Secretary of State for Transport if he is in a position to report on the study undertaken to consider the road link from the M1 to A1 in the South Leeds area; and if he will make a statement.

Mr. Peter Bottomley: We hope to make an announcement during the autumn. This should end the present uncertainty.

Coach Safety

Mr. Butterfill asked the Secretary of State for Transport what steps he proposes to take to improve coach safety; and if he will make a statement.

Mr. Peter Bottomley: New regulations, laid before Parliament today, will require all new single-decked coaches registered in Britain from 1 April 1990 to be built to a new European safety standard governing the strength of coach roofs to reduce the possibility of the roof collapsing in a roll-over accident.

From the same date, double-decked coaches will be required to be fitted with a means of escape in both halves of the upper deck. From 1 October 1988 seat belts will be required to be fitted on most front passenger seats and centre rear seats in coaches and to the front passenger seats of minibuses, ambulances and motor caravans. Seat belt anchorages will be required on the seats of heavy goods vehicles.

Drink-driving

Mr. Sheerman asked the Secretary of State for Transport how many *(a)* disqualified excess alcohol offenders and *(b)* high risk offenders did not apply for a new driving licence within six months of the end of their disqualification period.

Mr. Peter Bottomley: The information is not readily available.

Manchester Airport (Rail Link)

Dr. Marek asked the Secretary of State for Transport when, pursuant to the answer of 29 June, *Official Report*, column *33*, he expects a decision to be reached on the provision of a rail link to Manchester airport; and if he will make a statement.

Mr. David Mitchell: I shall make a decision on the application for Government grant towards this project as soon as the necessary evaluations have been completed.

SCOTLAND

Sheep

Mr. Thomas asked the Secretary of State for Scotland what is the average size of sheep flocks in Scotland.

Mr. Michael Forsyth: The average size of the Scottish breeding ewe flock, as recorded at the June 1986 agricultural census, was 232 ewes. The average number of breeding ewes on full time specialist sheep farms in the less favoured areas was 969.

Lead Plumbing

Mr. Ron Davies asked the Secretary of State for Scotland, pursuant to his answer of 6 July, *Official Report*, column *36*, why his Department does not hold information concerning properties with lead plumbing in Scotland; and if he will make a statement.

Lord James Douglas-Hamilton: I assume the hon. Member is concerned with the health hazard arising from elevated levels of lead in drinking water. The presence of lead plumbing does not necessarily imply that the level of lead in the drinking water exceeds the current standard of 0·1mg/l laid down in the EC directive on the quality of water for human consumption. It is not clear that the considerable cost of surveys which would be required to collect fully comprehensive information of lead plumbing in Scotland would be justified. Water authorities are making good progress in reducing the plumbosolvency of water supplies by treatment processes or by pipe replacement as appropriate.

Loch Ness

Sir Russell Johnston asked the Secretary of State for Scotland what information he has as to who owns Loch Ness; and how the various rights in the loch are apportioned.

Lord James Douglas-Hamilton: At common law the solum of an inland loch in Scotland is owned by the riparian proprietors. There is nothing in the titles of the two estates which contain the major part of the shores of Loch Ness, Lovat estate and Foyers estate, to indicate any departure from the common law with respect to Loch Ness. The cost of a search to identify and examine the titles of all parties who might have an interest in the loch would be disproportionate to the results achieved. Such a search could not be guaranteed to be exhaustive because the land register of Scotland, which is map-based, has not yet been extended to the Highlands, and the Register of Sasines relies on verbal descriptions of land which are frequently not sufficiently detailed to permit accurate location of the land.

Salmon fishings can be owned separately from the land and held on a separate title. Other fishings cannot be separately owned, but can be let.

Loch Ness, of course, forms part of a navigable waterway and the rights of all parties having an interest in the loch are subject to rights of navigation.

Ballachulish Bridge

Sir Russell Johnston asked the Secretary of State for Scotland what proportion of the capital cost of the Ballachulish bridge requires to be expended on regular maintenance; how frequently maintenance is required, and how this compares with the bridges at Kessock and Kylesku.

Lord James Douglas-Hamilton: Over the last three years the equivalent of 5 per cent. of the capital cost of the bridge has been spent on maintenance work (involving surface treatment of the structure) but this is the first major outlay on the bridge since it was completed in 1975. As regards other bridges, Kessock bridge has had no significant expenditure on maintenance since opening in 1982; the Scottish Development Department does not hold information on the Kylesku bridge, which falls within the responsibility of Highland regional council.

Job Losses

Mr. Graham asked the Secretary of State for Scotland how many closures have been reported in Renfrew, West and Inverclyde constituency in each year since 1979; and how many jobs have been involved.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Scottish Development Agency

Mr. Graham asked the Secretary of State for Scotland how much has been spent by the Scottish Development Agency in each year since 1979 in Renfrew, West and Inverclyde constituency; and what proportion of all spending by the agency this figure represents.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Lambs (Radiation)

Mr. Home Robertson asked the Secretary of State for Scotland, pursuant to his reply to the hon. Member for Dumfries on Tuesday 7 July, if he will list the areas and farms where his Department has identified elevated readings of radiation among lambs; and how many lambs are in the affected areas.

Mr. Michael Forsyth: The order was made on 7 July designated three areas in Dumfries and Galloway region. These areas comprise seven farms in the parishes of Ruthwell, Kirkgunzeon and New Abbey. In all, about 6,000 sheep are affected. Testing continues in a few other hill areas to determine whether restrictions need to be introduced. Action will be taken as necessary to protect the consumer and the monitoring results will be published in full.

Labour Statistics

Mr. Graham asked the Secretary of State for Scotland how many are registered out of work at each benefit office in Renfrew West and Inverclyde constituency; and how many were registered out of work in June 1983.

Mr. Lang: The information is not readily available in the form requested. However, on 14 May 1987 (the latest date for which information is available) and 9 June 1983 the number of unemployed claimants in the Renfrew West and Inverclyde parliamentary constituency totalled 3,632 and 3,472 respectively. The figures are not comparable due to the changes which have taken place in the compilation of the statistics.

This information is available in the Library.

Rates

Mr. Allan Stewart asked the Secretary of State for Scotland whether he intends to pursue action to reduce the rates of any Scottish local authorities; and if he will make a statement.

Mr. Rifkind: I am today laying before Parliament reports under section 5 of the Local Government (Scotland) Act 1966 setting out my proposals for reductions in the rates of Lothian regional council and Edinburgh district council of 3·9p and 2·8p respectively. Clackmannan district council has offered to reduce its rate by 1·8p and I have today written to the council accepting its proposal.

Oil Taxation

Mr. Anthony Coombs asked the Chancellor of the Exchequer what level of petroleum tax revenue is anticipated for the current financial year assuming that the present price of $19.20 for Brent crude is maintained; and how this figure compares with the previous financial year.

Mr. Lilley: North Sea tax revenues depend on other factors such as the exchange rate and oil production as well as on the dollar oil price. The sensitivity of oil revenue forecasts to various changes in the underlying assumptions is described in Chapter 6 of the "Financial Statement and Budget Report 1987-88." Total North Sea revenues in 1986-87 amounted to some £4.8 billion, and were forecast to be £3.9 billion in 1987-8 in the FSBR.

Urban Development Corporations

Sir Trevor Skeet asked the Chancellor of the Exchequer if, as part of Her Majesty's Government policy to encourage the redevelopment of the inner cities, he proposes to extend to urban development corporations 100 per cent. allowances for corporation and income tax purposes for capital expenditure on industrial and commercial buildings; and if he will make a statement.

Mr. Norman Lamont: I have noted my hon. Friend's suggestion.

Privatisation (Shareholders)

Mrs. Elizabeth Peacock: To ask Mr. Chancellor of the Exchequer, what proprtion of shareholders now owning shares in companies privatised since 1979 are *(a)* current or *(b)* former employees of that company.

Mr. Norman Lamont [*pursuant to his reply*, 8 July 1987, c. *159*]: In total, 430,000 employees have taken up shares when their companies have been privatised. Most have kept their shares.

ATTORNEY-GENERAL

Women

Ms. Richardson asked the Attorney-General what are the main needs of women in the policy areas within the sphere of his Department's activity; what is being done to identify and quantify these needs and to monitor implementation; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to staff to raise their appreciation of the needs of women.

The Attorney-General: The policies of the Lord Chancellor's Department are designed to meet the needs of men and women equally. The Department contributed to the "Review of the Nairobi Forward-Looking Strategies for the Advancement of Women" published by the Home Office on 29 April, a copy of which was placed in the Library, and especially to the section on Matrimonial and Family law. The only change since the review was drafted is that the Family Law Reform Bill mentioned in that section received the Royal Assent on 15 May. The Lord Chancellor and his officials consult regularly organisations with an interest in the work of the Department and are happy to hear from any organisation representing women. Equal opportunities, including those for women are discussed on management and other staff training courses including the panel interview and selection interviewing courses.

My own Department, the Law Officers' Department, has no policy making functions.

Persons in Custody

Mr. Bermingham asked the Attorney-General what proposals he has to instruct the legal aid authorities to ensure that persons detained in custody and transferred from their local remand prison are entitled to be visited by their solicitors and advisers so that their cases can be prepared for trial.

The Attorney-General: I am not aware of any problems concerning legal aid for solicitors to visit clients transferred away from their local remand prison. If the hon. Gentleman has a particular case in mind he should write to the Lord Chancellor.

Hon. Member for Torbay

Mr. Hind asked the Attorney-General when he expects to make a decision on the possible prosecution of the hon. Member for Torbay (Mr. Allason) in relation to his alleged possession of certain security documents.

The Attorney-General: This matter has been invetigated by the police. The Director of Public prosecutions has now decide that the investigation has not disclosed evidence justifying the bringing of proceedings. The Director has consulted me and I have agreed with his decision.

EDUCATION AND SCIENCE

School Buildings and Education Standards

Mr. Pike asked the Secretary of State for Education and Science what assessment his Department has made of possible links between lack of maintenance and inadequate school buildings and education standards; and if he will make a statement.

Mr. Dunn: Many factors influence the standards attained in schools and there is no means of identifying the contribution made by any one alone. It is for LEAs to ensure that schools provide an appropriate physical environment for teaching and learning.

EC Nationals (Further and Higher Education)

Mr. Heathcoat-Amory asked the Secretary of State for Education and Science how many United Kingdom further education places with free tuition are currently filled by European Community nationals.

Mr. Jackson: Under arrangements announced in Parliament on 1 July 1986, students from European Community (EC) countries attending courses designated for mandatory awards purposes in the United Kingdom are eligible to have their course fees reimbursed by the Government, if they satisfy conditions for eligibility corresponding to those which apply for United Kingdom students. Interim figures for the academic year 1986-87, the first year to which these arrangements apply, indicate that about 3,100 EC students at United Kingdom institutions have had their fees reimbursed.

Mr. Heathcoat-Amory asked the Secretary of State for Education and Science (1) which European Community countries offer free tuition in higher education for members of other European Community countries;

(2) which European Community countries levy charges for fees for higher education students coming from other European Community countries.

Mr. Jackson: Drawing on the available information, my understanding of the situation in each member state is as follows:

Belgium
Fees are charged at the "home rate".
Denmark
No fees are charged.
France
All students pay a small subsidised fee plus some local fees relating to institution or subject of study. In addition, a social services contribution may be required.
Federal Republic of Germany
Students may have to pay a social services contribution.
Greece
No fees are charged.
Irish Republic
Fees are charged at the "home rate".
Italy
Fees are charged at the "home rate".
Luxembourg
Only one higher education institution levies a charge, for registration.
Netherlands
No charge is made for tuition but students may be liable for registration and examination fees.
Portugal
No charge is made for tuition or examination but a registration fee may be levied.
Spain
All students must pay a registration fee and may also be liable for tuition fees.
United Kingdom
Fees are reimbursed subject to satisfaction of eligibility conditions.

Consultative Committee on the Curriculum

Ms. Richardson asked the Secretary of State for Education and Science what steps he is taking to increase the number of women members, from seven out of the total membership of 29, on his principal advisory body on the school curriculum, the consultative committee on the curriculum.

Mrs. Rumbold: This is a matter for my right hon. Friend the Secretary of State for Scotland.

Three to five-year-olds

Ms. Richardson asked the Secretary of State for Education and Science what is the number of (*a*) three-year olds, (*b*) four-year olds and (*c*) rising five-year olds included in official calculations of the number of three to five-year-olds in education who attend primary school classes, in contrast to attending nursery schools specifically designed and staffed for the particular needs of three-to-five-year olds.

Mr. Dunn: The number of three-year-olds, four-year-olds and rising five-year-olds who attended maintained nursery schools, and nursery classes and infant classes in primary schools in England in January 1986 was as follows:

Pupils age[1]	*Nursery Schools*	*Primary Schools*	
		Nursery Classes	*Infant Classes*
Three	33,376	155,960	2,350
Four[2]	8,777	48,780	233,517
Rising five[3]	48	1,153	192,376

[1] Full and part-time pupils. Ages at 31 August 1985.
[2] Excludes rising fives. (See note 3).
[3] Pupils aged four at 31 August 1985 who became five by 31 December 1985 and were, therefore of compulsory school age on the day of the census count in January 1986.

State Schools (Pupil Statistics)

Mr. Grocott asked the Secretary of State for Education and Science what proportion of children under the age of 16 years are educated in state schools.

Mr. Dunn: The proportion of children under the age of 16 who were educated in maintained schools in England in January 1986 was 94 per cent.

Polytechnics

Ms. Armstrong asked the Secretary of State for Education and Science what plans he has for changing the membership of governing bodies of polytechnics.

Mr. Jackson: We plan to re-establish polytechnics and other maintained colleges predominantly concerned with higher education as corporate bodies. The Boards of Governors will assume wide powers to determine the affairs of the institution. The membership of the boards will reflect the institutions' new status and the governors' new role. There will be a strong voice for employers and other lay representatives. We have sought views on the detailed composition of the Boards and are considering responses.

Undergraduates

Mr. Thomas asked the Secretary of State for Education and Science how many students from Wales are at present studying as undergraduates at universities in England; and what proportion of all students from Wales studying as undergraduates in universities they represent.

Mr. Jackson: In 1985, there were 6,200 full-time students from Wales studying as undergraduates at universities in England. This represents 57 per cent. of all University undergraduates from Wales in Great Britain.

Mr. Thomas asked the Secretary of State for Education and Science (1) how many students from Wales are

studying as undergraduates in each of the constituent colleges of the University of Wales; and what proportion of the undergraduate students at each college they represent; (2) how many students from Scotland are studying as undergraduates in each of the Scottish universities; and what proportion of all undergraduates, at each university, they represent.

Mr. Jackson: The information is as follows:

Full-time undergraduates from Scotland at universities in Scotland, 1985

	Total	*As per cent. of all undergraduates at each university*
Aberdeen	3,700	76
Dundee	1,600	56
Edinburgh	5,100	59
Glasgow	7,900	86
Heriot-Watt	1,900	66
St. Andrews	1,100	34
Stirling	1,300	60
Strathclyde	5,300	86
Total Scotland	28,000	70

Full-time undergraduates from Wales at university colleges in Wales, 1985

	Total	*As per cent. of all undergraduates at each university*
Aberystwyth	700	29
Bangor	500	22
Cardiff	1,400	31
St. David's Lampeter	100	18
Swansea	700	20
University of Wales College of Medicine	300	46
University of Wales Institute of Science and Technology	500	22
Total Wales	4,500	28

Academic Posts

Mr. Thomas asked the Secretary of State for Education and Science (1) if he will state the total number of full-time staffed academic posts at each university in England; and if he will give the corresponding figures for each year since 1977-78;

(2) if he will state the total number of full-time staffed academic posts at each of the colleges of the University of Wales; and what are the corresponding figures for each year since 1977-78.

Mr. Jackson: The following table gives the numbers of full-time academic staff.

Total full time academic staff

	1977	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Aston	568	606	640	644	617	534	468	396	357
Bath	373	417	453	453	453	457	462	472	465
Birmingham	1,404	1,400	1,498	1,505	1,455	1,398	1,396	1,430	1,479
Bradford	523	543	547	590	574	548	513	481	492
Bristol	1,035	1,073	1,104	1,127	1,145	1,117	1,101	1,109	1,160
Brunel	327	332	345	366	356	316	344	359	374
Cambridge	1,164	1,177	1,196	1,200	1,213	1,680	1,656	1,671	1,751
City	351	352	360	355	341	301	340	335	362
Durham	502	513	563	580	587	577	588	581	586
East Anglia	351	364	389	461	506	521	531	506	520
Essex	305	330	336	340	340	336	333	346	380
Exeter	489	563	595	603	593	554	524	513	534
Hull	520	541	575	582	587	541	525	513	511
Keele	325	337	343	348	334	313	300	299	302
Kent	442	467	480	475	461	466	476	436	459
Lancaster	499	525	552	557	547	526	534	571	590
Leeds	1,311	1,334	1,391	1,395	1,367	1,321	1,331	1,434	1,465
Leicester	549	576	611	622	616	612	608	647	683
Liverpool	1,048	1,071	1,120	1,148	1,160	1,106	1,069	1,061	1,096
London Business School	65	67	72	66	62	60	60	71	70
London	7,259	7,444	7,764	7,891	7,899	7,691	7,816	7,971	8,224
Loughborough	568	571	581	590	620	635	654	691	719
Manchester Business School	40	40	51	49	50	46	42	42	48
Manchester University	1,555	1,598	1,666	1,655	1,646	1,557	1,591	1,670	1,705
Manchester Institute of Science and Technology	521	539	581	622	649	617	648	643	656
Newcastle	1,062	1,092	1,127	1,140	1,114	1,086	1,136	1,172	1,192
Nottingham	840	884	923	948	944	935	951	998	1,085
Oxford	1,865	1,937	1,926	1,994	1,989	2,012	2,050	1,976	2,000
Reading	737	742	747	753	743	744	738	716	739
Salford	510	510	521	508	502	420	373	365	431
Sheffield	918	995	1,039	1,088	1,098	1,059	1,025	1,007	1,056
Southampton	916	925	974	1,020	1,041	977	996	1,057	1,074
Surrey	417	449	476	498	489	477	508	535	560
Sussex	665	672	661	660	634	602	608	603	634
Warwick	476	584	613	637	640	652	623	651	735
York	395	402	419	407	397	418	431	442	463
Total England	30,895	31,972	33,239	33,877	33,769	33,212	33,349	33,770	34,957

	1977	1978	1979	1980	1981	1982	1983	1984	1985
Aberystwyth University College	411	425	438	451	444	409	388	369	374
Bangor University College	422	409	414	414	415	385	338	352	359
Cardiff University College	683	699	685	707	701	683	691	666	651
St. David's, Lampeter	63	69	69	71	71	70	70	69	69
Swansea University College	494	499	518	508	509	488	486	489	480
University of Wales College of Medicine	205	221	230	329	324	328	358	330	344
University of Wales Institute of Science and Technology	317	323	342	255	274	289	289	348	365
Total Wales	2,595	2,645	2,697	2,735	2,738	2,652	2,620	2,623	2,642
Total England and Wales	33,490	34,617	35,936	36,612	36,507	35,864	35,969	36,393	37,599

Legislation (Green Papers)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will set out his timetable for consultation on his proposed Education Bill and education Green Papers.

Mrs. Rumbold: Consultation has already taken place on the proposed Universities Funding Council and the Polytechnics and Colleges Funding Council, which were announced in the White Paper "Higher Education: Meeting the Challenge" (Cm 114). Consultation papers have been issued this week on the arrangements for collective worship and on the Governmant's proposals for more open enrolement. Copies are available in the Library. Further consultation papers will be issued over the coming weeks on financial delegation to schools, grant-maintained schools, the national curriculum, the Government's proposals to allow inner London boroughs to take onthe responsibilities of local education authorities, and in due course probably certain other issues. Like those already issued, these further papers will seek comments by the early autumn. The Government also intend to publish a Green Paper on the structure of new permanent machinery for determining schoolteachers' pay and conditions, and to enter into detailed discussions with interested parties later in the year.

Special Educational Needs

Mr. Hannam asked the Secretary of State for Education and Science what is his response to the recommendation that a national committee on special educational needs be established, made in the third report of the House of Commons Select Committee on Education, Science and Arts on "Special Educational Needs: Implementation of the Education Act 1981," HC201; 1986-87

Mr. Dunn: We are giving careful consideration to all the recommendations of the Select Committee report on special education needs. I do not wish to anticipate the response which my right hon. Friend will be making to the Committee later in the year.

National Curriculum

Mr. Ken Hargreaves asked the Secretary of State for Education and Science when he intends to set up working groups to recommend attainment targets and programmes of study for mathematics and science, within the framework of the Government's proposals for a national curriculum.

Mr. Kenneth Baker: I am grateful to Professor Roger Blin-Stoyle FRS for agreeing to take the chair of the mathematics working group; and to Professor Jeff Thompson for agreeing to take the chair of the science working group. Each group will have a small membership composed largely of professionals: head teachers, teachers, teacher trainers, academics, experts in assessment and Local Education Authority advisers. The groups will also have members from LEA administration and from the world of business.

The groups will advise, in their respective fields, on the knowledge, skills, understanding and aptitudes which pupils should be expected to have acquired at specific ages, taking account of differences in ability. The groups will also advise on the essential content which should be covered to enable pupils to reach agreed attainment targets.

The groups will start work immediately. I am asking them to give me interim advice within four months and their final advice within 12 months. My Department will be announcing details of the groups' formal terms of reference and membership later today, and copies of these will be placed in the Library.

FOREIGN AND COMMONWEALTH AFFAIRS

Lebanon (UNIFIL)

Mr. Temple-Morris asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the policy of Her Majesty's Government towards the renewal by the United Nations of the UNIFIL mandate in the Lebanon as well as the implementation of United Nations resolution 425.

Mr. Mellor: We fully support UNIFIL and deplore its continued inability to carry out its full mandate. We should be prepared to consider sympathetically a proposal to renew its mandate, which expires on 31 July.

Departmental Manpower

Sir John Farr asked the Secretary of State for Foreign and Commonwealth Affairs what was the total number of persons in his Department for each year since 1984 (*a*) at home and (*b*) abroad.

Mr. Eggar: The provision for staff employed (at home and abroad) by the Foreign and Commonwealth Office (including the Overseas Development Administration) for each year since 1984 is as follows:

	Home	Abroad	Total
1984	7409	2802	10,211
1985	7109	2810	9,919
1986	7014	2716	9,730
1987	7070	2823	9,893

The provision for staff employed overseas in a locally engaged capacity is:

	Number
1984	6927
1985	6855
1986	6837
1987	7074

Departmental Computers

Sir John Farr asked the Secretary of State for Foreign and Commonwealth Affairs (1) to which firms his Department has awarded contracts for computer hardware for each year since 1984; and what was the value of each contract;

(2) what his Department has spent on *(a)* computer hardware and *(b)* computer software for each year since 1984; and what is the projected expenditure for 1987.

Mr. Eggar: For reasons of commercial confidentiality, details of individual contracts cannot be given. However, total annual expenditure for financial years 1984-1985 to 1986-1987, and companies to whom contracts for hardware have been awarded, are shown in the attached tables, plus projected expenditure for 1987-1988.

Separate figures for hardware and software are not available.

Separate figures are given for purchase and maintenance of hardware and software.

The figures include expenditure by both the Diplomatic and Aid Wings of the FCO.

1984-85

Purchase of hardware and software: £2,530,624
Maintenance of hardware and software: £703,781

Companies awarded contracts for hardware:
- Acorn Computers
- ACT
- British Telecom
- Burroughs
- Calcomp
- CASU
- Comart
- Equinox
- IBM
- ICL
- ITL
- Kode Limited
- LEASCO
- Logica
- Micro APL Limited
- Midlectron
- NCR
- Nexel
- Pentad
- Plessey
- Stag Terminals
- Tandy
- Texas Instruments
- TransAm Microsystems
- Videcom
- Wang

1985-86

Purchase: £2,726,331
Maintenance: £863,440

Companies:
- 01 Computers Limited
- Action Data Limited
- Apricot Computers
- AT Computerworld
- British Telecom
- Calcomp
- CASU Limited
- Equinox
- Hewlett Packard
- HMSO
- ICL
- Information Technology Limited
- ITL
- Jarogate
- Kode Limited
- LEASCO
- Logica
- Micro APL Limited
- Microware
- NCR
- Newbury Data
- Nexel
- Rank Xerox
- Spiro
- Systems Designers Public Limited Company
- Telford Management
- Vistec
- Wordnet International

1986-87

Purchase: £3,770,435
Maintenance: £1,565,198

Companies:
- 01 Computers Limited
- ACT/Apricot Limited
- Black Box Limited
- British Telecom
- Burroughs
- CASU
- Central Business Machines
- Computerworld
- Data General Ltd.
- Digital Microcomputer Systems
- Equinox
- HMSO
- Hewlett Packard
- ICL
- Information Technology Limited
- Jarogate
- J. G. Sytems Limited
- Kinesis Computing
- Kode Limited
- LEASCO
- Logica
- Lynwood Scientific
- Micro APL Limited
- NCR
- Newbury Data
- Nexel
- Personal Computers Limited
- Plessey
- Prime Computer (UK) Limited
- Quest Computer
- Rental Research Limited
- Systime Computers Limited
- Sperry Limited
- Spiro
- Tandy Corporation
- Texas Instruments
- Videcom
- Vistec Business Systems
- Wang

Projected Expenditure for 1987-88:

Purchase of Hardware and Software: £8,330,948
Maintenance of Hardware and Software: £2,553,316

Peter Wright (Memoirs)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs why, pursuant to his answer of 3 July, *Official Report*, column 189, his discussions with the United States on the publication of Peter Wright's memoirs are confidential.

Mr. Mellor: My anwer of 3 July related to discussions with other Governments generally. It is an essential principle of Government-to-Government exchanges that their confidentiality should be preserved.

OVERSEAS DEVELOPMENT

Women

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if his Department has made any provisions for the participation of local women in the preparation, implementation or evaluation of aid projects; and if he will make a statement.

Mr. Chris Patten: Yes. ODA staff work on the basis of guidance designed to ensure that the scope for local women to participate in aid-funded projects is fully considered. I will send a copy of this guidance to the hon. Member.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to ensure equal participation of women in all aspects of his Department's aid programme; if he will list the ways in which they are employed; how many women are involved in the programme; what percentage they are of the programme's work force; if he will assess whether the appraisal, monitoring and evaluations of his Department's programme have fully taken women into account; and if he will list the relevant reports and their dates in the *Official Report*.

Mr. Chris Patten: It is our policy to aim at equal opportunities for women's participation in the aid programme. We recognise the importance of taking women fully into account in all aid projects as both agents and beneficiaries of development. We wish to increase the involvement of women's groups in shaping and implementing change in developing countries and to see more women trained under the aid programme.

Figures are not available on the number of local women involved in projects and programmes financed by the aid programme. As a member of the DAC expert group on women and development we are considering how best to devise standard statistics for measuring women's participation. Of the ODA's own staff, 640 (42 per cent.) are women. Women also participate in the aid programme as technical co-operation officers, supplementees, associate professional officers, volunteers serving overseas and consultants. Gender differentiated statistics are available for the first four categories. At the end of 1986, 85 (4·81 per cent.) of technical co-operation officers and supplementees were women. Currently 20 (31 per cent.) of associate professional officers and 508 (48 per cent.) of VSOs are women. Women are also engaged in ODA-funded research. All major projects are assessed for their impact on women. We are currently seeking to improve our appraisal techniques to give fuller consideration to gender and we require evaluation studies to take account of the impact on women. In consultation with other members of the development assistance committee of the OECD we are continuing with further work to improve evaluation in this regard. A list of appraisal, monitoring and evaluation reports could be provided only at disproportionate cost.

ENERGY

Energy Prices

Mr. Adley asked the Secretary of State for Energy if he will make a statement on his Department's current projections on energy prices.

Mr. Parkinson: Given the uncertainties associated with energy price projections, the Government's approach is to continue taking measures to stimulate competition and encourage efficiency. These measures, along with international market forces, have contributed to the fall in energy prices in real terms over recent years and offer the best chance of securing competitive and stable prices in the future.

Magnox Nuclear Reactors

Mr. Thomas asked the Secretary of State for Energy whether his Department has carried out studies into the efficiency of the filtration system for gaseous discharges from magnox nuclear reactors; and if he will make a statement.

Mr. Michael Spicer: I shall reply to the hon. Member as soon as possible.

Mr. Thomas asked the Secretary of State for Energy which magnox nuclear reactors have experienced pin loading problems and on which occasions; and if he will make a statement.

Mr. Michael Spicer: This is an operational matter and falls within the responsibilities of the CEGB and BNFL. I have asked the respective chairmen to write to the hon. Member.

Mr. Thomas asked the Secretary of State for Energy on which occasions since 1979 radioactive carbon dioxide has been discharged through leakage at Trawsfynydd magnox nuclear power station; what volumes were involved; and if he will make a statement.

Mr. Michael Spicer: I have asked the chairman of the CEGB to write to the hon. Member.

Power Stations (Cooling Ponds)

Mr. Thomas asked the Secretary of State for Energy what methods are used to measure the activity in cooling ponds of (a) magnox nuclear power stations generally and (b) Trawsfynydd station.

Mr. Michael Spicer: I have asked the chairman of the CEGB to write to the hon. Member.

Spent Nuclear Fuel

Mr. Thomas asked the Secretary of State for Energy if he will publish a table of the annual amount of spent nuclear fuel dispatches, by date and amount, for each year since 1979, including the first half of 1987 for the Trawsfynydd magnox nuclear station; and which local

emergency planning authorities in Wales are given prior notice of spent fuel consignments transported through their area of responsibility from both the Trawsfynydd and Wylfa nuclear plants.

Mr. Michael Spicer: I shall reply to the hon. Member as soon as possible.

Plutonium

Mr. Thomas asked the Secretary of State for Energy (1) when he expects to be able to begin the publication of full information on civil plutonium production in the United Kingdom; and if he will make a statement;

(2) with whom his Department has held discussions on the publication of records relating to future plutonium production from United Kingdom civil nuclear reactors; and on what occasions such discussions have taken place.

Mr. Michael Spicer: Discussion are continuing, and I will make an announcement in due course.

Nuclear Safety

Mr. Thomas asked the Secretary of State for Energy who is responsible to his Department for *(a)* information on the production of plutonium for defence purposes, *(b)* the safe operation of Calder Hall and Chapel Cross magnox nuclear reactors, *(c)* the safety of operation of the Sellafield nuclear complex and *(d)* the decommissioning of the Windscale piles at the Sellafield complex.

Mr. Michael Spicer: The supply of all materials for defence purposes is the responsibility of the Ministry of Defence. The safe operation of nuclear installations in the United Kingdom is the responsibility of the operator: BNFL, in the case of Calder Hall, Chapelcross and Sellafield. The responsibility for enforcing the licence conditions attached to those sites rests with the independent Nuclear Installations Inspectorate of the Health and Safety Executive.

The decommissioning of the Windscale piles will be undertaken by the UKAEA.

EMPLOYMENT

Community Programme

Ms Primarolo asked the Secretary of State for Employment why, and by how much, the budget for the community programme has been reduced; to what programmes the funds thus saved have been diverted; and what are his proposals for the future of the community programme.

Mr. Lee: We are providing £1,045 million for the community programme in 1987-88, broadly the same level of resources as last year. This will enable us to provide opportunities for 300,000 people over the year, the same as in 1986-87. As was announced in the House on 30 June we plan to improve the community programme in a number of ways. We intend that it should be full-time and that participants receive a premium over their benefit entitlement. This will make the programme much more attractive to unemployed people with family commitments. We also propose to enhance significantly the training and job search content of the programme.

Civil Servants

Mr. Batiste asked the Secretary of State for Employment how many civil servants are employed by his Department in *(a)* London and the south east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Chope: The number of established civil servants employed on 1 June 1987 in the Department of Employment group in the regions requested are:

	Number
(a) London and the South East	14,621
(b) South West	4,189
(c) Midlands	9,329
(d) North of England	12,653

Additionally there are nationally 300 civil servants working for the MSC's professional and executive recruitment service who cannot be allocated to regions. Because departmental boundaries are not always conterminous with standard regions, these figures are only approximate.

It is not possible to allocate Departmental expenditure by region by total national expenditure for 1987-88 is expected to be £4.141 million.

Job Training Scheme

Mr. Ron Davies asked the Secretary of State for Employment when he expects the complete list of those bodies and organisations which have been contracted as managing agents for the job training scheme in each Manpower Services Commission area to be available; and if he will publish it in the *Official Report*.

Mr. Cope: The Manpower Services Commission is producing a directory of managing agents contracted to deliver the new job training scheme within the next few days.

I will send a copy of the directory to the hon. Member as soon as it is available, and a copy of it will be placed in the Library.

Wages Inspectorate

Mr. Janner asked the Secretary of State for Employment whether he has any plans to decrease the strength of the wages inspectorate.

Mr. Nicholls: No.

European Social Fund

Mr. Fatchett asked the Secretary of State for Employment what is the total allocation from the European social fund to the United Kingdom in the current financial year; and how much the 20 per cent. reduction is in cash terms, on voluntary organisations.

Mr. Cope: The United Kingdom has been allocated £435 million from the European social fund in respect of operations beginning in 1987.

The total amount of the linear reduction of 20 per cent. on voluntary sector applications for projects for over 25-year-olds, is some £1·1 million.

The linear reduction on similar applications from other organisations is 50 per cent.

Mr. Fatchett asked the Secretary of State for Employment if he will make a statement on the linear reductions in the European social fund and the implications for voluntary sector schemes.

Mr. Cope: The European Commission has, this year, had to impose a sizeable linear reduction on applications to that part of the European social fund that is allocated to adult projects. The overall reduction that the Commission has imposed on the adult budget for adult projects is just under 50 per cent. The Government decided this year to impose a reduction of 20 per cent. on applications from the voluntary sector. Other organisations are bearing a reduction of 50 per cent.

The Commission also imposed a linear reduction of 0·5 per cent. on the budget for applications in respect of young people under 25, and this is being borne by all organisations.

House Building, Slaley, Northumberland

Dr. David Clark asked the Secretary of State for Employment what discussions he has had with the English Tourist Board about its proposal to grant-aid to the amount of £500,000 a development scheme at Slaley in Northumberland involving the building of 65 houses in the green belt; and if he will make a statement.

Mr. Lee: The English tourist board is currently discussing with my Department and the Treasury a proposal to offer grant assistance to aid the construction of a hotel with conference, golf and leisure facilities at Slaley hall. The developers are also in the process of seeking planning permission from the local authority to build residential houses on part of the estate.

PRIME MINISTER

Nicaragua and Afghanistan

Mr. Dalyell asked the Prime Minister, pursuant to her answer of 6 July, *Official Report* column *3*, on what evidence she based her statement concerning the level of understanding of the public about the difference between the repective situations in Nicaragua and Afghanistan as they affect Her Majesty's Government's policy towards those countries; and if she will make a statement.

The Prime Minister: My statement was based on views expressed to me in many individual contacts.

WALES

Salmon and Sea Trout (Poaching)

Mrs. Golding asked the Secretary of State for Wales what success he has had in eliminating the organised poaching of salmon and sea trout; what further measures he intends to take; and if he will make a statement.

Mr. Peter Walker: I refer the hon. Lady to the reply given to her today by my right hon. Friend the Minister of Agriculture, Fisheries and Food.

National Museum of Wales

Mr. Faulds asked the Secretary of State for Wales what instructions have been given by his Department to the national museum of Wales about the circumstances in which permission should be sought from his Department to raise funds voted for museum purposes.

Mr. Wyn Roberts: I will reply to the hon. Gentleman as soon as possible.

Schools (Surplus Places)

Mr. Nicholas Bennett asked the Secretary of State for Wales what is the estimated number of surplus places in (a) primary and (b) secondary schools in each Welsh county at the latest available date: and what is the estimated cost of these places in each Welsh county.

Mr. Wyn Roberts: Up-to-date figures for the number of surplus places in individual counties are not available: the Department will be writing shortly to the counties to seek current information. The latest available estimate for Wales as a whole—based on pupil numbers at January 1986 and school places at January 1984—is that there are 87,000 surplus places in primary schools and 32,000 in secondary schools. The estimated cost is £10.4 million for primary places and £6.4 million for secondary.

Civil Servants

Mr. Batiste asked the Secretary of State for Wales how many civil servants are employed in his Department; and what is its budgeted expenditure for the current year.

Mr. Peter Walker: At 1 July 1987 there were 2,239·5 staff in post; details of the budgeted expenditure for my Department are set out in the Supply Estimates 1987-88 booklet class XVII vote 9.

Sheep

Mr. Thomas asked the Secretary of State for Wales what was the total amount paid under the sheep variable premium to farmers in Wales in each year since the inception of the scheme.

Mr. Peter Walker: Payments to producers in Wales under the sheep variable premium schemes are as follows:

Marketing Year	*£ million*
1980-81	7.5
1981-82	12.6
1982-83	25.0
1983-84	30.3
1984-85	21.4
1985-86	21.0
1986-87	22.8

Mr. Thomas asked the Secretary of State for Wales how many agricultural holdings in each county in Wales engage in sheep rearing; and what proportion of the total number of holdings in each country each number represents.

Mr. Peter Walker: The number of holdings in each county in June 1986 with breeding ewes, and the proportions of the total number of holdings in each county that these represent are shown in the following table:

	Holdings with breeding sheep June 1986	*Percentage of all holdings June 1986*
Clwyd	2,192	56.7
Dyfed	4,582	40.2

	Holdings with breeding sheep June 1986	Percentage of all holdings June 1986
Gwent	1,094	50·5
Gwynedd	3,215	66·3
Mid Glamorgan	507	54·0
Powys	4,395	82·5
South Glamorgan	181	36·1
West Glamorgan	342	39·0

Mr. Thomas asked the Secretary of State for Wales how many Welsh agricultural holdings have a sheep enterprise on the farm; and what proportion of the total number of holdings this represents.

Mr. Peter Walker: There were 16,900 holdings with sheep in Wales in June 1986, of which 16,500 had breeding sheep. These numbers represented 56 per cent. and 55 per cent. of all holdings in Wales respectively.

Mr. Thomas asked the Secretary of State for Wales how many people are directly employed in sheep farming in Wales.

Mr. Peter Walker: It is not possible to quantify the number of persons employed solely in sheep farming in Wales. However, in June 1986, 39,800 people were employed on holdings which contained breeding sheep.

Mr. Thomas asked the Secretary of State for Wales what is the average size of sheep flocks in Wales.

Mr. Peter Walker: The size of the average sheep flock in Wales in June 1986 was 274 breeding ewes.

Agricultural Output

Mr. Thomas asked the Secretary of State for Wales what was the gross output of Welsh agriculture in the last year for which figures are available; and what proportion of the total was contributed by the sheep sector.

Mr. Peter Walker: Based on provisional figures, the gross output of Welsh agriculture in 1986 was £786·3 million: of which sheep and wool accounted for 18·8 per cent.

Agricultural Areas

Mr. Thomas asked the Secretary of State for Wales how many agricultural holdings in areas designated as *(a)* marginal and *(b)* hill areas engaged in sheep rearing; and what proportion of the total number of holdings in such areas in Wales these numbers represent.

Mr. Peter Walker: The number of holdings in June 1986 with breeding ewes in areas classified as "severely disadvantaged" (which is closely synonymous with the hill and upland areas) was 10,390 or 74·4 per cent. of all holdings in those areas. The number of holdings in June 1986 with breeding ewes in areas classified as disadvantaged (which is closely synonymous with marginal land) was 3,111 or 54·6 per cent. of all holdings in disadvantaged areas.

Planning Appeals

Mr. Thomas asked the Secretary of State for Wales on how many occasions planning permission has been granted for residential housing developments on appeal to his Department, in each district authority area in Wales, in each year since 1979; and, in each case, how many housing units were involved.

Mr. Grist: This information is not available centrally.

Lead Plumbing

Mr. Ron Davies asked the Secretary of State for Wales if he will estimate the numbers of dwellings with lead plumbing by county and district in Wales.

Mr. Ian Grist: Informaton is not available on a district basis, but the Welsh house condition survey for 1981 estimated the numbers of dwellings with lead plumbing for each county in Wales as follows:

	Number
Clwyd	33,200
Dyfed	20,700
Gwent	42,600
Gwynedd	21,700
Mid Glamorgan	64,600
Powys	4,900
South Glamorgan	62,100
West Glamorgan	44,100

Mr. Ron Davies asked the Secretary of State for Wales, pursuant to his answer of 6 July, *Official Report*, column *3*, if he will provide further details of the Welsh water authority's programme to improve the quality of water in Wales with regard to lead content.

Mr. Grist: The details of the Welsh water authority's programme to reduce the lead content in drinking water is a matter for that authority. I have asked the chairman to write to you the hon. Member.

ENVIRONMENT

Water Industry

Mr. Pendry asked the Secretary of State for the Environment if he will make a statement on the effect the privatisation of the water industry will have on areas of natural beauty, on recreation on and by water, on bird-watching, on rambling and on other recreational activities.

Mr. Moynihan: Last year the Government published proposals to strengthen, at the time of privatisation, the statutory framework for protecting and enhancing the water environment. These include the retention of statutory duties towards nature conservation, access, recreation and amenity, the introduction of statutory river quality objectives, a policy for protection zones and the preparation of a statutory code of practice. Proposals for the establishment of a national rivers authority which will have an important role in this field, will be published in the near future.

South Africa (Sporting Links)

Mr. Pendry asked the Secretary of State for the Environment if he will press for the new select committee of the International Cricket Conference to introduce a test ban for players with sporting links with South Africa, in line with the principles of the Gleneagles agreement.

Mr. Moynihan: The possible introduction of a test ban for players with sporting links with South Africa is a matter for the Test and County Cricket Board and the International Cricket Conference. Both bodies are aware that the Government are fully committed to the Gleneagles agreement and take all practical steps to discourage sporting links with South Africa.

Olympic Games

Mr. Canavan asked the Secretary of State for the Environment what recent discussions he has had with sporting authorities regarding the Olympic Games.

Mr. Moynihan: There have been no recent formal discussions but the Department and the Foreign and Commonwealth Office liaise regularly with the British Olympic Association about the winter and summer Olympic Games.

Rural Development Areas (Grants)

Mrs. Dunwoody asked the Secretary of State for the Environment if he will list *(a)* the Government support programmes or finance available to rural development areas and *(b)* the basic services that his Department treats as necessary for assessing grants to rural development areas.

Mr. Moynihan: *(a)* Government support and finance specifically available in rural development areas is channelled through the Development Commission which provides the following main programmes of support:

1. 100 per cent. financed advance factory building programme;
2. 50 per cent. financed factory building programme in partnership with local authorities;
3. 25 per cent. grants to the private sector for redundant building conversions;
4. technical, managerial and business advice to small firms and the provision of loans;
5. grants to help the establishment of local enterprise agencies;
6. grant aid for rural tourism projects;
7. grant aid towards special projects where there are clear employment benefits;
8. grants towards community development projects.

In addition grants offered by other bodies may be available in rural development areas.

(b) Requests for grants are considered on their merits through the rural development programmes which are drawn up for each rural development area.

Water Industry (Privatisation)

Mr. Lord asked the Secretary of State for the Environment if he will list the water boards and their ancillary companies which will be privatised.

Mr. Moynihan: The Government propose to transfer the water supply and sewerage responsibilities of the 10 existing water authorities in England and Wales to new public limited companies, which will be then be offered for sale.

Water Table, Birmingham

Mr. Rooker asked the Secretary of State for the Environment what information he has about the effects on industry and housing of the rise in the water table in the Birmingham area.

Mr. Moynihan: My right hon. Friend the Secretary of State for the Environment is aware that there has been a significant rise in Birmingham's water table over the last few years as the extraction rate has declined. The effects of this appear, however, to be very localised and remedial action is being taken by those affected as necessary.

Council House Sales

Mr Gerald Bowden asked the Secretary of State for the Environment what information he has as to the reasons for delay in the purchase by Mrs. G. C. Mells of her council home at 6 Steen Way, East Dulwich Grove, S.E.22; and when he now expects Southwark council to complete the transaction.

Mr. Waldegrave: I understand that the purchase is held up pending a survey of the building. I am concerned over the delays suffered by tenants of Southwark borough council in exercising their right to buy and await the council's proposals for improving its performance.

Canary Wharf

Ms. Gordon asked the Secretary of State for the Environment what has been the total amount of public funds *(a)* committed and *(b)* spent to date on or in connection with the proposed Canary wharf development, broken down by category of expenditure.

Mr. Trippier: I shall answer this question shortly.

Housing Associations

Mr. O'Brien asked the Secretary of State for the Environment how many housing associations are operating in the area of *(a)* the Normanton constituency and *(b)* the Wakefield district council; and if he will list the names of the housing associations concerned.

Mr. Waldegrave: Anchor housing association and Castle Gate housing society operate in the Normanton consituency; the following 21 associations operate in the area of Wakefield district council:

Ackworth Almshouse, Anchor Housing Association, Bradford and Northern Housing Association, Castle Gate Housing Society, Charlesworth Charity, Church Housing Association, Consolidated Charities, Ebor Housing Association, Freeston and Sagars' Almshouse, Habinteg Housing Association, Harrisons Almshouse, Headrow Housing Group, Jephson Housing Association, Leeds and Yorkshire Housing Association, Major Barker's Homes, North British Housing Association, Northern Counties Housing Association, Royal British Legion, Stonham Housing Association, West Yorkshire Housing Association, Yorkshire Metropolitan Housing Association.

Mr. O'Brien asked the Secretary of State for the Environment how many dwellings are operated by housing associations in the Normanton constituency; and if he will break down the number into categories and type of dwellings.

Mr. Waldegrave: I shall answer this question shortly.

Parrots

Dr. Marek asked the Secretary of State for the Environment if he will make it his policy to support the Uruguayan proposal for a complete suspension of international commerce in wild-caught parrots for the pet trade at the forthcoming convention on international trade in endangered species in Ottawa; and if he will make a statement.

Mr. Moynihan: I refer the hon. Member to the answer given to the hon. Member for Linlithgow (Mr. Dalyell) on 9 July 1987.

House Building, Slaley, Northumberland

Dr. David Clark asked the Secretary of State for the Environment what discussions he has had with the chairman of the Development Commission about the Development Commission's offer to grant-aid to the amount of £300,000 a development scheme at Slaley in Northumberland involving the building of 65 houses in the green belt; and if he will make a statement.

Mr. Waldegrave: The Development Commission has received an application for grant aid for a development at Slaley in Northumberland. It has consulted the Department which is considering the proposal.

Rating Reform

Mr. Pawsey asked the Secretary of State for the Environment (1) what impact the proposed community charge will have on those parish councils which have large industrial plants in their areas;

(2) what is the number of parish councils likely to be affected by loss of revenue as a result of the introduction of the community charge; and how many people live in these parishes in the United Kingdom.

Mr. Howard: Under the new local government finance system, parish councils will finance their expenditure by a precept on the community charge, levied as an equal amount per parish resident. Like other local authorities parish councils will cease to levy a variable non-domestic rate; instead, non-domestic rates will be levied at a uniform poundage, and pooled and redistributed as an equal amount per adult. This, together with central grant, will go towards reducing the cost to residents of the services provided by all tiers of local government, including parish councils.

Parish councils will neither gain nor lose from these arrangements. They will remain free to raise their income by precept on the rating authority. However, I remain ready to discuss particular problems with representatives of the National Association of Local Councils if they wish.

Dr. Cunningham asked the Secretary of State for the Environment if, pursuant to his reply of 29 June, *Official Report*, column *44*, he will provide the averages for counties and standard regions of the figures contained in columns 1 to 7 of the tables placed in the Library relating to the community charge.

Mr. Ridley [*pursuant to his reply*, 29 June 1987]: I have today placed in the Library weighted average figures for counties and standard regions exemplifying community charges and non-domestic rates had the Government's proposals for the reform of local finance been fully in place in 1987-88.

I must repeat the warning given in my reply of 29 June that these figures are not a prediction of community charges. They are merely illustrative figures and should be treated as such.

Mr. Fatchett asked the Secretary of State for the Environment if he will assess the likely cost to Leeds city council of collecting a community charge as opposed to domestic rates; and if he will make a statement.

Mr. Howard: I shall answer this question shortly.

AGRICULTURE, FISHERIES AND FOOD

Salmon and Sea Trout

Mrs. Golding asked the Minister of Agriculture, Fisheries and Food what success he has had in eliminating the organised poaching of salmon and sea trout; what further measures he intends to take; and if he will make a statement.

Mr. Gummer: Regulating fishing, and combating poaching, for salmon and migratory trout is the responsibility of the water authorities in England and Wales, working within the framework of the Salmon and Freshwater Fisheries Act 1975. In 1986, the authorities mounted a total of 781 prosecutions for offences concerning salmon and migratory trout. The water authorities' powers were strengthened this year by the coming into force of the Salmon Act 1986.

In order to combat trade in illegally caught fish it has been made an offence under the 1986 Act for a person to handle salmon or sea trout where he believes, or it would be reasonable for him to suspect, that the fish were caught illegally. Provision was made for the establishment of licensing schemes to regulate dealing in salmon and migratory trout and a licensing scheme is being developed and will be submitted for Parliamentary approval of the necessary order when consultations have been completed with affected interests. The 1986 Act also increased the penalties for illegal fishing.

When these new measures have been in force long enough to permit an assessment of their impact, it is the intention of Fisheries Ministers to invite the Salmon Advisory Committee to examine their effectiveness.

Sheep

Mr. Thomas asked the Minister of Agriculture, Fisheries and Food what proportion of the gross output of the agriculture industry in each of the English regions in the last year for which figures are available was contributed by the sheep sector.

Mr. Donald Thompson: Based on provisional estimates of regional gross output in 1984, the latest year for which data are available, the proportion of gross agricultural output contributed by sheep and lambs was as follows:

Statistical region	*Percentage*
Northern	9·5
Yorkshire and Humberside	3·3
East Midlands	2·2
East Anglia	0·5
South East	1·7
South West	3·2
West Midlands	4·0
North West	2·3

These data exclude sheep premium and HLCA payments and returns from wool.

Mr. Thomas asked the Minister of Agriculture, Fisheries and Food what is the average size of sheep flocks in each of the English regions and in England as a whole.

Mr. Donald Thompson: At June 1986, the average breeding flock sizes were as follows:

Average size of breeding flock

Statistical region	
Northern	269
Yorkshire and Humberside	167
East Midlands	155
East Anglia	112
South East	171
South West	155
West Midlands	153
North West	132
England	174

Source: Agriculture Census June 1986.
Note: Minor holdings excluded.

HOME DEPARTMENT

Entry Visas

Ms. Ruddock asked the Secretary of State for the Home Department how many people have applied for visas to enter the United Kingdom from Sri Lanka in each of the last three years; how many were *(a)* refugees and asylum seekers, *(b)* for settlement and *(c)* as visitors; and how many applications in each category have been (i) granted, (ii) refused and (iii) are still being considered.

Mr. Renton: The information requested which is available centrally is given in the following table.

Number of persons

	Applications		
	Newly received[1]	*Granted*[2]	*Refused initially*
Total			
1985 June [3] to December	6,480	5,560	570
1986	8,490	7,820	660
1987 January to March	1,500	1,050	130
Of which, visitors			
1985 June[3] to December	..	4,190	260
1986	..	5,770	370
1987 January to March	..	710	90

.. Not available.
[1] Including applications subsequently withdrawn.
[2] Including applications granted on appeal.
[3] Including 30 May, when the visa requirement for Sri Lankans was introduced, and 31 May.

Ms. Ruddock asked the Secretary of State for the Home Department how many Sri Lankan citizens have applied for visas to enter the United Kingdom from third world countries in each of the last three years; how many were *(a)* refugees and asylum seekers, *(b)* for settlement and *(c)* as visitors; and how many applications in each category have been (i) granted, (ii) refused and (iii) are still being considered.

Mr. Renton: I regret that the information requested is not available.

Ms. Ruddock asked the Secretary of State for the Home Department how many persons have applied for *(a)* single and *(b)* multiple entry visas to visit the United Kingdom from (i) Ghana, (ii) Nigeria, (iii) Bangladesh, (iv) India and (v) Pakistan since visas were introduced for those countries; and how many applications (1) have been refused and (2) are still being considered.

Mr. Renton: The information requested which is available centrally is given in the following table.

Applications for visit visas to the United Kingdom

	Applications		
	Newly received[1]	*Refused initially*	*Awaiting a decision at end of period*
Bangladesh			
1986 4th quarter[2]	2,320	600	100
1987 1st quarter	1,600	370	160
April	960	180	210
India			
1986 4th quarter[2]	17,940	480	660
1987 1st quarter	15,840	750	1,500
April	13,460	380	1,600
Pakistan			
1986 4th quarter[2]	10,750	730	310
1987 1st quarter	10,200	990	560
April	5,570	560	740
Ghana			
1986 4th quarter[3]	3,300	430	..
1987 1st quarter	2,620	740	..
April	780	180	..
Nigeria[4]			
1987 February/ March	7,900	250	..
April	6,300	350	..

.. Not available.
[1] Including applications subsequently withdrawn.
[2] Including applications for entry clearance in the period 1 to 14 October.
[3] Including applications for entry clearance in the period 1 to 22 October.
[4] Data are provisional.

Refuge and Asylum Requests

Ms. Ruddock asked the Secretary of State for the Home Department how many people have applied for refugee and asylum status in the last 12 months at *(a)* British ports and *(b)* British posts overseas; from which countries these people came; and how many such applications were (i) granted, (ii) refused and (iii) given exceptional leave to remain.

Mr. Renton: The following table shows, for applications made in 1986 at United Kingdom ports or at diplomatic posts overseas, the nationality of the applicant and the outcome of the case where a decision has now been made.

Applications for refugee status or asylum made at United Kingdom ports or at diplomatic posts overseas in 1986

Number of persons[1] provisional[2]

Nationality	*Applied at United Kingdom Port*						*Applied outside United Kingdom*					
	Total	*Granted refugee status*	*Refused refugee status*	*Refused refugee status but granted exceptional leave to enter*	*Application withdrawn*	*Not yet decided*	*Total*	*Granted refugee status*	*Refused refugee status*	*Refused refugee status but granted exceptional leave to enter*	*Application withdrawn*	*Not yet decided*
Afghanistan	37		1	11		25	1			1		
Angola	3		1	2								
Bangladesh	1		1									
Bolivia	1			1								
Chile	2	1			1							
Colombia							2					2
Ethiopia	17	2		12		3						
Ghana	26	8	9	9			3			2		1
India	40		3		1	36	1					1
Iran	209	9	2	56	5	137	23	13		2		8
Iraq	25	1	3	21			2					2
Lebanon	1			1								
Libya							1					1
Malawi	1			1								
Pakistan	75		6		4	65	1					1
Seychelles	3	1		2								
Somalia	19	1	1	15		2	3	3				
South Africa	5		1	1	1	2						
Sri Lanka	325		4	182	1	138	9			2		7
Tanzania	1		1									
Turkey	10		2			8						
Uganda	15	2		5		8	1				1	
Zaire	1				1							
Zimbabwe							5	5				
Nationality uncertain	7	2	1	3		1	1				1	
All nationalities	824	27	36	322	14	425	53	21		7	2	23

[1] Including dependants.

[2] Incorporating some later information than that available when the statistical bulletin (Refugee Statistics, United Kingdom, 1986; Issue 13 87) was published on 19 May giving information on all applications wherever made and on all decisions in 1986.

Settlement Applications

Ms. Ruddock asked the Secretary of State for the Home Department how many outstanding applications for settlement there are at the present time; from which countries; and how many relate to *(a)* husbands, *(b)* wives *(c)* dependent children and *(d)* dependent parents.

Mr. Renton: The information which is available centrally relates only to the Indian subcontinent and is given in the following table.

Applications for settlement[1] awaiting a decision at 31 March 1987

Number of persons

Category	*Bangladesh*	*India*	*Pakistan*
Wives[1]	2,600	700	1,800
Children[1]	6,400	350	2,100
Other dependent relatives	440	240	210
Others for immediate settlement	100	20	20
Husbands	160	430	810
Male fiances	30	850	1,800
Female financees	20	470	970
Total	9,800	3,100	7,700

[1] Including applications for a certificate of entitlement to, or a confirmation of, the right of abode in the United Kingdom.

Entry Applications

Ms. Ruddock asked the Secretary of State for the Home Department (1) how many people in the United Kingdom here before 1973 have applied for their spouses and children to join them; and how many applications have been *(a)* granted, *(b)* refused and *(c)* are still being considered;

(2) what are the countries of origin of all those people settled in the United Kingdom before 1973 who have applied to be joined by their spouses and children;

(3) how many persons settled in the United Kingdom before 1973 have outstanding applications for *(a)* their spouses and *(b)* their children to join them here; and what is his estimate of the number who cannot provide accommodation and means of support for them.

(4) how many persons settled in the United Kingdom before 1973 are entitled to be joined here by their spouses and children.

Mr. Renton: The available information relates to entry clearance applications granted and refused in the Indian subcontinent to wives and children of Commonwealth citizens (including British citizens) who were settled in the United Kingdom on 1 January 1973, ie persons covered by section 1(5) of the Immigration Act 1971, and is given in the following table. Such wives and children do not need to satisfy the maintenance and accommodation requirements of the immigration rules.

Applications in the Indian subcontinent for entry clearance to the United Kingdom by wives and children covered by section 1(5) of the Immigration Act 1971[2]

Number of persons

	Wives		*Children*	
	Granted[3]	*Refused initially*	*Granted*[3]	*Refused initially*
Bangladesh:				
1985 September[3] to December	50	20	1,760	1,030
1986	270	90	2,630	1,750
1987 January to March	110	20	630	140
India:				
1985 September[4] to December	20	[1]—	70	30
1986	320	[1]—	80	20
1987 January to March	150	—	20	—
Pakistan:				
1985 September[4] to December	120	10	870	230
1986	1,060	80	1,320	330
1987 January to March	400	20	150	70

[1] Five or fewer.
[2] Excluding wives whose application was decided under the 1983 rules (HC 169).
[3] Including applications granted under appeal.
[4] Including the period 26 August, when the new immigration rules were introduced, to 31 August.

Split Families

Mrs. Wise asked the Secretary of State for the Home Department (1) how many families are split because wives domiciled in Britain are awaiting permission for their husbands to join them; and what are average waiting times;

(2) how many families are split because wives are awaiting entry permits to join their husbands in Britain; and if he will give details of waiting times.

Mr. Renton: Information is available only for persons in the Indian subcontinent applying for entry to the United Kingdom. At 31 March 1987, 5,110 wives in the subcontinent were awaiting a decision on their application for an entry clearance to, or a certificate of entitlement to the right of abode in, the United Kingdom. The corresponding number of husbands in the subcontinent awaiting a decision on their application for an entry clearance and information on waiting times to first interview are given in tables 9 and 10 respectively of the Home Office Statistical Bulleting "Control of Immigration: Statistics — First Quarter 1987" (Issue 14/87).

Civil Servants

Mr. Batiste asked the Secretary of State for the Home Department how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north-east of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Hurd: At 1 June 1987 the following numbers of staff were employed in the prison department regions of the Home Office:

Region	*Number*
South-East	9,982·5
South-West	4,677
Midlands	5,613
North	7,888

The other Home Office staff in post on that date in England and Wales are not organised in comparable regions, but were located broadly as follows:

Region	*Number*
London/South-East	6,513
South-West	812
Midlands	718
North	1,230

Financial provision for the four prison department regions in the current financial year is set out in the Supply Estimates for 1987-88 (class XI, vote 2). Other Home Office expenditure is not broken down by regions.

Amusement Arcades

Mr. Fatchett asked the Secretary of State for the Home Department what representations he has received from chief constables of police forces about the operation of amusement arcades; and if he will make a statement.

Mr. Douglas Hogg: Police forces have made some comments on this subject from time to time in recent years but have recognised that they have not been in a position to provide hard evidence of a problem requiring a change in the law. However, we have asked the Association of Chief Police Officers to provide information about their experience of amusement arcades as part of our review of the adequacy of the law.

Electoral Register

Mr. Pike asked the Secretary of State for the Home Department what evidence is available to him on the basis of the recent general election of the extent of non-inclusion of eligible voters on the electoral register: and if he will make a statement.

Mr. Douglas Hogg: While we do know from correspondence and inquiries that some electors were unable to vote at the last general election because they were incorrectly omitted from the register we cannot provide an estimate of the number involved. We recently commissioned a survey into the effectiveness of electoral registration procedures, the report of which was published

on 2 April, and we are now examining its findings and recommendations. In the meantime, we have reminded electoral registration officers of the need to review their procedures for compiling the register.

Queen's Speech

Mr. Thurnham asked the Secretary of State for the Home Department what representations he has received about proposals in the Queen's Speech for which he has responsibility; and if he will make a statement.

Mr. Hurd: I have no doubt that the proposals in the Queen's Speech for which I am responsible are broadly welcomed by most people. The proposal to introduce legislation to give greater flexibility in licensing hours has been criticised in some letters received in my Department and supported in others.

Excess Alcohol (Convictions)

Mr. Sheerman asked the Secretary of State for the Home Department, how many excess alcohol convictions were recorded during the last three years; what percentage were high risk offences; what percentage were over 150 mg per cent.; what percentage were over 200 mg per cent.; and what percentage were second offences.

Mr. John Patten: The available information relates to findings of guilt for offences of driving and so on with alcohol above the prescribed limit and is published annually in "Offences Relating to Motor Vehicles, England and Wales, Supplementary Tables" (Table 15 of the issue for 1985). Information on level of alcohol is not always readily available to those collecting details of court proceedings for the Home Office and this will affect the accuracy of the figures; as from 1 January 1987, information on alcohol level is no longer being collected. Information on repeated convictions for drink driving offences is not available.

Prisons

Mr. Bermingham asked the Secretary of State for the Home Department how many persons he estimates will be detained in Her Majesty's prisons in England and Wales on *(a)* 31 July and *(b)* 31 August.

Mr. John Patten: Changes in the prison population vary considerably from month to month and it is not our practice to publish short-term projections which may quickly become out of date. On 3 July the population in custody including those held in police cells was 50,969.

Mr. Bermingham asked the Secretary of State for the Home Department (1) what proposals he has to deal with overcrowding in the prison system in the immediate future;

(2) if he proposes to use his powers of executive release to reduce prison overcrowding; and if he will make a statement;

(3) if, as measures to reduce prison overcrowding, he has any proposals to use *(a)* disused army camps and *(b)* former police stations;

(4) if he has any proposals to recruit further prison offices on *(a)* a permanent and *(b)* a temporary basis to deal with overcrowding.

Mr. John Patten: We are keeping the position under close and continuous review.

Remands in Custody

Mr. Bermingham asked the Secretary of State for the Home Department (1) how many prisoners were on remand in custody awaiting trial on 30 June;

(2) how many of those remanded in custody awaiting trial on 30 June were held in *(a)* prisons, *(b)* police stations and *(c)* other places in (i) London and (ii) elsewhere in England and Wales.

Mr. John Patten: Complete figures for 30 June are not yet available but the number of untried prisoners in prison custody in England and Wales on 31 May was 9,283 of which 1,946 were held in London.

The number of prisoners (most of whom are likely to have been untried) held in police and court cells in England and Wales on 30 June was 326 in the Metropolitan police district and 117 in other areas. Figures available do not distinguish between prisoners held in police stations and those held in other locations.

Mr. Bermingham asked the Secretary of State for the Home Department how many females were remanded in custody in police stations on 30 June in *(a)* London and *(b)* elsewhere in England and Wales.

Mr. John Patten: On 30 June the number of females (most of whom are likely to have been untried) in police or court cells was 75 in London and seven elsewhere in England and Wales.

Mr. Bermingham asked the Secretary of State for the Home Department what proposals he has to ensure that prisoners in custody are brought to their court of trial or remand on the due date.

Mr. John Patten: We have in hand a number of measures to reduce the delays caused by the present heavy demands on prison escorts.

We are taking steps to reduce the number of occasions on which defendants have to be produced in different courts to face different charges by setting up close links with the Crown Prosecution Service. We are also taking forward the recommendation of the court escort scrutiny on the more efficient deployment of manpower. Furthermore, a clause in the Criminal Justice Bill provides for defendants to be remanded in custody for periods of up to 28 days, subject to an experiment in some areas. This too will reduce the escorting commitment.

Mr. Alton asked the Secretary of State for the Home Department how many unconvicted adult prisoners are currently held on remand; if he will give comparative figures for the years 1980 to 1986; and if he will make a statement.

Mr. John Patten: The information is given in the table:

Untried prisoners aged 21 or over held in Prison Department establishments in England and Wales at 31 May

	Number[1]
1980	2,990
1981	3,450
1982	3,680
1983	4,060
1984	4,750
1985	5,680
1986	5,960

[1] Rounded estimates. Excludes those held in police cells.

Naturalisation

Mr. Fatchett asked the Secretary of State for the Home Department, pursuant to his reply of 6 July, *Official Report*, column 49, if he will estimate the total cost of allowing Polish war veterans to apply for British citizenship without paying the naturalisation fee.

Mr. Renton: It is not possible to estimate the total cost since there is no way of knowing how many Polish war veterans might in future apply for naturalisation.

Mr. Fatchett asked the Secretary of State for the Home Department how many men over the age of 65 years have applied for naturalisation in each of the past five years; and of those how many were from *(a)* eastern European countries, *(b)* Pakistan, *(c)* India and *(d)* Bangladesh.

Mr. Renton: This information is not available.

Mr. Fatchett asked the Secretary of State for the Home Department if he has received representations from groups other than Polish war veterans wishing to have the naturalisation fee waived when applying for British citizenship; and if he will make a statement.

Mr. Renton: From time to time we have received such representations on behalf of a wide range of other groups including some other groups from Eastern Europe, refugees, retirement pensioners, those on low incomes and people who are in receipt of various social security benefits.

Air Attack Warning

Mr. Gow asked the Secretary of State for the Home Department whether any changes are proposed in the arrangements for warning of air attacks on the United Kingdom and for monitoring the effects; and if he will make a statement.

Mr. Hurd: The Government attach a high priority to the maintenance of an effective air attack warning system which can quickly be brought into operation if needed. We pay tribute to the work of the United Kingdom Warning and Monitoring Organisation and particularly its field force, the Royal Observer Corps, which is largely composed of volunteers who are trained to carry out warning and monitoring tasks in the event of hostilities. The UKWMO has been in existence for over 30 years and the Government have concluded that it would be timely to undertake a comprehensive review of warning and monitoring arrangements in the light of current planning assumptions and technological developments. Accordingly, a review is to be carried out with the following terms of reference:

"Review existing arrangements for warning of an air attack on the United Kingdom and monitoring its effects including the functions and facilities of the United Kingdom Warning and Monitoring Organisation, and its field force the Royal Observer Corps, and police responsibilities for the warning system. Taking account of current planning assumptions, including the possibility of conventional, chemical and nuclear attack, and in the light of emergency planning arrangements generally, make recommendations on:

(a) the aims and the operational requirements of a system for warning of air attack and for identifying, warning of and reporting on the effects;

(b) the functions, structure and organisation of agencies needed to operate the system, including accountability and management, and the roles of any supporting agencies; and

(c) requirements for equipment and facilities;

and make assessments of:

(d) cost and effectiveness; and

(e) the application to any wider role in emergency planning arrangements."

Arrangements will be made to consult with members of the UKWMO, including the ROC, as well as the other agencies involved, and full account will be taken in the review of the long standing links between the corps and the RAF. The conclusions of the review are not expected to be known until 1988 but in due course we shall consider the extent to which they can be made available.

Women's Needs

Ms. Richardson asked the Secretary of State for the Home Department what are the main needs of women in the policy areas within the sphere of his Department's activities; what has been done to identify and quantify those needs and to monitor services delivery; what consultation is carried out with women to ensure their views are adequately represented; and what training is given to his staff to raise their appreciation of the needs of women.

Mr. John Patten [*pursuant to his reply*, 6 July 1987, c. *48*]: Areas of particular concern to women within the sphere of Home Office activities are dealt with at paragraphs 121 to 127, 152 to 165 of the review by the ministerial group on women's issues which I chair of the Government's response to the Nairobi forward-looking strategies for the advancement of women (FLS), copies of which are in the Library. I would also identify the following issues:

(i) We seek to ensure that the criminal law in England and Wales is adequate to protect all members of society, women and men, and in addition to the measures referred to in the FLS Review we have included in the Criminal Justice Bill provisions providing anonymity for rape victims from the moment when an allegation of rape is made.

(ii) The leaflet referred to in paragraph 154 of the FLS Review has now been issued. Half a million copies have been printed and distributed so far.

(iii) We are aware of the problems women's organisations and groups experience in attracting financial support. The Voluntary Services Unit at the Home Office organised a seminar in January this year, which brought together funders from charitable trusts and Government, and representatives of women's organisations and groups. The Ministerial Group on Women's Issues have agreed that recommendations from the seminar should be pursued by an implementation group.

(iv) Grant under section 11 of the Local Government Act 1966 is paid to a number of local authorities which make additional provision to meet the special needs, mainly in education and social services, of women of Asian origin. Responsibility for identifying need for this purpose lies with the local authority.

(v) The special needs of female inmates of custodial establishments are recognised, as is made clear in paragraph 157 of the FLS Review. The Home Office division with general policy responsibility for women and girls in prison maintains close contact with female establishments to identify any policy issues which arise and the following areas are currently receiving attention:

(a) Age-Mixing: the mixing of female offenders under 21 with adult female offenders;

(b) Mothers and babies: the circumstances in which offenders should be eligible to have their babies with them in prison; and details of the regime that should apply in mother and baby units;

(c) New psychiatric unit at Holloway: the feasibility of such a unit and what form it might take.

Home Office Ministers and officials maintain contacts with voluntary organisations and groups and we are always prepared to receive their views on policy issues.

Home Office staff receive management training which stresses the importance of equal opportunities.

SOCIAL SERVICES

Dogs

Mr. Andrew F. Bennett asked the Secretary of State for Social Services how many people received hospital treatment as a result of attacks by dogs; how many people died as a result of such attacks; and how many people received hospital treatment for dog-borne diseases, particularly toxocara canis, as a result of contact with dogs or dog excrement for the last year for which figures are available.

Mrs. Currie: The available information is given in the table.

Deaths registered in England and Wales during 1986	*Number*
Dog bite	4

In-patient cases treated in NHS hospitals in England during 1985	*Estimated number*
Dog-borne disease[1]	140
Dog bite	1,200

[1]The sample numbers held centrally are too small for reliable estimates to be made individually for rabies, toxocariasis, pasteurellosis and echinococcosis.

Female Gynaecologists

Mrs. Wise asked the Secretary of State for Social Services what percentage of National Health Service consultants in gynaecology are women; what was the percentage 10 years previously; and what steps are being taken to improve this percentage.

Mrs. Currie: At 30 September 1986, 11·3 per cent. of consultants in obstetrics and gynaecology in England and Wales were women, compared with 11·7 per cent. 10 years earlier. The percentage can be expected to increase in future years as a result of the increasing proportion of women in the hospital training grades. Thus the proportion of women in the senior registrar grade (the most senior training grade) in obstetrics and gynaecology has increased from 12 per cent. to 24 per cent. in the same period. In addition, the Department has commissioned research in the factors which influence the career progress of women doctors, and will consider in the light of its findings whether any further action is needed to encourage women doctors to enter the specialty.

Cancer Screening

Ms. Primarolo asked the Secretary of State for Social Services when funds will be made available to Bristol and Weston district health authority and the Bristol family practitioners committee to extend the computerised call and recall cervical cancer screening programme to women aged 20 years and over.

Mrs. Currie: I understand that Bristol and Weston, together with Frenchay and Southmead health authorities, already have facilities for extending the computerised call and recall cervical cancer screening programme to women aged 20 years and over.

Civil Servants

Mr. Batiste asked the Secretary of State for Social Services how many civil servants are employed by his Department in (*a*) London and the south-east, (*b*) the south-west, (*c*) the Midlands and (*d*) the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Moore: The following table gives the information requested and also includes Wales and Scotland. All figures are rounded.

Region	*Staff in Post*	*Salary Budgets Issued £ million*
London and south-east	30,000	313
South West and Wales	9,300	83
Midlands	12,800	111
Northern England	38,000	336
Scotland	8,900	75

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will detail the latest information on the number of persons living in households drawing supplementary benefit.

Mr. Portillo: In February 1987, the latest date for which information is available, the total number of persons dependent on supplementary benefit was 8,350,000.
Source: DHSS quarterly statistical inquiry.

Mr. Graham asked the Secretary of State for Social Services how many are in receipt of supplementary benefit at each Department of Health and Social Security office in the Renfrew, West and Inverclyde constituency area; and how many were in receipt of benefit in June 1983.

Mr. Scott: In 1983, the constituency of Renfew, West and Inverclyde was covered by the Department's offices at Paisley, Paisley, West, Port Glasgow and Greenock. However, in March 1984, Paisley, West became part of Johnstone local office. The local office and constituency boundaries are not conterminous.

The number of people receiving supplementary benefit from these offices on 5 May 1987, the latest date for which information is available, and on an equivalent date in 1983 is as follows:

	1987	*1983*
Paisley ILO	16,581	13,935
Paisley West AO		7,094
Johnstone ILO	7,941	
Greenock ILO	12,065	9,822
Port Glasgow ILO	5,348	4,291
Totals	41,935	35,142

Source: 100 per cent. count of cases in action
ILO = Integrated Local Office
AO = Area Office

Hospitals (Liverpool)

Mr. Parry asked the Secretary of State for Social Services (1) how many beds will be provided at the Liverpool royal infirmary following the relocation of services from St. Paul's eye hospital and The Seamen's Dispensary;

(2) how many hospital beds there are at present in St. Paul's eye hospital and The Seamen's Dispensary, Liverpool;

(3) how many beds there are at present in Liverpool maternity hospital, Mill road maternity hospital and the Liverpool women's hospital;

(4) what are the estimated savings to the Liverpool area health authority from the location of all obstetric and gynaecology services to the former Liverpool royal infirmary; and if he will make a statement;

(5) what will be the estimated cost of the re-location of the St. Paul's eye hospital and The Seamen's Dispensary to the Liverpool royal infirmary;

(6) what will be the estimated cost to the Liverpool area health authority of the re-location of all obstetrics and gynaecology services to the former Liverpool royal infirmary;

(7) how many beds will be provided at the Liverpool royal infirmary site following the location of all obstetric and gynaecology services.

Mrs. Currie: I shall let the hon. Member have replies as soon as possible.

Ambulance Service (London)

Mr. Spearing asked the Secretary of State for Social Services, pursuant to the reply concerning the London ambulance service 1 July, *Official Report*, column *120*, if he will list the number of emergency ambulance shifts of eight hours which were lost due to constraints of finance for crew costs in each of the ambulance stations in the north-east division of the London ambulance service in each of the months of April, May and June.

Mrs. Currie: No emergency ambulance shifts were lost due to constraints of finance. When staff shortages occur senior managers assess the provision of services and take the action they consider appropriate to ensure the work load is covered.

Mr. Spearing asked the Secretary of State for Social Services what consultations he had with chairmen of the four thames regional health authorities and district health authorities, respectively, concerning funding of the London ambulance service from his Department; and if he will state the amount of the grant for the financial year 1987-88.

Mrs. Currie: We have had no such consultations. The South West Thames regional health authority which is responsible for managing the London ambulance service, issued a short-term programme earlier this year which gave details of the financial provision for the LAS. The programme was circulated to the other Thames regions and districts concerned for comment. The budget for the LAS for 1987-88 is £41,351,661.

Mr. Spearing asked the Secretary of State for Social Services what arrangements he has made with the London ambulance service to provide it with sufficient funds for the year 1987-88 to enable it to respond to the annual pattern of emergency service demands for its services within the established standards of response times.

Mrs. Currie: We have made no arrangements direct with the London ambulance service. The South West Thames regional health authority is responsible for managing and funding the London ambulance service and will no doubt take into account the expected levels of emergency calls and the minimum response times that the Department recommends in setting the budget.

Mr. Spearing asked the Secretary of State for Social Services if he will set out in the *Official Report* the figures for the non-emergency patient journeys run under the auspices of the London ambulance service for each of the first two quarters of 1987 in the format of his reply of 5 March, *Official Report*, column 679, showing percentage change with the respective quarters in 1984.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

Medical Appeal Tribunal (Glasgow)

Mr. Harry Ewing asked the Secretary of State for Social Services if he will issue immediate instructions to the medical appeal tribunal in Glasgow to the effect that doctors assessing the walking ability of claimants must stop the practice of taking the claimant outside to West Regent street where, in full view of the general public, they are asked to demonstrate their walking ability; and if he will make a statement.

Mr. Scott: The administration of medical appeals tribunals is the responsibility of the president of social security and medical appeal tribunals, his honour judge Byrt, QC, and the hon. Member may care to write to him about the conduct of medical appeal tribunal hearings in Glasgow.

Waiting Lists

Mr. McCrindle asked the Secretary of State for Social Services (1) if he will enumerate those health authorities where waiting lists for in-patient treatment exceeded 18 per thousand in 1985 and 1986; and if he will make a statement;

(2) if he will enumerate those health authorities where present waiting lists for in-patient treatment exceed 18 per thousand; and if he will make a statement.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Severe Weather Payments

Mr. Graham asked the Secretary of State for Social Services how many claimants received severe weather payments at each benefit office in Renfrew, West and Inverclyde constituency in the winter of 1986-87, and how much was paid out at each office.

Mr. Scott: The information is not available in the precise form requested. The parliamentary constituency of

Renfrew, West and Inverclyde is dealt with by four local offices which also cover parts of other constituencies. The information which is available for these local offices is as follows:

Local Office	Number of £5 payments[1]	Total amount paid £
Greenock	7,891	39,455
Johnstone	5,621	28,105
Paisley	10,369	51,845
Port Glasgow	10,163	50,815

[1] Separate figures on the number of individuals receiving payments are not available, but the great majority of successful claimants in Renfrew, West and Inverclyde will have received a total of £15 in respect of the three weeks for which this help was made available

Mr. Gordon Brown asked the Secretary of State for Social Services how many claimants received exceptionally severe weather payments at each benefit office in each constituency of Scotland in the winter of 1986-87; and how much was paid out at each office.

Mr. Scott: I shall let the hon. Member have a reply very shortly.

Renal Patients

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what is the planned annual rate of increase in treatment for new renal patients, regional health authority by regional health authority, for 1987-88.

Mrs. Currie [*pursuant to her reply*, 9 July 1987]: I regret that details of each region's plans for the treatment of new patients with end stage renal failure are not collected centrally. However, I am pleased to announce that provisional figures from the European Dialysis and Transplant Association for the acceptance of new patients for treatment in the United Kingdom show an increase from 43 patients per million population in 1985 to approximately 47 per million in 1986.

DEFENCE

RAF, Ynys Môn

Mr. Ieuan Wyn Jones asked the Secretary of State for Defence what plans his Department has for changes in the number of civilian employees at the Royal Air Force establishment in Ynys Môn; and if he will make a statement.

Mr. Sainsbury: I have no immediate plans for any significant changes in the number of civilians employed at RAF Valley.

Army (Bullying)

Mr. John Mark Taylor asked the Secretary of State for Defence when he expects to be in a position to provide the hon. Member for Solihull with a copy of his constituent's statement in an alleged Army bullying case; and if he will make a statement.

Mr. Freeman: I sent my hon. Friend a copy of the statement to which he refers on 30 June.

Central Ordnance Depot, Donnington

Mr. Grocott asked the Secretary of State for Defence whether he has any plans to visit Central Ordnance Depot, Donnington to receive representations on the proposed privatisation of depot services.

Mr. Sainsbury: My right hon. Friend has, at present, no plans to visit the Central Ordnance Depot at Donnington. A study has been conducted into the feasibility of contracting out a range of administrative functions at the Central Ordnance Depot and associated garrison and the report is currently being evaluated. We hope to make an announcement on the results of the study shortly and the work force and their representatives will have an opportunity to make representations, as part of the Ministry of Defence's normal consultative arrangements. I shall write to the hon. Member at the time of that announcement.

Export Sales

Mr. Tom Clarke asked the Secretary of State for Defence if he will now give the total value of defence exports sales contracts held by United Kingdom companies in 1986.

Mr. Sainsbury: The latest figure for United Kingdom defence export sales in 1986 is £5·8 billion.

Defence Exports Services Organisation

Mr. Tom Clarke asked the Secretary of State for Defence if he will outline the role of the Defence Exports Services Organisation and its funding arrangements.

Mr. Sainsbury: The DESO exists to assist British defence industries to promote and sell their goods abroad in accordance with Her Majesty's Government's policy. In so doing it plays a significant part in increasing the country's trade and employment. Details of the funding arrangements for the Defence Export Services Organisation are contained in table 4 "Exports of defence equipment Votes 1 and 2" of the MOD Supply Estimates for 1987-88.

Mr. Tom Clarke asked the Secretary of State for Defence if he will give details of the Defence Exports Services Organisation operations for each of the years 1979 to 1986 including *(a)* the total number of staff of the Defence Exports Services Organisation and their gradings, *(b)* the countries visited by Defence Exports Services Organisation staff and the dates of the visits, *(c)* the equipment exports agreed and *(d)* the value of exports to each country expressed in constant 1986-87 prices.

Mr. Sainsbury: It is not the practice to give details of countries visited by Defence Export Services Organisation staff or of individual exports to particular countries. Statistics of United Kingdom defence sales by broad geographic regions are set out in volume 2 of the "Statement on the Defence Estimates". Detailed figures of DESO staff are not available from 1979 and could only be provided at disproportionate time and effort. The total numbers at 1 April 1983 and 1 April 1987 were 353 and 251 respectively.

Civil Servants

Mr. Batiste asked the Secretary of State for Defence how many civil servants are employed by his Department

in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Sainsbury: On 1 April 1987, the latest date for which information is available, the number of civil servants, counting part-timers as half and excluding casual staff, was *(a)* 63,206 in London and the south-east, *(b)* 41,169 in the south-west, *(c)* 15,738·5 in the midlands (comprising the west midlands, east midlands and East Anglia economic planning regions) and *(d)* 12,256·5 in the north of England (comprising the Yorks and Humberside, north-west and north economic planning regions). Although expenditure is not budgeted by region, details of estimated procurement expenditure by economic planning region for 1985-86, the latest year for which figures are available to the nearest £0·1 billion are as follows:

	£ billion 1985-86
Yorkshire and Humberside	0·2
East Midlands	0·3
West Midlands	0·3
East Anglia	0·2
South-West	0·9
South-East	3·8
North-West	1·0
Scotland	0·4
Wales	0·2
Northern Ireland	0·1

Ship Design

Mr. Adley asked the Secretary of State for Defence if research on ship design by his Department is available to commercial shipbuilders and operators in so far as it is outwith the confines of security; and if he will make a statement.

Mr. Sainsbury: If appropriate and if security considerations permit, the results of research on ship design are published in the technical press and through learned societies. My Department also makes results available to United Kingdom industry through its membership of several research groups and through the Defence Scientific Advisory Council. Advice is also given in response to specific inquiries and test facilities are made available. The end product of much research is embodied in a series of naval engineering standards, many of which are available for sale to industry.

Body Armour

Mr. Cartwright asked the Secretary of State for Defence if he still estimates that body armour will be introduced into general service with the British Army during 1989.

Mr. Sainsbury: Yes.

Mr. Cartwright asked the Secretary of State for Defence when he expects to place contracts with manufacturers for the production of suits of body armour needed for troop trials.

Mr. Sainsbury: Contracts for the manufacture of combat body armour for troop trials are expected to be placed later this year.

Mr. Cartwright asked the Secretary of State for Defence wheter he estimates that extensive trials of body armour will take place during the current year; and when he expects these to commence.

Mr. Sainsbury: Extensive troop trials of combat body armour are expected to start at the turn of the year.

Infantry Sales Team

Mr. Thomas asked the Secretary of State for Defence if he will make a statement on the formation of the infantry sales team including *(a)* the reasons for and date of its formation, *(b)* cost to the taxpayer, *(c)* its relationship to the Defence Export Services Organisation and *(d)* the countries visited since its inception.

Mr. Sainsbury: I refer to the question answered by my predecessor on 15 May last in which he stated that a small infantry sales team was established in 1986. In addition to its normal duties it holds itself ready, under the direction of the Defence Export Services Organisation, to assist United Kingdom manufacturers in the sale and promotion of British infantry equipment overseas. Apart from the pay and allowances of the team members, all other costs are borne by the commercial companies involved. Since 1986 the team has visited the following countries:

Indonesia
Luxembourg
United States of America
France
Canada
Saudi Arabia
Turkey
Jordan
Malaysia
Portugal
Pakistan

Written Answers to Questions

Monday 13 July 1987

PRIME MINISTER

Arms Export Control Procedures

Mr. Dalyell asked the Prime Minister for what reason it is not the practice of Her Majesty's Government to answer parliamentary questions about the operation of arms export control procedures in relation to individual countries; and if she will make a statement.

The Prime Minister: Successive Governments have agreed that it would not be in the public interest to disclose details of the operation of arms export control procedures.

British Telecom

Mr. Dobson asked the Prime Minister if she will give the total cost to each public service and each department of British Telecom's decision to end free emergency fault repair cover and replace this by total care and prompt care schemes.

The Prime Minister: The information requested is not held centrally.

Inner-city Initiatives (Cabinet Office)

Dr. Cunningham asked the Prime Minister if she will publish in the *Official Report* the grades and estimated annual costs of the staff of the Cabinet Office dealing with inner-city initiatives, and show for each post whether the present occupant was *(a)* a member of the Cabinet Office staff on 11 June 1987, *(b)* in another Department on 11 June 1987 or *(c)* employed elsewhere and, in such cases, where.

The Prime Minister: Since the beginning of July, one official at grade 3, two at grade 7 and a senior personal secretary have been temporarily detached from their duties in other Departments and seconded to the Cabinet Office to work on urban policy issues. The annual costs of such officials are £98,524. In addition, a number of other officials in the Cabinet Office spend some of their time on matters relating to urban policy issues in the course of their regular duties.

Lebanon (Hostages)

Mr. Latham asked the Prime Minister whether she will make a statement on the action being taken by Her Majesty's Government to bring about the release of Mr. Terry Waite and other persons held captive by terrorist groups in Lebanon.

The Prime Minister: We are pursuing every reasonable lead, through our staff in Beirut and elsewhere and by maintaining close and regular contact with those concerned at Lambeth palace, to try to establish the whereabouts of Mr. Waite, as well as the fate of the other British hostages held in Lebanon.

ATTORNEY-GENERAL

Family Law

Mr. Ashley asked the Attorney-General when he intends to bring into force the Family Law Reform Act 1987.

The Attorney-General: The Lord Chancellor intends to bring the Family Law Reform Act 1987 into force when the necessary resources are available.

Legal Aid

Mr. Bermingham asked the Attorney-General on what basis the figure of 70 per cent. of households qualifying for legal aid, mentioned on page 9 of the recent White Paper on legal aid, was calculated; what proportion of households has been covered by the legal aid scheme for each year since 1979; and if the basis of calculation has been changed at any time over the past eight years.

The Attorney-General: It is not possible to calculate with precision the percentage of the population eligible for legal aid. The figure of 70 per cent., which has remained broadly constant throughout the past eight years, is an estimate only. It is based on a comparison between the qualifying levels of income for legal aid for different compositions of households and figures published by the Department of Employment for household incomes. This method has been used throughout the last eight years.

NORTHERN IRELAND

Housing Executive

Mr. McGrady asked the Secretary of State for Northern Ireland what is the policy of the Northern Ireland Housing Executive with regard to the repair or replacement of steel-framed windows in its houses.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive, but I understand from the chairman that the information is not readily available; I shall reply to the hon. Gentleman as soon as possible.

Warrenpoint Harbour Authority

Mr. McGrady asked the Secretary of State for Northern Ireland what are the plans of the Warrenpoint harbour authority with regard to the expansion or development of the harbour area in Warrenpoint.

Mr. Needham: I shall reply to the hon. Gentleman as soon as possible.

Action for Community Employment

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will publish the list of sponsors of action for community employment schemes which was made available to ACE sponsors in 1986 for the elections to the Northern Ireland Federation of ACE sponsors.

Mr. Viggers: I shall reply to the hon. Gentleman as soon as possible.

Water Supplies

Mr. Clay asked the Secretary of State for Northern Ireland (1) if he will publish a table showing the average

household bill for water rates for each regional water authority in Northern Ireland for each year separately between 1979 and 1987;

(2) if he will publish a table showing the figures for the numbers of households where water supplies have been disconnected, showing, where possible, the reasons for disconnection for each year separately between 1979 and 1987.

Mr. Needham: I shall reply to the hon. Member as soon as possible.

TRADE AND INDUSTRY

Civil Servants

Mr. Batiste asked the Chancellor of the Duchy of Lancaster how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Butcher: The number of Department of Trade and Industry staff in post at 1 April 1987 were as follows:

	Number
London	8,669
South West	194
Midlands	442
North of England	865
Other (Wales and Scotland)	2,443
Total	12,593

Most of the Department's spending programmes are addressed to national objectives, and budgets are not therefore set on a regional basis. The Department's budget for regional support in the assisted areas in the current year is £230 million. Expenditure in the different regions will depend on their respective demand from eligible projects under the relevant schemes. Last year, such expenditure totalled £356 million. A regional breakdown of the bulk of this expenditure (regional development grants and the main programme of regional selective assistance) is as follows, on the basis of spend in DTI regions (aggregated where appropriate):

	£ million
London and the South East	—
South West	20·5
Midlands (East and West Midlands)	20·4
North of England (North East, North West and Yorks and Humberside)	277·9
Total	318·8

Textile and Carpet Companies (Aid)

Mr. Anthony Coombs asked the Chancellor of the Duchy of Lancaster what discussions he has had with the European Commission about the grant of state aid in breach of the treaty of Rome to textile and carpet companies in other European Economic Community countries.

Mr. Alan Clark: The Government have made a number of respresentations to the European Commission concerning the fair and even-handed enforcement of the state aids rules in the textile sector.

Mr. Anthony Coombs asked the Chancellor of the Duchy of Lancaster if he has yet received information on whether the Belgian Government have now complied with the Commission decision of 27 June 1984 and the European Court judgment of 9 April 1987 concerning the required repayment of aid of £3·7 million by a subsidiary of Deaulieu, a Belgian carpet manufacturer.

Mr. Alan Clark: No information has been received to date. I will write to my hon. Friend as soon as possible.

Electricity Safety (Exhibition)

Mr. Thurnham asked the Chancellor of the Duchy of Lancaster if his Department has considered an application for an exhibition relating to safety with electricity to be displayed in the Upper Waiting Hall.

Mr. Maude: Arrangements have been made for such an exhibition in the Upper Waiting Hall to take place from Monday 2 November to Friday 6 November 1987.

Regional Development Grant

Ms. Quin asked the Chancellor of the Duchy of Lancaster if he will make a statement as to the reasons for the decline in regional development grant assistance to the north-east of England, as detailed in the reply to the right hon. Member for Monklands, East (Mr. Smith) on 2 February 1987, *Official Report*, column *501*.

Mr. Atkins: I will reply to the hon. Lady as soon as possible.

Financial Services Act

Mr. Tim Smith asked the Chancellor of the Duchy of Lancaster if he will make a statement about the implementation of the Financial Services Act; and, in particular, when he expects to exercise the functions of sections 119 and 120 of the Act.

Mr. Maude: Following transfer of the relevant powers, the SIB has received two applications, from the Financial Intermediaries, Managers and Brokers Regulatory Association and the Investment Management Regulatory Organisation, for recognition under section 9 of the Act. The SIB is in discussions with other potential applicants and further applications are expected shortly. Copies of the rules and supporting material submitted by FIMBRA and IMRO have been sent to my right hon. Friend the Secretary of State for Trade and Industry and forwarded to the Director General of Fair Trading. My right hon. Friend will consider whether to give leave under section 120 for the recognition of these SROs when he has received a request to do so from the SIB and the report on their rules from the Director General. Now that the power to grant recognition has been transferred to the SIB my right hon. Friend has no powers exerciseable under section 119 in advance of a recognition order being made.

Satellite Research (Surrey University)

Mr. Dalyell asked the Chancellor of the Duchy of Lancaster if he will make a statement on his funding of Surrey university satellite research.

Mr. Butcher: Surrey university has a good record of achievement in space research. My Department, through the British National Space Centre, is currently funding one

research activity there in the field of high technology thermoplastic polymers for space structures. A number of other possibilities are under discussion.

Steel Industry (Redundancy Pay)

Mr. Cryer asked the Chancellor of the Duchy of Lancaster what representations have been made to the EEC Commission to ensure that applications under article 56 of the European Coal and Steel Community programme for payments to redundant steel workers are approved without delay.

Mr. Atkins: I will reply to the hon. Member as soon as possible.

Monopolies and Mergers Commission

Mr. Wareing asked the Chancellor of the Duchy of Lancaster if he will list the members of the Monopolies and Mergers Commission giving their occupations and or professional background and their remuneration.

Mr. Maude: The information requested is as follows:

Members of the Monopolies and Mergers Commission as at 10 July 1987

Name	*Position*	*Background*	*Salary* £
Sir Godfray Le Quesne	Chairman	The Law	64,739
Mr. H. H. Hunt	Deputy Chairman	Management Consultancy	22,670
Mr. D. G. Richards	Deputy Chairman	Accountancy	26,070
Mr. R. G. Smethurst	Deputy Chairman	Economics	22,670
Sir James Ackers	Member	Industry (management)	9,128
Mr. C. C. Baillieu	Member	Industry (management)	9,128
Mr. L. Britz	Member	Trade Union affairs	9,128
Mr. M. B. Bunting	Member	Industry (management)	9,128
Mr. K. S. Carmichael CBE	Member	Accountancy	9,128
Sir Robert Clayton CBE	Member	Industry (management)	9,128
Mr. P. H. Dean	Member	Industry (management)	9,128
Mr. A. Ferry MBE	Member	Trade Union affairs	9,128
Mr. P. S. G. Flint	Member	Industry (lawyer)	9,128
Mr. D. G. Goyder	Member	The Law	9,128
Miss A. M. Head	Member	Unit trusts	9,128
Mr. J. D. Keir QC	Member	Industry (lawyer)	9,128
Mr. L. Kelly	Member	Industry (management)	9,128
Mr. M. S. Lipworth	Member	Insurance	9,128
Professor S. C. Littlechild	Member	Economics	9,128
Miss P. K. R. Mann	Member	Advertising	9,128
Mr. S. McDowell CBE	Member	Economics	9,128
Mr. L. A. Mills	Member	Trade Union affairs	9,128
Mr. B. C. Owens	Member	Industry (management)	9,128
Professor R. Rees	Member	Economics	9,128
Mr. N. L. Salmon	Member	Industry (management)	9,128
Mr. D. P. Thomson	Member	Banking	9,128
Mr. C. A. Unwin MBE	Member	Trade Union affairs	9,128
Mr. S. Wainwright CBE	Member	Banking and Finance	9,128
Mr. R. Young	Member	Industry (management)	9,128

Notes:

(1) Under the provisions of the Fair Trading Act 1973 the Secretary of State for Trade and Industry is responsible for maintaining a panel from which additional members may be appointed to take part in any investigation into a newspaper merger.

(2) Similarly, under section 13(10) of the Telecommunications Act 1984 the Secretary of State for Trade and Industry is required to appoint not less than three additional members to the Commission to assist in any investigation under the Act.

Mr. Wareing asked the Chancellor of the Duchy of Lancaster what is the cost of running the Monopolies and Mergers Commission; and whether he will itemise this over the past four years.

Mr. Maude: The cost of running the Monopolies and Mergers Commission in the current year and over the past four years is estimated to be:

		£'000s
1983-84	Outturn	1,879
1984-85	Outturn	2,029
1985-86	Outturn	3,404
1986-87	Provisional outturn	3,317
1987-88	Estimated provision	3,563

International Digital Communications (Merger)

Sir Geoffrey Pattie asked the Chancellor of the Duchy of Lancaster if he has any information relating to the proposed merger between International Digital Communications and International Telecommunications of Japan; and if he will make a statement.

Mr. Butcher: Her Majesty's Government understand that commercial discussions are still continuing in Japan. Her Majesty's Government have consistently made clear their expectation that the issues be given a fair and objective appraisal, and are continuing to watch the situation very closely.

Clydesdale Bank

Mr. Salmond asked the Chancellor of the Duchy of Lancaster if, in view of the importance of the Clydesdale bank to the Scottish financial sector and the Scottish economy as a whole, he will refer its sale to the National Australia bank to the Monopolies and Mergers Commission for investigation.

Mr. Maude: The proposed sale of the Clydesdale bank to the National Australia bank is being considered by the Director General of Fair Trading, who is responsible for advising my right hon. Friend the Secretary of State for Trade and Industry on the question of reference to the Monopolies and Mergers Commission. It would not be appropriate for me to prejudge the Director General's advice by commenting further at this point.

Fire Retardant Upholstery

Mr. Stern asked the Chancellor of the Duchy of Lancaster if he has any plans to introduce legislation to require that upholstery materials used in caravans and caravanettes manufactured in the United Kingdom be made of fire retardant materials.

Mr. Peter Bottomley: I have been asked to reply.

There are no current legal requirements for the flammability of upholstery materials in road vehicles. We are trying to get European agreement to a standard as a basis for introducing such requirements in coaches where large numbers of people could be at risk in the event of a rapidly spreading fire resulting from a road accident. There are no plans at present to extend such requirements to other types of road vehicle such as caravans and caravanettes.

EDUCATION AND SCIENCE

Boys' Education

Ms. Richardson asked the Secretary of State for Education and Science what plans he has for initiatives to encourage boys into non-traditional fields of study and employment following the initiatives to encourage girls into the non-traditional fields of science and engineering.

Mrs. Rumbold: None.

Education (Finance)

Sir Brandon Rhys Williams asked the Secretary of State for Education and Science if he will publish a table showing such information as he has about how the main cost of public education is financed; respectively, by central, state or local government in each European Economic Community member state.

Mrs. Rumbold: This information is not readily available and could only be obtained at disproportionate cost.

ACCESS Courses

Ms. Richardson asked the Secretary of State for Education and Science what is the number of *(a)* women and *(b)* men registered on ACCESS courses.

Mr. Dunn: This information is not collected by my Department.

Assisted Places Scheme

Mr. Grocott asked the Secretary of State for Education and Science what is the latest cost per pupil of the assisted places scheme.

Mr. Dunn: The average cost to my Department per assisted place pupil is £1,759 for the 1986-87 school year.

Speech Therapy

Mr. Cartwright asked the Secretary of State for Education and Science (1) how many posts for speech therapists remained unfilled at special schools in inner London at the most recent convenient date;

(2) how many special schools in inner London are currently estimated to be without an adequate level of speech therapy.

Mr. Dunn: The information is not available centrally.

Mr. Dobson asked the Secretary of State for Education and Science what plans he has to increase the number of places available for the training of speech therapists; and if he will make a statement.

Mr. Jackson: Registration to practise as a speech therapist follows study for a degree in a relevant discipline recognised for the purpose by the College of Speech Therapists. It would be for the National Health Service as principal employer of speech therapists to approach providing institutions if it were considered that numbers on appropriate courses were insufficient.

Educational Visits

Mr. Rooker asked the Secretary of State for Education and Science if he will issue guidelines to local education authorities as to the recommended ratio of adult escorts to school pupils during educational visits and school journeys; and if he will make a statement.

Mr. Dunn: My right hon. Friend has no plans to issue such guidelines. It would be impracticable to lay down specific ratios since much depends on the nature of the particular visit, the pupils' previous experience, and the type of terrain to be encountered on individual journeys.

Mr. Rooker asked the Secretary of State for Education and Science how many primary, secondary and special school pupils lost their lives during educational visits and school journeys in 1986.

Mr. Dunn: This information is not collected by my Department.

Birkbeck College

Mr. Fatchett asked the Secretary of State for Education and Science whether he will meet a delegation from the Association of Scientific, Technical and Managerial Staffs to discuss the future funding of Birkbeck college.

Mr. Jackson: I am ready to consider any requests to meet delegations. However, the funding of Birkbeck college within London University is a matter for the university itself which will, I understand, be reviewing the matter following various current inquiries.

TRANSPORT

Bus Routes

Mr. Hardy asked the Secretary of State for Transport if he has any plans to review the operation of the Transport Act with particular regard to the operation of new bus routes along roads which have not previously been used for this purpose and where residents have objections.

Mr. David Mitchell: The Road Traffic Regulation Act 1984 and the Transport Act 1985 both provide remedies

in cases where roads are unsuited to bus operation. The expansion of the bus services into new areas has been of great value to many people who do not have access to a car.

Air Passenger Safety (Smokehoods)

Mr. Colvin asked the Secretary of State for Transport when the Civil Aviation Authority expects to report on its research into the use of smokehoods to protect air passengers from smoke and fumes.

Mr. Peter Bottomley: The Civil Aviation Authority is wholly responsible for the regulation of aviation safety. I understand that it expects to issue a decision on the use of smokehoods by the end of the year when it has completed its current research and consultations.

Seat Belts

Mr. Martlew asked the Secretary of State for Transport (1) if he will provide details of the latest research into the effectiveness of seat belt and child restraint use in reducing the severity of injury of children in cars;

(2) what information he has as to the proportion of children who are currently restrained in the rear of cars.

Mr. Peter Bottomley: Surveys published by the Department's Transport and Road Research Laboratory show that between 1982 and 1986 the overall wearing rate for all child occupants in the rear of cars has increased from 26 per cent. to 31 per cent. The highest increase is for those under one year old. The results of the surveys were as follows:

	November 1982		*June 1983*		*November 1984*		*July 1986*	
	[1]*SS*	[2]*R*	*SS*	*R*	*SS*	*R*	*SS*	*R*
		percent.		*percent.*		*percent.*		*percent.*
Rear seat								
Baby (under 1 year)	213	30	648	45	423	49	429	55
Small Child (approx 1-4 years)	2,083	40	3,568	27	2,526	34	2,433	42
Medium Child (approx 5-9 years)	1,599	12	1,985	9	1,492	12	1,971	19
Large Child (approx 10-13 years)	405	2	517	3	582	6	732	12

[1] SS = Sample size ie Numbers of children observed.
[2] R = Proportion restrained.

Two other continuing studies by TRRL have highlighted the benefit of the use of child restraints in cars. An early study showed that the use of child restraints reduces the risk of overall injury by two thirds. The second study, which reported in May this year, showed that in the zero to four age group the use of child restraints reduces the risk of death by about three quarters.

Current wearing rates are likely to be higher following national and local publicity including the BBC "That's Life" campaign. The rates are likely to deteriorate unless parents of new born children are constantly reminded of the benefits of installing and using restraints.

Mr. Martlew asked the Secretary of State for Transport (1) what information he has as to what proportion of registered cars have rear anchorage points but no rear seat belts;

(2) if he will introduce regulations requiring the retrospective fitment of rear seat belts for cars registered between January 1981 and April 1986.

Mr. Peter Bottomley: About half the cars currently registered have rear anchorage points but no rear seat belts. The great majority of these were first registered between April 1982—when rear anchorages became a mandatory requirement—and April 1987 when rear seat belts became a mandatory requirement. It is not planned to require the retrospective fitment of rear seat belts to these or earlier registered vehicles.

We do encourage the fitting and use of rear restraints for children and adults.

Accident Statistics

Mr. Martlew asked the Secretary of State for Transport how many rear-seat passengers were injured in road accidents during 1986; and if he will provide details of injury severity and restraint use.

Mr. Peter Bottomley: The position of vehicle occupants is recorded only for cars. Information for 1985, the latest year available, is as follows:

Rear car seat occupants by severity of injury and seat belt use: Great Britain: 1985

Severity of injury	*Seat belt in use*	*Seat belt not in use*	*Seat belt not fitted*	*Child restraint in use*	*Child restraint not in use*	*Child restraint not fitted*	*Restraint unknown*	*Total*
Fatal	7	10	240	4	—	14	58	333
Serious	111	164	3,342	51	23	240	702	4,633
Slight	692	595	14,498	542	183	1,941	2,743	21,194
Total	810	769	18,080	597	206	2,195	3,503	26,160

Tactile Crossings

Mr. Allen asked the Secretary of State for Transport what kinds of tactile designs are used for tactile crossings to help the blind; and if he will take steps to standardise them.

Mr. Peter Bottomley: A tactile paving design specifically for use at pedestrian crossings has been developed by the Transport and Road Research Laboratory in close consultation with organisations representing disabled people, including those who are visually handicapped.

Advice on the design, purpose and layout of the tactile surface was issued to highway authorities in the Department's disability circular DU 1/86 of 13 October 1986. That advice emphasises that the surface recommended should remain distinct from those surfaces used for other purposes.

Woolwich Ferry

Mr. Cartwright asked the Secretary of State for Transport whether he is satisfied with the current level of service on the Woolwich ferry; and what steps he is taking to improve it.

Mr. Peter Bottomley: As I said in my answer to the hon. Member on 23 June 1986 at column *61*, Greenwich borough council is operating the Woolwich ferry as our agent and questions on its day-to-day operation should be addressed to the council.

Mr. Cartwright asked the Secretary of State for Transport when he plans to publish the consultant's report on the future of the Woolwich ferry.

Mr. Peter Bottomley: I expect to receive the consultants' final report very soon now. I shall then decide what steps to take.

Mr. Cartwright asked the Secretary of State for Transport if he will meet representatives of the London borough of Greenwich and the staff of Woolwich ferry to discuss its future operations.

Mr. Peter Bottomley: When I have considered the findings and recommendations of the consultants' final report I shall discuss these with the London borough of Greenwich. It is for Greenwich to have discussions with its work force.

Mr. Cartwright asked the Secretary of State for Transport on how many days since 1 April the Woolwich ferry has been subject to disruption; and how many scheduled crossings have been lost.

Mr. Peter Bottomley: Up to 8 July, disruption has occurred on 93 days. Around 6,600 crossings have been lost.

Mr. Cartwright asked the Secretary of State for Transport if he will indicate the numbers of staff employed on the Woolwich ferry in each grade at the most recent convenient date together with the comparative numbers at the same date in 1986, 1985 and 1984.

Mr. Peter Bottomley: The staff are employed by the London borough of Greenwich. Questions about staff numbers should be addressed to the council.

We assumed responsibility for the ferry on 1 April 1986 at which date, Greenwich took over the following complement, which is still operative.

	Number
Ferry Operatives	
Captain	5
Mate	5
Engineer	6
Leading Deckhand	6
Deckhand	15
Relief Deckhand	9
Shipkeeper	10
C/H Traffic Controller	6
Traffic Controller	6
Relief Traffic Controller	6
Car Park Attendant	2
Ferry Workshops	
Electrician Chargehand	4
Plumber	2
Fitter Chargehand	1
Fitter	5
Shipwright Chargehand	1
Shipwright	4
Boilermaker	2
Painter Chargehand	1
Painter	2
Semi Skilled Engineering Workers	18
Management/Administration	
Assistant Director	0·5
Ferry Manager	1
Assistant Ferry Manager	1
Manager Maintenance and Technical Support	1
Workshop Manager	1
Assistant Workshop Manager	1
Electrical Engineering Assistant	1
Marine Engineer	1
Vehicle Controller	0·4
Senior Administrative Officer	1
Administrative Assistant	1
Bonus Clerk	1
Administrative Assistant/Typist	1
Senior Storekeeper	1
Stores Assistant	2
Stores Clerk	2

We have no comparative figures prior to abolition.

Mr. Cartwright asked the Secretary of State for Transport what representations he has received about the current level of service on the Woolwich ferry; and what has been his response.

Mr. Peter Bottomley: I have received two letters from members of the public. Questions on the day-to-day operation of the ferry are a matter for the London borough of Greenwich as the Department's agent.

Mr. Cartwright asked the Secretary of State for Transport what comments he has received from the London borough of Greenwich about the consultant's report on the future of the Woolwich ferry.

Mr. Peter Bottomley: The London borough of Greenwich contributed to the review by consultants of the Woolwich ferry. We will discuss the final report with Greenwich.

M1 (Roadworks)

Mr. Janner asked the Secretary of State for Transport (1) what roadworks are currently being undertaken on the M1 motorway between London and Leicester; how long they are expected to last; what further roadworks are planned for this stretch of motorway; whether he will take steps to reduce the delay caused to motorists during the

carrying out of such works; and whether he proposes to install any additional motorway lighting on the M1 between London and Leicester;

(2) what roadworks are currently being undertaken on the M1 motorway between Leicester and Scotland; how long they are expected to last; what further roadworks are planned on this stretch of motorway; whether he will take steps to reduce the delay caused to motorists during the carrying out of such works; and whether he proposes to install any additional motorway lighting on the M1 between Leicester and Scotland.

Mr. Peter Bottomley: The following roadworks are currently being undertaken or planned for the remainder of 1987-88 on the M1 between London and Leeds (where M1 terminates).

Site	*Scheme*	*Start—Finish dates*
J4-5	Resurfacing	August 1987—October 1987
J10[1]	Overlay	May 1987—October 1987
J12-13[1]	Safety Fence and carriageway renewal	October 1987—January 1988
J14-15[1]	Reconstruction overlay	August 1987—January 1988
J16-17[1]	Central Reserve Reconstruction (Reserve Scheme)	February 1988—March 1988
J19[1]	Construction of Junction for M1-A1 link	Spring 1988—Autumn 1988
J23-24[1]	Reconstruction overlay	July 1987—September 1987
J24-R[1] Trent	Reconstruction overlay	October 1987—November 1987
J23[1]	Reconstruction overlay	February 1988—March 1988
J25[1]	Reconstruction overlay (Reserve Scheme)	February 1988—April 1988
J39-40	Carriageway renewal	September 1987—December 1987

[1] Lane Rental

Further work will take place in future years, with about 5 per cent. of the route renewed each year. Minor repairs and routine maintenance will also take place from time to time. All reasonable measures will be taken to reduce delays to the road user, including the use of lane rental contracts.

Additional lighting is proposed between the end of existing lighting near Newport Pagnell and the Buckinghamshire-Northamptonshire boundary to the north. There are no current proposals for lighting the M1 between Leicester and Leeds.

North Circular Road (Ealing)

Sir George Young asked the Secretary of State for Transport (1) when he proposes to announce his decision on the public inquiry into the route of the north circular road through Ealing; and what is the reason for the delay;

(2) when he received the inspector's report on the local public inquiry held from December 1983 to June 1984 on proposed improvements to the north circular road from Pope's lane in Hounslow to Hanger lane in Ealing; when he expects to publish it; why publication has been delayed; and what representations he has received from the local population about this matter.

Mr. Peter Bottomley: The inspector's report was received in April 1985. It raised difficult issues which are taking some time to resolve and which my right hon. Friends the Secretaries of State for the Environment and for Transport are considering. I hope that an announcement can be made before too long, at which time the report will be published. I have not received representations about the delay from local people.

Sir Barney Hayhoe asked the Secretary of State for Transport whether he will publish the traffic count in respect of the section of the north circular road between Hanger lane and Chiswick roundabout and roads linking thereto in west London both before and after the opening of the M25, together with counts of traffic now using the M25 itself in the same sector; and what plans he has for updating counts of traffic flows since the opening of the M25.

Mr. Peter Bottomley: I shall write to my right hon. Friend.

M42 (Northern Section)

Mr. John Mark Taylor asked the Secretary of State for Transport when the northern section of the M42 is to be completed.

Mr. Peter Bottomley: The M42 motorway is now complete and open to traffic from the M5 (southern turn) to Appleby Magna, Leicestershire. An extension northwards to the M1 near the east midlands airport will be a dual carriageway all-purpose trunk road, the A42.

Construction of the first section, the A42 Measham and Ashby bypass, will start on 3 August and take about two years to complete. Construction of the final section, the A42 Castle Donington north, will start in 1989, subject to the completion of the outstanding statutory procedures.

Remould Tyres

Mr. Rooker asked the Secretary of State for Transport how his Department obtained samples of remould tyres produced by Arvoland Ltd. referred to in his Department's Press Notice No. 51 dated 30 January 1987; and if he will make a statement on the current situation regarding the recall of remould tyres.

Mr. Peter Bottomley: The Department obtained Arvoland tyres independently from three retail outlets and tested these at the Rubber and Plastics Research Association in August 1986. Further tyres were subsequently supplied directly to RAPRA by Arvoland, as part of a programme agreed with the Department to demonstrate improved product quality, between October and December when the firm went into receivership.

Arvoland and their receivers have co-operated with the Department in recalling or destroying remould tyres following the launch of a recall campaign in November 1986. It is believed that few, if any, tyres remain on sale.

Road Accident Statistics

Mr. Dobson asked the Secretary of State for Transport what proportion of fatal road accidents involved drink in the last year for which figures are available.

Mr. Peter Bottomley: In 1985, at least 1,400 road deaths — over one quarter — were associated with excess alcohol. In these accidents one or more road users were found to have a blood alcohol content over 80 milligrams per 100 millilitres, the legal limit for drivers. Further details will appear in "Road Accidents Great Britain" ("The Casualty Report") later this year.

Mr. Dobson asked the Secretary of State for Transport what proportion of serious accidents involved drink in the last year for which figures are available.

Mr. Peter Bottomley: We do not know. We do know that in 1985, 6·4 per cent. of serious accidents involved a driver who failed the breath test or failed to provide a sample. This figure does not include accidents where the driver was not tested. It does not include drivers who had consumed alcohol but were below the legal limit.

Burscough Curves Rail Extension (Southport)

Mr. Fearn asked the Secretary of State for Transport if he is considering plans to reopen the Burscough curves rail extension to Southport.

Mr. David Mitchell: No.

Mr. Fearn asked the Secretary of State for Transport if he has received any representations on the reopening of the Burscough curves rail extension to Southport.

Mr. David Mitchell: I received a written representation last August from my hon. Friend the Member for Chorley (Mr. Dover) but I have not been approached yet by the hon. Member for Southport.

Mr. Fearn asked the Secretary of State for Transport if there have been any consultations between his Department and British Rail on whether to restore the Burscough curves rail extension to Southport.

Mr. David Mitchell: No.

Railways (Reopening)

Mr. Fearn asked the Secretary of State for Transport what criteria he employs when deciding whether to reopen a rail link.

Mr. David Mitchell: It is for British Rail to consider the case for re-opening any rail link. Ministers would only wish to be involved in major investment proposals. As a general rule, we expect proposals for additions to the existing rail network to achieve at least a real return of 7 per cent. We would support any worthwhile investment which offered a sound prospect of improving the railways' finances.

Tourist Attractions (Signposting)

Mr. Fearn asked the Secretary of State for Transport how many visitors a tourist resort has to attract per year before it can apply to have further words added to local road and motorway signs to attract more people.

Mr. Peter Bottomley: Individual tourist attractions which are open for casual visits by the general public may be signed from motorways using the new white on brown tourist signs if they attract over 150,000 visitors per year, are situated within 20 miles of the nearest motorway junction, have adequate car parking and are open for more than 50 days per year.

Places providing accommodation and facilities fpr pre-booked customers are not eligible for white on brown tourist signs; if they also cater for casual visitors then their eligibility for signing will be considered on the basis of the number of casual visitors. Where a town, or a rural area, has a number of smaller attractions which in total have 150,000 visitors a year then a white on brown sign may be erected on the motorway directing drivers to an information board just off the motorway where they can stop and obtaim details of the various attractions in the area. Major holiday resort towns which are of sufficient traffic importance are already signed from motorways as primary destinations on the standard white on blue signs. The criteria for signing tourist attractions and resorts on local roads are a matter for the local highway authority.

Mr. Fearn asked the Secretary of State for Transport what criteria he employs for the designation of a tourist attraction or resort on motorway signs.

Mr. Peter Bottomley: The criteria and arrangements for the white on brown tourist signing are set out in circular Roads 3/86. To be eligible for tourist attraction signing from a motorway, the attraction must have over 150,000 visitors a year, be within 20 miles of a motorway, have adequate parking and be open for at least 50 days in the period 1 April to 31 October each year. Caravan parks, camp sites, youth hostels and hotels are not eligible for motorway signing.

Places providing accommodation and facilities for pre-booked customers are not eligible for white on brown tourist signs; if they also cater for casual visitors then their eligibilty for signing will be considered on the basis of the number of casual visitors. Resort towns, historic towns, or rural areas, which have a number of smaller attractions which in total meet the criteria for motorway signing, may be signed with a white on brown sign on the motorway directing drivers to an information board just off the motorway where they can obtain details of the individual attractions in the area. The individual attractions may be signed as approporiate on the local roads.

Mr. Neil Allison (Member's Correspondence)

Mr. Pawsey asked the Secretary of State for Transport when the hon. Member for Rugby and Kenilworth might expect a reply to his letters of 26 January, 4 March and 6 May, all of which refer to Mr. Neil Allison of Kenilworth.

Mr. David Mitchell: I have today written to my hon. Friend to explain the reasons for delay and to send a substantive reply to his query.

Merchant Shipping (Formal Investigations)

Mr. Adley asked the Secretary of State for Transport if, pursuant to his answer to the hon. Member for Christchurch of 6 July, *Official Report*, column *15*, he will now list those formal investigations ordered under section 55 of the Merchant Shipping Act 1970 which he was including, in his answer of 29 June, *Official Report*, column *26*, as being analogous with his stated policy on non-prosecution in the case of the Herald of Free Enterprise.

Mr. David Mitchell: In the past 10 years there have been 11 formal investigations held under the Merchant Shipping Acts, as follows:

Vessel		
MFV Rotche/MFV Stroma II	1978	July 1977
MV Hero	1979	November 1977
MFV Boston Sea Ranger	1979	December 1977
MFV Do It Again	1979	January 1979
MV Kurdistan	1981	March 1979
MV Pool Fisher	1980	November 1979
MV Union Star and RNLB Solomon Browne	1983	December 1981
MV Grainville	1983	December 1981
MV European Gateway/MV Speedlink Vanguard	1983-84	December 1982
Marques	1985-86	June 1984
MV Herald of Free Enterprise	1987	March 1987

In the case of the Stroma II and Rotche, a prosecution was brought but the formal investigation was not held until after the criminal proceedings had been completed. It would not be fair to the parties involved for me to comment on whether or not criminal offences were thought to have been committed in the remaining cases, but in none of them did the Department initiate any prosecution.

FOREIGN AND COMMONWEALTH AFFAIRS

Iran

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will outline the action which he has initiated at the United Nations to protest about the arbitrary execution of members of the Baha'i faith in the Islamic Republic of Iran; and whether he will make a statement.

Mr. Mellor: For the last five years, including 1987, we have co-sponsored the resolution on human rights in Iran at the United Nations Commission on Human Rights. These resolutions urged the Iranian Government to respect the human rights standards set out in the instruments to which it is party. The resolutions also established and renewed the appointment of the commission's special representative on Iran, including a specific mandate to investigate the treatment of Baha'is.

In 1985 and 1986 we also co-sponsored the resolutions on human rights in Iran at the United Nations General Assembly.

Mr. Latham asked the Secretary of State for Foreign and Commonweath Affairs (1) if he will raise with the United Nations Human Rights Commission allegations of the use of an electric guillotine to cut off fingers of prisoners during 1986 in the Islamic Republic of Iran detailed in a recent report by Amnesty International;

(2) if he will raise with the United Nations Human Rights Commission allegations of stoning to death of at least eight people during 1986 in the Islamic Republic of Iran detailed in a recent report by Amnesty International;

(3) if he will raise with the United Nations Human Rights Commission allegations of the use of torture, including floggings and mock executions in the Islamic Republic of Iran detailed in a recent report by Amnesty International.

Mr. Mellor: For the last five years, including 1987, we have co-sponsored the resolution on human rights in Iran at the United Nations Commission on Human Rights. At the next session of the United Nations Commission on Human Rights in February 1988, we will again make clear our continued abhorrence of all violations of human rights in Iran.

Diplomatic Representation

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what is the total number of British diplomats remaining in British interests sections of friendly powers accredited to the Syrian Arab Republic, the Islamic Republic of Iran and the People's Socialist Libyan Arab Jamahirya; and what are the equivalent number of persons purporting to be diplomats from those same countries currently based in friendly embassies in Britain.

Mrs. Chalker: There are three diplomatic staff in the British interests section of the Australian embassy in Damascus, one in the British interests section of the Italian embassy in Tripoli and one in the British interests section of the Swedish embassy in Tehran. There are three diplomatic staff in the Syrian interests section of the Lebanese embassy in London, one in the Libyan interests section of the Saudi Arabian embassy and one in the Iranian embassy.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will list all known examples of involvement in terrorist incidents since 1974 of persons purporting to be diplomats accredited to the embassies in London of the Syrian Arab Republic, the Islamic Republic of Iran and the People's Socialist Libyan Arab Jamahirya, indicating in each case whether any diplomats subsequently returned to their country of origin at the request of the Foreign and Commonwealth Office.

Mr. Mellor: In April 1984, the staff and occupants of the Libyan people's bureau in St. James's Square were expelled following an incident in which WPC Yvonne Fletcher was murdered by a shot fired from the people's bureau.

Following the arrest of Nezar Hindawi in April 1986, the Syrian Ambassador was asked to waive the diplomatic immunity of three attachés on his staff to enable police to question them about their involvement with Hindawi. When the Syrian authorities refused to meet our request, we informed the Ambassador that we required the attachés to be withdrawn within seven days.

On 24 October 1986, following the conviction of Nezar Hindawi, we announced that the United Kingdom was breaking off diplomatic relations with Syria. The Ambassador and the remaining seventeen members of his staff were given seven days in which to leave the country.

Spain

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have reported to United Kingdom consular staff that they have been *(a)* physically assaulted and *(b)* robbed in Spain in each of the past five years.

Mr. Eggar: I regret that the statistics requested are not available. Only in serious cases, or those in which consular officers are requested to take follow-up action, are records

kept. Even for those it would require a disproportionate amount of time to provide figures in the categories requested.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have died in Spain in each of the past five years.

Mr. Eggar: It is not mandatory for the deaths of British nationals overseas to be registered at our consulates, but the numbers of deaths of British nationals in Spain which have been so registered over the past five years are as follows:

	Number
1982	295
1983	401
1984	429
1985	350
1986	416

Figures relating to the deaths specifically of British citizens are not kept separately, but they are likely to represent a very high proportion of the figures given.

Blowpipe Missiles

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on representations made to Her Majesty's ambassador in Moscow by the Soviet Government on Monday 6 July about the supply of Blowpipe missiles to Afghan guerillas; and if he will list each of the specific allegations put to Her Majesty's ambassador and his reply to each.

Mr. Eggar: The Soviet Foreign Ministry made an oral statement to Her Majesty's ambassador in Moscow on 6 July. He undertook to report to London. *Pravda* published the statement on 8 July.

State Security

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what discussions officials at the British embassy in Washington have had with representatives of the United States National Security Agency about the possibility of legal action to prevent publication of Peter Wright's book "Spycatcher" in the United States.

Mr. Mellor: I refer the hon. Member to the answers that I gave to him on 3 and 10 July.

Iran—Iraq War

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on his meeting with representatives of the League of Arab States on 9 July regarding the war between Iran and Iraq.

Mr. Mellor: At their request, a delegation from the Arab League, led by the Foreign Minister of Jordan, visited London on 9 July to discuss the Iran-Iraq conflict. Similar delegations have visited the capitals of the other permanent members of the United Nations Security Council. They had talks with my right hon. and learned Friend the Foreign Secretary and with my right hon. Friend the Prime Minister.

We emphasised our deep concern over the continuation of the conflict, which threatens the stability of the region and freedom of navigation in the Gulf.

The delegation expressed gratitude for our continuing efforts in New York, and all were agreed on the value of current United Nations activity aimed at an early mandatory Security Council resolution.

King of Morocco

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to whether the King of Morocco, or any member of his party, will be meeting representatives of any armaments manufacturers at any stage during his state visit beginning on 14 July; and if he will make a statement.

Mr. Mellor: Representatives of a large number of British companies, including some with interests in arms manufacture, have been invited to functions during King Hassan's state visit.

Western Sahara

Mr. Kilfedder asked the Secretary of State for Foreign and Commonwealth Affairs whether he will offer his services as a mediator between the Polisario Front and Morocco, with a view to ending the conflict in Western Sahara; and if he will make a statement.

Mr. Mellor: No. We fully support the efforts already being made by the UN Secretary General to bring about a peaceful solution to the Western Sahara dispute.

HOUSE OF COMMONS

Members (Bleepers)

Mr. Barry Field asked the Lord Privy Seal if he will consider issuing hon. Members with a world-wide wrist bleeper to enable Parliament to be recalled during the recess in the case of a national emergency.

Mr. Wakeham: No. The Services Committee considered the question of radiopaging in its second report of 1986-87 (HC207). The Committee recommended against the House providing its own radiopaging service, but expressed the view that Members who wished to subscribe to such a service in connection with their parliamentary duties should be free to do so out of their office allowance.

My hon. Friend will no doubt wish to leave word as to his whereabouts with my right hon. Friend the Patronage Secretary before he goes away.

ENERGY

Coal Industry

13. **Mr. Skinner** asked the Secretary of State for Energy what plans he has to meet the chairman of British Coal about the future of the industry; and if he will make a statement.

14. **Mr. Orme** asked the Secretary of State for Energy when he last met the chairman of British Coal to discuss the future of the industry.

Mr. Parkinson: I had an initial meeting with the chairman on 29 June, and intend to meet him regularly to discuss all aspects of the coal industry.

17. **Mr. Hannam** asked the Secretary of State for Energy when he next plans to meet the chairman of British Coal to discuss coal prices.

Mr. Parkinson: I intend to meet the chairman of British Coal regularly to discuss all aspects of the coal industry.

18. **Mr. Ashby** asked the Secretary of State for Energy when he intends to lay orders under sections 6 and 7 of the Coal Industry Act 1987.

Mr. Michael Spicer: I hope to do so shortly.

23. **Mr. Barron** asked the Secretary of State for Energy when he last met the chairman of British Coal; and what issues were discussed.

Mr. Michael Spicer: My right hon. Friend and I met the chairman on 29 June, and intend to meet him regularly to discuss all aspects of the coal industry.

29. **Mr. Sumberg** asked the Secretary of State for Energy if he will give details of the Government's financial support to British Coal for each financial year since 1979-80.

Mr. Michael Spicer: The information requested by my hon. Friend is as follows:

Financial Support to the Coal Industry (£ million)

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*Total*
Deficit and Operating Grants	189	175	455	386	875	2,225	50	290	4,645
Social Grants	62	79	120	134	270	189	513	594	1,961
Pneumoconiosis	—	1	2	1	1	—	—	—	5
Total Grants[1]	251	255	577	521	1,146	2,414	563	884	6,611
RMPS	16	16	49	81	191	202	566	614	1,735
Total Support[2]	267	271	626	602	1,337	2,616	1,129	1,498	8,346

[1] Figures are on an accruals basis.
[2] This represents total Government support for the industry and includes RMPS amounts paid direct to redundant mineworkers.

In addition the Government has supported the following levels of capital investment by the coal industry.

	£ million
1979-80	661
1980-81	807
1981-82	812
1982-83	842
1983-84	702
1984-85	371
1985-86	660
1986-87	650
Total	5,505

31. **Mr. Knox** asked the Secretary of State for Energy what has been the increase in labour productivity in the coal mining industry compared with 1983-84.

Mr. Michael Spicer: I refer my hon. Friend to the answer given earlier today to the hon. Member for Tatton (Mr. Hamilton).

37. **Mr. Jack Thompson** asked the Secretary of State for Energy if he has yet had the opportunity to meet the chairman or board members of British Coal to discuss the future of the coal mining industry.

Mr. Parkinson: I intend to meet the chairman of British Coal regularly to discuss all aspects of the coal industry.

39. **Mr. Marlow** asked the Secretary of State for Energy if he will make a statement on his plans for the coal industry.

41. **Mr. Rogers** asked the Secretary of State for Energy if he will make a statement on the future of the coal industry.

Mr. Michael Spicer: The objectives agreed between the Government and the chairman of British Coal, Sir Robert Haslam, were announced to the House on 11 March. They remain valid.

42. **Mr. Hardy** asked the Secretary of State for Energy if he has any plans to privatise British Coal during the lifetime of the present Parliament.

Mr. Michael Spicer: We have no such plans.

Central Electricity Generating Board

15. **Dr. Michael Clark** asked the Secretary of State for Energy when he last had a meeting with the chairman of the Central Electricity Generating Board; and what subjects were discussed.

Mr. Parkinson: I have met the chairman once since joining the Department and will be meeting him on a regular basis in future.

Combined Heat and Power

16. **Mr. Meale** asked the Secretary of State for Energy what steps he is taking to promote the development of combined heat and power.

Mr. Peter Morrison: We are continuing to promote combined heat and power through the energy efficiency demonstration scheme and the energy efficiency survey scheme. We are also contributing to the cost of the studies in the lead cities.

30. **Mr. Rost** asked the Secretary of State for Energy if he has any plans to meet representatives of the Combined Heat and Power Association.

Mr. Peter Morrison: I have no immediate plans to meet representatives of the Combined Heat and Power Association.

Gas Bill Vouchers

19. **Mr. Ian Taylor** asked the Secretary of State for Energy when gas bill vouchers are to be dispatched; and if he will make a statement.

Mr. Peter Morrison: The gas vouchers will be dispatched this week to qualifying shareholders who were on the register on 30 June. Some 1·2 million of the present 3 million shareholders chose vouchers; around 1·8 million chose the share bonus alternative.

North Sea Oil

20. **Mr. McCartney** asked the Secretary of State for Energy if he will make a statement on future prospects for the North sea oil industry.

21. **Mr. Waller** asked the Secretary of State for Energy what assessment he has made of the effects of the recent stability of world oil prices at higher levels on United Kingdom continental shelf oil production and new offshore development.

Mr. Peter Morrison: The signs are that development activity is beginning to pick up again in the United Kingdom sector of the North sea; many oil companies are now concentrating on the longer term and looking on the North sea as a priority area, as clearly demonstrated by the response to the recent 10th round of licensing.

Electricity Industry

22. **Mr. Stern** asked the Secretary of State for Energy if he plans to publish a consultation document on the privatisation on the electricity industry.

Mr. Michael Spicer: We are engaged in widespread consultation and will bring forward our proposals as soon as our consideration of the important issues involved is complete.

27. **Mr. Pike** asked the Secretary of State for Energy if he will make a statement on the future of the electricity generating industry.

Mr. Parkinson: I refer the hon. Member to the answer I gave to the hon. Member for Stretford (Mr. Lloyd) earlier today.

34. **Mr. Allen McKay** asked the Secretary of State for Energy when he last met the chairman of the Central Electricity Generating Board to discuss the construction of new power stations.

Mr. Parkinson: I met the chairman of the CEGB recently and we discussed a wide range of issues. Applications for consent to the construction of power stations are a matter for the CEGB and I have received no applications either for coal-fired or nuclear stations.

35. **Mr. Hayward** asked the Secretary of State for Energy what plans he has to introduce a regulatory system for prices in the electricity supply industry when it is privatised.

Mr. Michael Spicer: Proper regulation will certainly be necessary and will depend on the structure of the privatised industry, which is currently under consideration.

36. **Mr. Tim Smith** asked the Secretary of State for Energy if he will make it his policy to make competition a priority when determining his plans for the privatisation of electricity.

Mr. Parkinson: Yes.

Mr. Ashton asked the Secretary of State for Energy if he will make a statement on the future of the electricity supply industry.

Mr. Parkinson: The Government are working to secure a very successful future for the electricity supply industry in the private sector. We are urgently tackling the important issues involved, and consulting widely, and will bring forward proposals as soon as this work is complete.

Energy Efficiency

25. **Mr. Couchman** asked the Secretary of State for Energy what potential for improved energy efficiency in industry and commerce he can identify following Energy Efficiency Year.

Mr. Peter Morrison: Energy Efficiency Year was successful because it raised awareness of the cost-effective benefits of improved energy efficiency. Action already under way in industry and commerce is now leading to savings of over £500 million a year and we estimate that further annual savings of £2 billion are still possible through the introduction of cost-effective measures. This can be achieved only if managers and their staff continue to realise that the benefits of increased energy efficiency flow straight to the bottom line—benefiting customers and shareholders alike.

Offshore Licences

26. **Mr. Michael Brown** asked the Secretary of State for Energy what representations he has received concerning the 10th offshore licence awards announced on 18 May.

Mr. Peter Morrison: I have received no formal representations, but many successful applicants in the 10th Round have expressed satisfaction.

Privatisation

28. **Mr. Eadie** asked the Secretary of State for Energy what are his plans for privatisation in his Department's area of responsibility.

Mr. Parkinson: I shall be bringing forward proposals for privatisation of the electricity supply industry in England and Wales.

Offshore Energy Technology Board

32. **Mr. Simon Coombs** asked the Secretary of State for Energy if his hon. Friend the Minister of State, Department of Energy will continue to chair the Offshore Energy Technology Board.

Mr. Peter Morrison: Yes.

Nuclear Power Reactors

33. **Mr. Chapman** asked the Secretary of State for Energy what is his latest estimate of the number of foreign and United Kingdom civil nuclear power reactors, respectively.

Mr. Michael Spicer: The data are as follows:

Nuclear reactors connected to the grid at end-December 1986

	Reactors (No.)	*Capacity (GW)*
United Kingdom	38	10·2
Rest of World	359	263·5

Source: IAEA

Tidal Barrages

38. **Mr. Alton** asked the Secretary of State for Energy if he has any plans for the future development of tidal barrages; and if he will make a statement.

Mr. Michael Spicer: The Secretary of State announced in July 1986 a major extension for the United Kingdom's tidal energy programme. The programme of work on the

Severn and Mersey tidal barrages and supporting generic studies are well under way and good progress is being made.

Coal-fired Power Stations

40. **Mr. Beith** asked the Secretary of State for Energy if he has any plans to introduce new coal-fired power stations; and if he will make a statement.

Mr. Michael Spicer: It is for the CEGB to put forward applications for new power stations. I have received no application in respect of a coal-fired station, and it would be inappropriate for me to make a statement.

Fast Reactor Technology

43. **Mr. Wallace** asked the Secretary of State for Energy what progress has been made in the European collaborative programme on the development of fast reactor technology; and if he will make a statement.

Mr. Michael Spicer: Joint work programmes have been agreed for over 80 R & D topics and work on these is being taken forward in member countries.

Radioactivity

Mr. Cohen asked the Secretary of State for Energy what information he has about recent problems experienced by French nuclear reactors involving leaks of radioactive material.

Mr. Michael Spicer: Nothing significant has been reported to Her Majesty's Government under the bilateral agreement with France about recent problems at French nuclear reactors. Details of these problems are freely available and are to be found in a bi-monthly bulletin published by the French Ministry of Industry titled "Bulletin Sur La Sûreté des Installations Nucleaires".

British Gas

Mr. Leigh asked the Secretary of State for Energy whether he will make a statement on the recent performance of British Gas in relation to profits and standing charges.

Mr. Peter Morrison: Privatisation has brought new opportunities to the company and reinforced incentives for efficiency to the benefit of customers and shareholders alike. British Gas has announced profits on an historic cost basis of £1,293 million before tax.

At the same time, a 4·5 per cent. tariff reduction has been announced, with both rates per therm and standing charges being reduced.

The reduction passes on to tariff customers the lower gas purchase prices now forecast by British Gas, as well as efficiency gains, as required by the new regulatory system whose operation is monitored by OFGAS.

WALES

Public Libraries

44. **Mr. Ray Powell** asked the Secretary of State for Wales whether he will publish a table showing the level of expenditure on public libraries in Wales in each financial year since 1979.

Mr. Grist: The information requested is as follows:

Net expenditure on public library services (all Wales)

	£'000
1978-79	9,693
1979-80	11,009
1980-81	12,915
1981-82	14,120
1982-83	15,337
1983-84	16,233
1984-85	16,823
1985-86	17,327

Beef

Mr. Geraint Howells asked the Secretary of State for Wales if he is satisfied with the present state of the beef industry in Wales; and if he will make a statement.

Mr. Peter Walker: The December 1986 sample census figures show that the Welsh beef breeding herd has increased by 4·9 per cent. compared with December 1985 and there was an encouraging increase of 11·4 per cent. in the number of heifers in calf intended for the beef rearing herd.

The agreement obtained at the December 1986 Agriculture Council secured the beef variable premium scheme, under which £5·3 million was paid to producers in Wales in 1986-87, for a further two years, and took steps to cut back intervention. These changes will bring the regime more into line with market realities and provide producers with greater assurance for the longer-term stability of the sector. In addition, specialist beef producers continue to benefit from the suckler cow premium (increased to £33·40 per eligible animal for 1987-88) which was worth £3·5 million in Wales in 1985-86.

Out-Patient Waiting Lists

Mr. Dobson asked the Secretary of State for Wales to what factors he attributes the 35 per cent. increase in the hospital out-patient waiting lists in Wales between 1979 and 1986.

Mr. Grist: The number of people on hospital out-patient waiting lists is determined by two factors: the number of patients referred to out-patient clinics and the number of people seen and thereby removed from the lists. The number of new out-patients seen during 1986 was greater than the number seen in 1979 by 17·7 per cent. The number on out-patient waiting lists rose despite this, because the rate of increase of referrals was faster than the rate of increase of out-patients seen.

Water Rates

Mr. Clay asked the Secretary of State for Wales if he will publish a table showing the average household bill for water rates for each regional water authority in Wales for each year separately between 1979 and 1987.

Mr. Grist: The information requested for the Welsh water authority is as follows:

Average domestic bill for unmeasured consumers (cash terms)

	£
1979-80	49·08
1980-81	60·38

	£
1981-82	66·76
1982-83	81·34
1983-84	86·35
1984-85	92·77
1985-86	103·91
1986-87	114·01
1987-88	122·61

Water Supplies

Mr. Clay asked the Secretary of State for Wales if he will publish a table showing the figures for the numbers of households where water supplies have been disconnected, showing where possible the reasons for disconnection for each year separately between 1979 and 1987.

Mr. Grist: The information is as follows:

Household disconnection for non-payment in Welsh Water Authority area

	Number
1984-85	90
1985-86	350
1986-87	950

Information on household disconnections prior to 1984-85 is not held centrally.

Radiation (Monitoring)

Mr. Thomas asked the Secretary of State for Wales whether he is satisfied with the extent and effectiveness of radiation monitoring conducted by his Department; and if he will make a statement.

Mr. Peter Walker: Yes. Monitoring of radiocaesium levels in sheep is being undertaken on a regular basis at a number of locations both inside and around the boundaries of the restricted areas. In addition, where a producer wishes to move sheep out of the restricted area for marketing or flock management purposes, the sheep concerned are individually live monitored and those that are above the action level are marked to prevent their slaughter.

Mr. Thomas asked the Secretary of State for Wales if he will publish the scientific advice available to his Department on radio-caesium levels in hill land; and if he will give an indication of the latest advice available to him about the time period for which levels are likely to remain high enough to necessitate restrictions on sheep and lamb movements.

Mr. Peter Walker: I refer the hon. Member to the reply given by my right hon. Friend the Minister of Agriculture, Fisheries and Food on 28 April 1987, at column 67. The programme of research and monitoring is continuing and results will be published in the normal way.

Mr. Thomas asked the Secretary of State for Wales if he will publish details of all radiation measurements conducted by his Department on grassland and sheepmeat since 1 January.

Mr. Peter Walker: The available data has already been published and copies placed in the Library of the House.

Sheep Movement Restrictions

Mr. Thomas asked the Secretary of State for Wales what is the total value of compensation paid to date to farmers who have been affected by restrictions on movements of sheep and lambs.

Mr. Peter Walker: To date, some £2·7 million has been paid to producers in Wales affected by the restrictions on the movement and slaughter of sheep and lambs following the Chernobyl incident.

Mr. Thomas asked the Secretary of State for Wales what is the total number of farm holdings and the number of sheep and lambs currently affected by the order restricting movements; in how many cases restrictions have been extended, and for what reason; and if he will make a statement.

Mr. Peter Walker: There are roughly 335 holdings with over 200,000 sheep and lambs within the restricted areas. Restrictions have been reintroduced in an area west of Llanuwchllyn where monitoring has identified readings above the action level in some sheep.

DEFENCE

Export Sales

Mr. Tom Clarke asked the Secretary of State for Defence if he will list the countries of the world to which the United Kingdom has exported arms since May 1979.

Mr. Sainsbury: A list of 121 countries with which contracts for military equipment were signed since May 1979 and which were notified to the Ministry of Defence is as follows. As such, the list, although substantially correct, may not be comprehensive, because not all private orders, particularly those of a minor nature, are notified to the Defence Export Services Organisation.

Algeria
Angola
AR Yemen
Argentine
Australia
Austria
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Belize
Benin
Bolivia
Botswana
Brazil
Brunei
Burkina Fasso
Burma
Cameroon
Canada
Chad
Chile
Colombia
Cyprus
Czechoslovakia
Denmark
Dominican Republic
Ecuador
Egypt
Eire
Ethiopia
Fiji
Finland
FR Germany
France
Gabon
Gambia
Ghana
Greece
Grenada
Guinea (Conakry)
Guyana
Honduras
Hong Kong
Iceland
India
Indonesia
Iran
Iraq
Israel
Italy
Ivory Coast
Jamaica
Japan
Jordan
Kenya
Kuwait
Lebanon
Lesotho
Liberia
Libya
Luxemburg
Malagasy
Malawi
Malaysia
Maldive Islands
Mali
Mexico
Morocco

Mozambique
Nepal
Netherlands
New Zealand
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraquay
PDR Yemen
Peru
Philippines
Poland
Portugal
PR China
Qatar
Republic of Korea
Romania
Rwanda
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Somalia
Spain
Sri Lanka
St. Vincent
Sudan
Surinam
Swaziland
Sweden
Switzerland
Syria
Tanzania
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkey
UAE
Uganda
Uruguay
USA
Venezuela
Yugoslavia
Zambia
Zimbabwe

Intermediate Nuclear Forces

Mr. Pike asked the Secretary of State for Defence if he has assessed the implications for the North Atlantic Treaty Organisation's policy of flexible response of the present intermediate nuclear forces discussions.

Mr. Ian Stewart: I refer the hon. Member to the reply I gave to the hon. Member for Lewisham, Deptford (Ms. Ruddock) on 6 July, at column *58*.

Nuclear Weapons

Mr. Cohen asked the Secretary of State for Defence if he will specify the number of nuclear weapons *(a)* possessed and *(b)* operated under dual key arrangements by the United Kingdom in each of the following ranges: (i) 0 to 500 km, (ii) 500 to 1,000 km, (iii) 1,000 to 5,500 km and (iv) 5,500 km and above; and if he will further subdivide each category into land, sea and air-based systems.

Mr. Ian Stewart: Details on the number of United Kingdom nuclear warheads is classified, as is the number of United States nuclear weapons assigned to United Kingdom nuclear delivery systems. However, unclassified information about United Kingdom nuclear forces is summarised in paragraph 404 of volume 1 of the "Statement on the Defence Estimates 1986" (Cmnd 9763). I also refer the hon. Member to annex A, volume 1, of the "Statement on the Defence Estimates 1987" (Cmnd 101-I), in particular figures 15 and 16, which show NATO's nuclear systems according to range.

Naval History

Mr. Trotter asked the Secretary of State for Defence whether he will make a statement as to the extent to which naval history is taught at Dartmouth; and if he will take steps to ensure that young officers are adequately instructed as to the traditions of the Royal Navy.

Mr. Freeman: The naval history course at Britannia Royal naval college, Dartmouth, is taught during the first term of naval general training. The term is 14 weeks in length and the course is made up of 14 lectures, followed by a written examination.

Proposals currently under consideration would increase the amount of time available for the teaching of naval history, and allow a more strategic and thematic approach to be adopted.

Training will continue to include instruction in the values and traditions of the Royal Navy. They are, and will continue to be, an essential part of the training of young officers at Dartmouth.

Jaguar and Tornado (Accidents)

Mr. Cryer asked the Secretary of State for Defence, pursuant to the answer to the hon. Member for Bradford, South of Tuesday 30 June, *Official Report*, column 51, how many civilians have been killed or injured and what is the value of property damaged in Jaguar and Tornado aircraft accidents since 1979; and if he will make a statement.

Mr. Freeman: No civilian injuries or fatalities resulted from the accidents referred to in my answer of 30 June. As the hon. Member will be aware, the Ministry of Defence makes every effort to ensure that members of the public do not suffer loss or material damage as a result of Royal Air Force operations. Anyone so affected is encouraged to submit a claim for compensation under long-standing procedures. A complete record of compensation claims for the period in question cannot be compiled at such short notice. However, since 1982, claims to the value of £30,000 have been settled as a result of Tornado and Jaguar accidents. Claims originating from recent accidents are still under consideration.

Army Cadet Corps (Inner Cities)

Sir John Farr asked the Secretary of State for Defence what plans he has to establish an Army Cadet Corps unit in Leicester and in other inner-city areas.

Mr. Freeman: I will answer shortly.

El Salvador (Training Facilities)

Mr. Corbyn asked the Secretary of State for Defence if there are any plans to extend training facilities to any further cadets or forces personnel from El Salvador; and if he will make a statement.

Mr. Freeman: There are no current applications for military training assistance from the Government of El Salvador.

Stornoway Airport

Mr. Macdonald asked the Secretary of State for Defence what plans there are to extend or to reduce housing provision at Stornoway airport; what plans there are for the future military development of Stornoway airport; and if he will make a statement.

Mr. Freeman: There are no current plans to increase or decrease married quarter holdings at RAF Stornoway, as the existing houses are expected to be able to cope with the planned manning levels. There are no plans to extend the development or increase the military usage of Stornoway airport.

Type 23 Frigate

Mr. Frank Field asked the Secretary of State for Defence when he expects to ask for tenders for the next batch of type 23 frigates.

Mr. Sainsbury: Decisions on further follow-on orders for type 23 frigates will be made when appropriate.

Defence Expenditure

Mr. Bevan asked the Secretary of State for Defence when he will publish his response to the first report from the Defence Committee on "Expenditure on Major Defence Projects: Accountability to the House of Commons", H.C. 340, Session 1986-87; and if he will make a statement.

Mr. Younger: Yes. The Committee has already been notified that I shall arrange for the first defence equipment project report to be submitted to it in 1988. I note that the Committee's proposal in paragraph 33 of its report concerning highly classified projects is addressed to its successor Committee.

EMPLOYMENT

Women

Ms. Richardson asked the Secretary of State for Employment *(a)* what data are available to indicate that women who may wish to work part-time also wish to be eligible for fewer and lesser employment rights and benefits than women working full-time and *(b)* whether he will list the data.

Mr. Nicholls: I know of no such data, but there is some evidence that current employment protection legislation, including that intended to protect part-time workers, deters employers from creating new jobs.

Ms. Richardson asked the Secretary of State for Employment whether he will list the statistical information which illustrates that the YTS has revolutionised the opportunities girls have to obtain vocational qualifications as stated in the Home Office report: "The Nairobi Forward-Looking Strategies for the Advancement of Women: A Review."

Mr. Nicholls: YTS is a two-year equal opportunity training scheme aiming to provide trainees of both sexes with vocational qualifications. Suitable qualifications are being identified on behalf of the Manpower Services Commission by a YTS certification board. These qualifications are progressively coming on stream in YTS. Until the board has completed its work and a full range of qualifications is available in YTS, it is not possible to provide reliable statistical data on the general impact of qualifications across YTS. The latest information applicable to one-year YTS indicates that the acquisition of qualifications is equally divided between males and females. The fact that YTS provides widespread and equal opportunities means that the scheme has broken new ground for opening up opportunities for girls.

Employment and Family Commitments

Ms. Richardson asked the Secretary of State for Employment whether his Department is monitoring the extent to which parental leave and flexible working arrangements, designed to help parents combine employment and family commitments, are being adopted by employers in response to the Government's encouragement, rather than a statutory obligation, to do so.

Mr. Nicholls: My Department is not aware of any surveys on the extent to which employers and employees have agreed arrangements specifically for the purpose of helping working parents to combine employment and family commitments. However, it closely monitors all research carried out into the general question of flexible working patterns, and has itself commissioned and carried out studies yielding relevant information.

Training (Disabled People)

Mr. Ashley asked the Secretary of State for Employment (1) if he will give the number of disabled people who have applied for places on the new job training scheme; and if he will express this number as a percentage of the total number of applicants to the scheme;

(2) if he will give the number of disabled people who have been accepted for places on the new job training scheme; and if he will express this number as a percentage of the total number of people accepted on the scheme.

Mr. Cope: Information on the number of disabled people who have applied for places on the new job training scheme is not available. However, research carried out during the pilot stage of the scheme showed that 13 per cent. of trainees had a health or disability problem. A comprehensive follow-up survey of trainees is planned to take place later in the year.

Mr. Ashley asked the Secretary of State for Employment if he will outline any measures, including any special funding arrangements, available to ensure that disabled people derive maximum benefit from the job training scheme.

Mr. Cope: Arrangements have been made to ensure equality of opportunity in the new job training scheme for people with disabilities. Managing agents have a contractual commitment to provide equal opportunities in their scheme regardless of sex, race or disability and will in due course have to satisfy the criterion on equal opportunities for approved training organisation status. The scheme design allows training programmes to be drawn up according to the particular needs and abilities of individuals, including people with disabilities.

Mr. Ashley asked the Secretary of State for Employment how the criteria for a place on the job training scheme co-ordinate with criteria for other programmes, including the youth training scheme, community programme and new workers scheme, with regard to disabled people.

Mr. Cope: The new job training scheme is open to all those aged 18 or over who have been signing at an unemployment benefit office for at least the last six months. It is one of a number of MSC programmes which provide a wide range of opportunities for people with disabilities.

The eligibility criteria programmes vary and overlap depending on the objectives of the individual programmes. Specialist careers officers or the disablement resettlement officers, as appropriate, help disabled people to decide on the opportunities most suitable for them.

Mr. Ashley asked the Secretary of State for Employment if he will list the voluntary organisations of and for disabled people which were consulted prior to the introduction of the job training scheme.

Mr. Cope: The Manpower Services Commission consulted a wide range of organisations, including the voluntary sector and organisations dealing with disabled people, before the national extension of the new job training scheme in April 1987. The scheme has also been considered at length by the commission and its advisory bodies.

Four-day Week

Mr. Grocott asked the Secretary of State for Employment if he will estimate the number of full-time employees in *(a)* manufacturing, and *(b)* service industries whose terms of employment allow them to work a four-day week.

Mr. Lee: Information from which to produce such estimates is not available. Some national collective agreements specify the number of days per week to be worked and details of these are included in the Department's publication "Time Rates of Wages and Hours of Work", a copy of which is in the Library.

Crown Hotel Classification Scheme

Mr. Gregory asked the Secretary of State for Employment what results there are to date following the introduction of the crown hotel classification scheme; and how many hotels have failed to meet the specification.

Mr. Lee: To date, over 9,800 applications for registration under the crown classification scheme have been received by the English tourist board. According to English tourist board figures, less than 20 have failed to meet the criteria for registration.

Mr. Fearn asked the Secretary of State for Employment if he has any plans to extend the crown rating system to all hotels, guest houses and holiday flats.

Mr. Lee: This is a matter for the English tourist board. However, I understand that, as well as the existing voluntary crown classification scheme covering all serviced accommodation and the rose award grading and classification scheme for holiday parks, the board is planning to introduce a verification scheme for self-catering accommodation before the end of the year.

Tourism

Mr. Fearn asked the Secretary of State for Employment on what criteria grants are provided for tourist projects such as the building of new local accommodation or the funding of tourist attractions.

Mr. Lee: The English tourist board can provide financial assistance under section 4 of the Development of Tourism Act 1969 to help with the capital cost of tourism projects in England which would not otherwise be able to go ahead, either at all or in the planned form or timescale. Projects must be commercially viable and make a positive contribution to employment and to the tourism potential of the area concerned.

Mr. Fearn asked the Secretary of State for Employment what help he provides for private enterprise schemes within the tourist industry; and if he will make a statement.

Mr. Lee: Private sector tourism projects are eligible for consideration under the section 4 scheme of selective financial assistance run by the English tourist board. In 1986-87, the ETB approved offers of assistance totalling £14 million, the major part of which went to private sector schemes. Private companies can also benefit both directly and indirectly from marketing activities carried out by the ETB and the regional tourist boards in England and, overseas, by the British Tourist Authority.

YTS

Mr. Gregory asked the Secretary of State for Employment what are the most recent statistics for the number of YTS places taken up in tourism-related jobs.

Mr. Lee: There is no precise definition of tourism-related YTS places, but in 1985-86, the most recent year for which information is currently available, there were around 8,600 starts in Great Britain on YTS places which were classified to the hotel and catering industry, which includes tourist accommodation. In addition, the Association of British Travel Agents and a number of individual tour operators run YTS schemes offering over 2,000 places for young people wishing to train in the travel industry.

AGRICULTURE, FISHERIES AND FOOD

Common Agricultural Policy

Mr. Grocott asked the Minister of Agriculture, Fisheries and Food what is his latest estimate in £ sterling of the average cost per head in the United Kingdom of the United Kingdom contribution to the common agricultural policy.

Mr. MacGregor: The United Kingdom contributes to the EC budget as a whole, rather than to individual items of expenditure, at approximately 20 per cent. abated by the Fontainebleau mechanism.

The 1987 budget provides for expenditure of 24,174 mecu (£16,670 million) under the common agricultural policy. The forecast of United Kingdom receipts from the CAP in 1987-88 is £1,399 million.

Intervention Stocks

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food if he will publish a table showing the various amounts of particular foodstuffs held in private and public intervention stocks within the European Economic Community; and if he will also publish the comparable totals for each commodity at the same time in each of the previous five years.

Mr. MacGregor [*pursuant to his reply*, 1 July 1987, c. *121*]: A note setting out the volume of Community intervention stocks and private storage stocks, including those of foodstuffs, on the latest available dates has been deposited in the Library of the House, and updated monthly, since January 1985. The most recent note was deposited on 1 July. Comparable information on EC stock levels in years previous to 1985 could be provided only at disproportionate cost.

Intervention Stores

Mr. Tony Banks asked the Minister of Agriculture, Fisheries and Food how much has been spent on

maintaining European Economic Community food intervention stores in London by borough in each of the past four years.

Mr. Donald Thompson [*pursuant to his reply*, 9 July 1987, c. *221*]: I regret that records are not kept in a form which enables this information to be readily extracted. Expenditure on storage and related costs in the United Kingdom was

	£'000
1983-84	48,623
1984-85	57,655
1985-86	124,595
1986-87	[1]128,521

[1] Provisional.

CIVIL SERVICE

Ministerial Responsibility

96. **Mr. Franks** asked the Minister for the Civil Service if he will list his precise responsibilities for the organisation, management and overall efficiency of the Home Civil Service.

Mr. Luce: I would refer my hon. Friend to the recent MPO report "The Challenge of Change in the Civil Service", a copy of which is available in the Library of the House.

General Medical Council

99. **Mr. Spearing** asked the Minister for the Civil Service if the Lord President of the Council is satisfied with the operation of paragraph 60 of the General Medical Council (Preliminary Proceeding Committee and Professional Conduct Committee) (Procedure Rules) Order of Council 1980, (S.I., 1980, No. 858) concerning transcripts of proceedings of the professional conduct committee of the General Medical Council; and if he will make a statement.

Mr. Luce: Yes. My right hon. and noble Friend is satisfied that the General Medical Council's procedure conforms with the rule approved by the Privy Council.

Central Unit on Purchasing

100. **Sir David Price** asked the Minister for the Civil Service if the Government intend to retain the Central Unit on Purchasing; and if he will make a statement.

Mr. Luce: The joint Cabinet Office/Treasury central unit on purchasing was set up in 1985 for a period of three years. Its future will be reviewed nearer to the end of the three-year period.

NATIONAL FINANCE

Income Tax (Childminding Costs)

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his latest estimate of the tax expenditure costs of allowing working mothers to put their childminding costs up to a maximum of £35 a week against income tax.

Mr. Norman Lamont: The cost of relief for the child-minding costs of working mothers would depend on a number of factors such as whether the relief would be available only for children of pre-school age or for older children as well; whether the relief would be given against the total income of a married couple or would be restricted to the income of the working mother; the treatment of relief for payments made to relatives and the extent to which relief was in practice taken up by mothers.

As an illustration, if all working mothers of children aged under five received relief on child-minding expenses of £35 per week, the direct revenue cost, in a full year at 1987-88 levels, would be about £350 million. This assumes that, for a married woman, relief would be available against her and her husband's joint income for tax purposes. In practice, the cost would be dependent on the level of take-up of the relief.

British Petroleum plc

Mr. Wallace asked the Chancellor of the Exchequer what arrangements have been made for the further sale of Government-held shares in British Petroleum plc; and if he will make a statement.

Mr. Norman Lamont: I announced on 18 March at column 1011 that, subject to market conditions, the Government will sell their remaining shareholding in British Petroleum during this financial year. The proceeds will be received in instalments, of which the first will be in 1987-88. The Government have appointed N M Rothschild and Sons Ltd. as their main financial advisers and are discussing arrangements for the sale with them and with British Petroleum. Further announcements will be made in due course.

Free Ports

Mr. Parry asked the Chancellor of the Exchequer what plans Her Majesty's Government have to extend free ports.

Mr. Brooke: None at present. The Government will review the future of free ports at the end of the five-year trial period.

Mr. Parry asked the Chancellor of the Exchequer if he is satisfied with the working of free ports; and if he will make a statement.

Mr. Brooke: Yes. The free ports regime was established for a five-year trial period to see whether the benefits forecast by the designated operators can be realised. To date, some free ports have made substantial progress; others have been less successful. We will continue to monitor the experiment over the remainder of its five-year life.

Mr. Parry asked the Chancellor of the Exchequer how many new jobs have been created at the Liverpool free port at the latest date.

Mr. Brooke: Approximately 100 new jobs in manufacturing and distribution have been created at Liverpool free port.

Personal Incomes

Mr. Wigley asked the Chancellor of the Exchequer if he will publish a table indicating, on the basis of the most recent information available, what the average pre-tax per capita personal income is in each of the standard regions of the United Kingdom; and what are the corresponding figures for each year since 1979.

Mr. Norman Lamont: The estimates of the average pre-tax personal income per head, in each of the standard regions for each year since 1979 are as follows:

Region	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
United Kingdom	3,040	3,594	3,941	4,315	4,646	4,971	5,368
North	2,781	3,345	3,724	4,122	4,344	4,489	4,946
Yorkshire and Humberside	2,849	3,393	3,661	4,082	4,348	4,420	4,941
East Midlands	2,941	3,458	3,800	4,187	4,512	4,886	5,128
East Anglia	2,870	3,426	3,731	4,175	4,564	4,919	5,291
South East	3,441	4,072	4,511	4,852	5,276	5,692	6,114
Greater London	3,671	4,314	4,796	5,206	5,691	6,106	6,631
Rest of South East	3,284	3,908	4,322	4,617	5,004	5,421	5,778
South West	2,940	3,520	3,832	4,233	4,571	4,908	5,171
West Midlands	2,944	3,388	3,618	3,963	4,237	4,620	5,012
North West	2,890	3,426	3,760	4,114	4,384	4,735	5,129
England	3,093	3,659	4,013	4,382	4,721	5,058	5,455
Wales	2,753	3,243	3,482	3,857	4,082	4,256	4,710
Scotland	2,882	3,403	3,766	4,179	4,537	4,841	5,240
Northern Ireland	2,503	2,895	3,183	3,595	3,769	4,058	4,341

Pensioners

Mr. Marlow asked the Chancellor of the Exchequer what estimate he has made of the cost of disregarding for tax purposes the first *(a)* £5 per week, *(b)* £10 per week and *(c)* £20 per week of occupational pensions for pensioners over 65 years of age.

Mr. Norman Lamont: The full-year costs at 1987-88 levels are estimated to be about £150 million, £290 million and £510 million, respectively. These estimates are on the basis that a wife with a pension in her own right would be entitled to a separate tax exemption.

Customs Officers (Dispute)

Mr. Waller asked the Chancellor of the Exchequer if he will make a statement about the effects of the dispute involving customs officers in terms of delays to goods imports.

Mr. Brooke: I shall let my hon. Friend have a reply as soon as possible.

Coinage

Mr. Nigel Griffiths asked the Chancellor of the Exchequer if he will give details of the consultation process in relation to the proposed changes in the coinage; and if he will make a statement.

Mr. Lilley: I shall let the hon. Member have a reply as soon as possible.

Civil Servants

Mr. Grocott asked the Chancellor of the Exchequer how many full-time employees in the Civil Service have terms of employment that allow them to work a four-day week.

Mr. Brooke: The terms of employment for full-time civil servants are such that, wherever practicable, it is standard practice for the conditioned hours to be worked over a five-day week. However, it is possible for departmental managements to agree to the conditioned hours being worked over a different period. There is no central record of the number of civil servants who may be covered by agreements which allow them to work a four-day week.

THE ARTS

North-west Region

48. **Mr. Stott** asked the Minister for the Arts whether he plans to meet the director of North-West Arts to discuss the level of financial support in the north-west for arts education projects.

52. **Mr. Cunliffe** asked the Minister for the Arts when he last met the director of North-West Arts to discuss the level of funding for community arts projects in the north-west.

Mr. Luce: I met the director of North-West Arts during my tour of the region last April, when I visited several arts education projects and community arts centres.

56. **Mrs. Wise** asked the Minister for the Arts how much is spent on the arts per capita in the north-west.

66. **Miss Lestor** asked the Minister for the Arts how much is spent on the arts per capita in the north-west.

Mr. Luce: The Policy Studies Institute's publication "Facts about the arts 2" gives the following information:

> Local authority expenditure per head on arts, museums and galleries by region, 1983-84: North-West £1·84.
> Arts Council expenditure per head by region, 1984-85: North-West £0·78.

These are the latest figures available.

58. **Mr. Eastham** asked the Minister for the Arts when he last met the director of North-West Arts to discuss the level of expenditure per head on the arts in the north-west.

83. **Mr. Andrew F. Bennett** asked the Minister for the Arts when he last visited North-West Arts to discuss the level of arts funding in Manchester.

Mr. Luce: On 9 and 10 April.

Northern Region

51. **Ms. Armstrong** asked the Minister for the Arts how much is spent on the arts per capita on the northern region.

64. **Ms. Quin** asked the Minister for the Arts how much is spent on the arts per capita in the northern region.

Mr. Luce: The Policy Studies Institute's publication "Facts about the arts 2" gives the following information:

Local authority expenditure per head on arts, museum and galleries by region, 1983-84: Northern £2·27.

Arts Council expenditure per head by region, 1984-85: Northern £1·13.

These are the latest figures available.

National Book Committee

53. **Mr. Buchan** asked the Minister for the Arts if he has any plans to meet the chairman and secretary of the National Book Committee.

Mr. Luce: I shall be meeting the chairman (Lady David) and other representatives from the literary world at the reception I am giving on 22 July.

British Film Institute

54. **Mr. Tom Clarke** asked the Minister for the Arts when he last met the director of the British Film Institute to discuss its future funding.

Mr. Luce: I met the director of the British Film Institute when I visited the John Paul Getty Conservation Centre, Berkhamstead, on 31 March.

90. **Mr. Chris Smith** asked the Minister for the Arts what information he has on the expenditure on cinema exhibitions by the British Film Institute.

Mr. Luce: The BFI made available £842,590 for cinema exhibitions in 1986-87, as follows:

£472,590 funded directly by the BFI.
£225,000 via Regional Arts Associations.
£120,000 cinema capital funding.
£25,000 Regional exhibitions.

South-west Region

55. **Ms. Primarolo** asked the Minister for the Arts when he last met the director of South West Arts to discuss the level of financial support for community arts in Bristol.

Mr. Luce: I met the director of South West Arts during my visit to the region on 19 March and we discussed a wide range of topics, including community arts.

Disabled Persons

57. **Mr. Hannam** asked the Minister for the Arts how much is spent on the standards of physical access to the arts for the disabled.

Mr. Luce: No national figures are available. The Arts Council has published a code of practice in which theatres and other arts bodies are encouraged to do all that they can to improve such access, and other funding bodies are acting similarly.

Museums

59. **Mr. Butler** asked the Minister for the Arts whether he has any plans to seek to alter the powers of museums to dispose of items that are duplicated, surplus to requirements, or not salient to the aims of the museums concerned.

Mr. Luce: Most of the national museums and galleries which I sponsor already have limited statutory powers to dispose of items from the collections but I will bear in mind the point made by my hon. Friend.

Glasgow

60. **Mr. Maxton** asked the Minister for the Arts whether he plans to meet the Scottish Arts Council to discuss additional funding for the arts in Glasgow.

71. **Dr. Godman** asked the Minister for the Arts whether he plans to meet Glasgow city council to discuss additional funding for the arts in Glasgow.

Mr. Luce: I expect to meet the chairman of the Scottish Arts Council when I visit the Edinburgh festival in August. No doubt we shall discuss the funding of the arts in Scotland.

Public Libraries

61. **Mr. Haynes** asked the Minister for the Arts how many public libraries have closed since 1979.

86. **Mr. Barron** asked the Minister for the Arts how many public libraries have closed since 1979.

92. **Mr. Andrew Smith** asked the Minister for the Arts how many public libraries have closed in England and Wales since 1979.

Mr. Luce: The total number of service points in England increased from 13,948 in 1979-80 to 17,236 in 1985-86. The number of static libraries decreased from 3,638 to 3,411 over the same period. The reduction has occurred mainly in small libraries opening less than 10 hours a week, reflecting in part a general trend to replace small branches, which provided a very limited service, with mobiles and with larger branches covering a wider area. Responsibility for public libraries in Wales rests with my right hon. Friend the Secretary of State for Wales.

Public Library Book Funds

75. **Mr. Madden** asked the Minister for the Arts whether he will publish details of the level of financial support for public library book funds in England since 1979.

Mr. Luce: Support for public library book funds in England is a matter for the local authorities. Statistics published by the Chartered Institute of Public Finance and Accountancy, and supplemented by information obtained by my office, indicate the following level of funding:

£ million

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Expenditure on books	38·3	40·2	44·0	49·9	54·3	56·2	60·7
Number of authorities responding	108	106	108	108	108	107	108

Statistics for 1986-87 are not yet available.

76. **Mrs. Mahon** asked the Minister for the Arts when he last met the Library Association to discuss the level of funding for public libraries.

79. **Mrs. Beckett** asked the Minister for the Arts when he last met the Library Association to discuss the level of financial support for public library book funds.

87. **Mrs. Walley** asked the Minister for the Arts what representations he has received from the Library Association about the level of financial support for public library book funds.

Mr. Luce: I last met a formal delegation from the Library Association on 13 January 1986 when our discussions included funding for public libraries. I have since met and corresponded with individual officers of the association on this and other subjects on a number of occasions.

Business Sponsorship

62. **Mr. Chapman** asked the Minister for the Arts if he will make a statement about the progress of the business sponsorship incentive scheme for the arts.

Mr. Luce: The business sponsorship incentive scheme continues to be successful. It has brought £12·4 million new money into the arts and over 400 businesses have sponsored the arts for the first time.

As I announced in the House on 12 March, at column 494, I intend to continue the scheme in 1988-89.

Films and Television

63. **Mr. Gwilym Jones** asked the Minister for the Arts what steps he is taking to help preserve classic works of films and television.

Mr. Luce: The British Film Institute maintains the national film archive, and, thanks particularly to the great generosity of private donors, it has recently been able to open a new conservation centre at Berkhamsted. In all, the institute spent £5·2 million on the building of the centre and the transfer and preservation of film in 1986-87. Negotiations are in progress about extending the television coverage of the archive. The national heritage memorial fund donated £62,000 to the archive in 1986-87, specifically for the preservation of classic films.

Tourism

65. **Sir David Price** asked the Minister for the Arts if he regularly meets representatives of the tourist industry to discuss matters of mutual interest; and if he will make a statement.

Mr. Luce: I am always happy to meet representatives of the tourist industry to discuss matters of mutual interest.

My officials regularly attend meetings of the heritage committee of the British Tourist Authority and keep closely in touch with tourism initiatives.

Wales

67. **Mr. Rogers** asked the Minister for the Arts when he last met the Welsh Arts Council to discuss future arts funding for Wales.

70. **Mr. Morgan** asked the Minister for the Arts whether he plans to meet the Welsh Arts Council to discuss the level of arts funding in Cardiff.

Mr. Luce: I met the chairman of the Welsh Arts Council shortly after his appointment last year and have no immediate plans for another meeting. The level of arts funding in Cardiff is a matter for the Welsh Arts Council.

Per Capita Expenditure

68. **Mr. Ron Davies** asked the Minister for the Arts how much is spent per capita on the arts in Wales, England and Scotland.

69. **Mrs. Clwyd** asked the Minister for the Arts what is the level of arts expenditure per head in Wales.

Mr. Luce: Central Government and local authority expenditures per capita on the arts in 1983-84 are shown in the Policy Studies Institute's publication "Facts about the Arts 2", as follows:

	Central Government	Local Authorities	Total
	£	£	£
England	3·6	3·6	7·2
Wales	5·0	1·9	6·9
Scotland	4·1	5·2	9·3

These are the latest figures available.

Royal Shakespeare Company

72. **Mr. Fisher** asked the Minister for the Arts when he last met the governors of the Royal Shakespeare Company to discuss its future funding.

Mr. Luce: I met the chairman, Mr. Geoffrey Cass, recently and discussed with him matters of mutual interest including the company's financial position; but the level of funding to the RSC is a matter for the Arts Council, and I understand that the two bodies are in discussion on the matter.

Mr. Fatchett asked the Minister for the Arts what representations he has received about the future funding of the Royal Shakespeare Company.

Mr. Luce: I have received some representations, but would refer the hon. Member to my reply to the question from the hon. Member for Sedgefield (Mr. Blair) earlier today.

Scotland

73. **Mr. Wilson** asked the Minister for the Arts whether he plans to meet the Scottish Arts Council to discuss the level of future funding for theatre in Scotland.

Mr. Luce: I expect that the subject will be discussed when I meet the chairman of the Scottish Arts Council during my visit to the Edinburgh international festival in August.

London

74. **Mr. Tony Banks** asked the Minister for the Arts whether he will publish a table showing the level of arts funding by each London borough.

Mr. Luce: Details of the estimated expenditure of local authorities on leisure and recreation services are published by the Chartered Institute of Public Finance and Accountancy in the annual booklet "Leisure and Recreation Statistics". No records in more detail are available to my office.

82. **Ms. Richardson** asked the Minister for the Arts when he last met the director of Greater London Arts to discuss the level of arts funding by London boroughs.

85. **Mr. Boateng** asked the Minister for the Arts whether he plans to meet the director of Greater London Arts to discuss the level of arts funding by London boroughs.

Mr. Luce: On 12 May last.

84. **Mr. Sedgemore** asked the Minister for the Arts what representations he has received about cuts in arts funding in London boroughs.

Mr. Luce: I have received a few representations, especially on the decision of Tower Hamlets to cut out all funding for the arts.

Arts Marketing Scheme

77. **Mr. Maples** asked the Minister for the Arts whether independent museums and galleries are eligible for the arts marketing scheme.

Mr. Luce: The arts marketing scheme is open to arts organisations, including museums and galleries, in receipt of Government or local authority funding. The primary purpose of the scheme is to encourage better marketing of the subsidised arts, but where regional or group marketing initiatives are involved applications which include independent museums and galleries may be considered.

Wales (Theatre Companies)

78. **Mr. Win Griffiths** asked the Minister for the Arts when he last met the Welsh Arts Council to discuss the future of forming theatre companies in Wales.

Mr. Luce: I met the chairman of the Welsh Arts Council shortly after his appointment last year and discussed a wide range of matters with him.

Regional Opera

80. **Mr. Ashby** asked the Minister for the Arts when he next plans to meet the chairman of the Arts Council to discuss regional opera.

Mr. Luce: I meet the chairman regularly, and opera provision is among the subjects we discuss.

Northern Regional Arts Association

81. **Miss Mowlam** asked the Minister for the Arts when he last met the director of Northern Arts to discuss the funding of the Northern Regional Arts Association.

Mr. Luce: In Newcastle, last week.

Payroll Giving Scheme

88. **Mr. Rowe** asked the Minister for the Arts what plans he has to increase awareness of the payroll giving scheme among arts organisations.

Mr. Luce: My office has published a guide to the scheme for arts bodies, "Payroll Giving: making it work for the arts", explaining how it operates and what they can do to encourage payroll donations. This has been widely distributed amongst arts organisations, national museums and galleries, regional arts associations, and those individuals who had requested the previous OAL guide "New Tax Benefits for the Arts". My office has also arranged to distribute 3,000 copies of the leaflet in the Arts Council's bulletin this month. Action now rests with arts charities themselves to take advantage of these new benefits.

Public Libraries (Community Services)

89. **Mr. Illsley** asked the Minister for the Arts what information he has on the level of expenditure by public libraries on community services.

Mr. Luce: No statistics are currently available on the amount spent by public libraries on "community services". The publication by my office of a model costing system for public libraries, which I announced on 7 July, at column *15*, should enable library authorities to cost the specific services they provide.

National Gallery

91. **Mr. Knox** asked the Minister for the Arts when he next plans to meet the director of the National Gallery to discuss the proposed extension.

Mr. Luce: I have no immediate plans to do so but I and my officials keep in close touch with the National Gallery over this important development.

Yorkshire

93. **Mr. Lofthouse** asked the Minister for the Arts when he last met the director of Performing Arts to discuss the funding of community arts projects in Yorkshire.

Mr. Luce: I met the director of Yorkshire Arts during my visit to Leeds on 2 April, and discussed the funding of the arts in Yorkshire, including the provision made for community arts.

Leeds

94. **Mr. Battle** asked the Minister for the Arts what information he has about the level of employment in the arts in Leeds.

Mr. Luce: The Regional Arts Association is aware of over 400 people employed in the arts in Leeds on a regular basis. In addition, several hundred people are engaged on short-term contract work. The major arts employers in the city are Opera North, Leeds Playhouse and the Leeds Art Gallery.

HOME DEPARTMENT

Retirement Pensioners (Television Licences)

Mr. Andrew Bowden asked the Secretary of State for the Home Department (1) what is his estimate of the number of retirement pensioners holding *(a)* a colour and *(b)* a black and white television licence;

(2) what estimates are available to him of the cost of introducing *(a)* a 50 per cent. colour television licence fee and *(b)* a 50 per cent. black and white television licence fee for all retirement pensioners.

Mr. Renton: The latest available estimates of pensioner households with television licences, which are for 31 December 1985, are given in the following table. The estimated annual losses of revenue from introducing 50 per cent. colour and monochrome television licence fees for pensioner households, assuming no change to the current accommodation and residential care concessionary scheme or in the pattern of television ownership, would be of the order of £160 million and £7 million respectively.

Estimated number of pensioner households[1] with television licences United Kingdom *Thousands of households.*

	Colour	*Monochrome*	*Total*
Number of households covered by the current accommodation and residential care scheme	350	50	400
Number of households with full-rate licences	5,500	800	6,300

[1] Households containing one or more pensioners.

Police Interviews (Tape Recording)

Mr. Andrew F. Bennett asked the Secretary of State for the Home Department what progress has been made on tape recording statements; and how soon he expects all statements made to the police by suspects to be tape recorded.

Mr. Douglas Hogg: Following the completion of successful field trials last year, my right hon. Friend indicated his desire to see tape recording introduced on a nationwide basis by 1991. Provision has been made in the police capital works programme to enable forces to undertake necessary building work and to purchase appropriate equipment. The need to carry out such work, to provide some further training for the officers who will do the interviewing and to ensure that local arrangements are introduced when other agencies in the criminal justice system are also ready for them, requires that this introduction should be phased. I understand that in a number of force areas, the tape recording of interviews is already taking place in accordance with locally agreed arrangements and that it is working well.

General Election

Mr. Forth asked the Secretary of State for the Home Department if he will give, for the general election of 11 June, details of those candidates whose election addresses were queried or rejected, for the purpose of Post Office delivery, by head postmasters.

Mr. Douglas Hogg: Information of this kind is not recorded centrally. If my hon. Friend has some particular incident in mind, I should be pleased to hear from him.

Immigration

Mr. Fraser asked the Secretary of State for the Home Department if he will review the working of the immigration rules relating to marriage.

Mr. Renton: The operation of the immigration rules, including those relating to marriage, is kept under regular review.

Magistrates Courts (Fines and Fees)

Mr. Irving asked the Secretary of State for the Home Department what was the total income from fines and fees collected by magistrates courts in 1985-86.

Mr. John Patten: The total income from fines and fees collected by magistrates courts in England and Wales in 1985-86 was £143,146,000.

Mr. Irving asked the Secretary of State for the Home Department what was the total income from fines and fees collected by magistrates courts since 1985-86.

Mr. John Patten: The total income from fines and fees collected by magistrates courts in 1986-87 in England and Wales was £159,045,000; and for the first quarter of 1987-88 it was £43,850,000.

Syrian Embassy (Bomb Incident)

Mr. Latham asked the Secretary of State for the Home Department whether any Arab terrorists were subsequently identified by police inquiries as responsible for the incident on 3 June 1985 when a bomb was placed outside the Syrian embassy in London; and whether any charges were subsequently brought against any person or persons.

Mr. Hurd: No one has been charged in connection with this incident. A suspect was arrested by the Italian authorities on 2 July 1985 in Rome in connection with the investigation of a number of terrorist offences throughout Europe. He was questioned by the Metropolitan police about the bomb at the Syrian Embassy in London on 3 June 1985. He has since been charged with an offence under Italian law and is at present awaiting trial in Italy.

Zircon Satellite

Mr. Dalyell asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis about the number of officers still working full-time on the case of disclosure of material relating to the Zircon satellite.

Mr. Hurd: I am informed that there are no Metropolitan police officers still working full-time on the case.

Crime

Mr. Dobson asked the Secretary of State for the Home Department (1) what proportion of homicides involved drink in the last year for which figures are available;

(2) what proportion of rapes involved drink in the last year for which figures are available.

Mr. John Patten: Information on the use of alcohol in connection with notifiable offences is not collected centrally.

Terrorism

Mr. Soley asked the Secretary of State for the Home Department how many extensions of detention requested by the police under the Prevention of Terrorism (Temporary Provisions) Act 1984 have been personally considered and granted or refused by *(a)* the Secretary of State for the Home Department, *(b)* a junior Minister for the Home Department, *(c)* a Home Office official, *(d)* the Secretary of State for another Department and *(e)* a junior Minister for another Department.

Mr. Hurd: Of the requests by the police for extensions of detention under the Prevention of Terrorism (Temporary Provisions) Act 1984 made to the Secretary of State for the Home Department *(a)* my predecessor and I have personally considered 161 and granted 159 *(b)* a Minister of State or Parliamentary Under-Secretary of State for the Home Department considered 14 and granted 13 and *(c)* *(d)* and *(e)* none were decided by a Home Office official, or Secretary of State or junior Minister for another Department.

Mr. Soley asked the Secretary of State for the Home Department whether there are any plans to publish in his Department's quarterly statistics on the Prevention of Terrorism (Temporary Provisions) Acts the numbers of complaints made against the police in relation to the Prevention of Terrorism Act which are made available to the Prevention of Terrorism Act Commissioner.

Mr. Hurd: No.

Mr. Soley asked the Secretary of State for the Home Department how many persons excluded under the Prevention of Terrorism (Temporary Provisions) Acts were originally detained in London.

Mr. Hurd: I shall reply as soon as possible.

Mr. Soley asked the Secretary of State for the Home Department how many persons excluded under the Prevention of Terrorism (Temporary Provisions) Acts 1974, 1976 and 1984 were excluded direct from prison after completing a prison term.

Mr. Hurd: I shall reply as soon as possible.

Mr. Soley asked the Secretary of State for the Home Department what criteria are used to decide whether a person requesting a review of his exclusion order made under the Prevention of Terrorism (Temporary Provisions) Act 1974, 1976 or 1984 is granted one.

Mr. Hurd: All exclusion orders now in force have been made under the Prevention of Terrorism (Temporary Provisions) Act, 1984. Orders made under this Act have a three-year life. Each order is reviewed about six months before it expires before I decide whether to make a new order on the expiry. In considering a request for a review of an exclusion order before that time, I take into account the factors which led to the making of the order and the time which has elapsed since it was made.

Mr. Soley asked the Secretary of State for the Home Department how many persons whose exclusion order made under the Prevention of Terrorism (Temporary Provisions) Acts 1974 and 1976 and revoked during the three-year comprehensive review process had attended an interview with the Metropolitan police.

Mr. Hurd: The information requested is not readily available.

Mr. Soley asked the Secretary of State for the Home Department how many individuals were successfully contacted from 1984 in connection with the comprehensive review of exclusion orders made under the Prevention of Terrorism (Temporary Provisions) Acts 1974 and 1976 that were still in force.

Mr. Hurd: The information requested is not readily available, I will reply as soon as possible.

Mr. Soley asked the Secretary of State for the Home Department how many excludees had attended interviews with a Home Office adviser prior to having their exclusion order revoked as a part of making representations against their order within the specified period following removal under the Prevention of Terrorism (Temporary Provisions) Act 1976 and 1984.

Mr. Hurd: Only under the Prevention of Terrorism (Temporary Provisions) Act 1984 has someone who made representations against his exclusion order following removal from Great Britain or Northern Ireland of the United Kingdom had a right to an interview with an adviser. There have been six completed cases of representations, against exclusion orders made in Great Britain under that Act, following removal. In two of these cases, in both of which the excluded person had had an interview with an adviser, the Home Secretary revoked the exclusion order.

Mr. Soley asked the Secretary of State for the Home Department how many persons were initially offered an interview with a Home Office adviser as part of the representations against their exclusion order under the Prevention of Terrorism (Temporary Provisions) Acts 1974, 1976 or 1984; and how many declined to attend.

Mr. Hurd: Twelve people were offered interviews with a Home Office adviser as part of the representations made against their exclusion order made under the Prevention of Terrorism (Temporary Provisions) Act 1974. None declined to attend. Under the Prevention of Terrorism (Temporary Provisions) Act 1976 there was, and there is under the Prevention of Terrorism (Temporary Provisions) Act 1984, a statutory right for a person who has been served with notice of the making of an exclusion order to include in his or her representations against the order a request for a personal interview with an adviser. Under the 1976 Act, if the excluded person had not been removed with his consent from Great Britain or Northern Ireland or the United Kingdom, he or she had to be granted a personal interview with the adviser. Under the 1984 Act, this right extends to a person who has been removed.

Mr. Soley asked the Secretary of State for the Home Department how many individuals held under the international provisions of the Prevention of Terrorism (Temporary Provisions) Act 1984 and against whom an extension of detention was authorised by the Secretary of State were *(a)* subsequently charged with an offence or *(b)* deported under the Immigration Act 1971.

Mr. Hurd: I shall reply as soon as possible.

Mr. Soley asked the Secretary of State for the Home Department how many incidents of international terrorism there have been in *(a)* the Metropolitan police area, and *(b)* the rest of Britain during the following periods: (i) 1 January 1981 to 29 March 1984, and *(b)* since 30 March 1984 to the latest date for which figures are available.

Mr. Hurd: Statistics in the form requested are not available. The following table sets out the terrorist incidents which have taken place in Great Britain since 1981. These do not include incidents apparently caused by extremist nationalist or anarchist groups based in Great Britain, or by extremist animal rights activists.

	1981	May-December 1982	1983	1984	1985	1986	January-June 1987
Shooting incidents		1		3	2	3	
Bombing incidents							
exploded	9	3	4	6	2	2	
neutralised or failed to explode	1	2	1	4	4		5
Arson attacks					1		
Kidnappings	1			1			
Hi jacking of aircraft		1					

Mr. Soley asked the Secretary of State for the Home Department how many individuals arrested on suspicion of involvement in international terrorism since 30 March 1984 were arrested under the ordinary criminal law rather than the Prevention of Terrorism (Temporary Provisions) Act 1984 in *(a)* the Metropolitan police area, and *(b)* the rest of Britain.

Mr. Hurd: The number of persons suspected of involvement in international terrorism who are arrested under other legislation than the Prevention of Terrorism (Temporary Provisions) Act 1984 is not recorded, and could not readily be obtained.

Ceremonial State Events (Traffic Congestion)

Dr. Marek asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis on measures taken to minimise traffic congestion arising as a result of ceremonial state events occurring on weekdays.

Mr. Douglas Hogg: I am informed by the Commissioner that, prior to such events, the police plan alternative routes in consultation with other agencies, and that advance warning of likely congestion is given through signs and notices to the local media, motoring organisations and local businesses etc. On the day of the event, alternative routes are marked by the police and motoring organisations; police officers are posted to direct traffic; and local radio stations are given information on delays.

Citizenship

Mrs. Beckett asked the Secretary of State for the Home Department if he will introduce legislation to exempt from liability to pay the fee for people in receipt of supplementary benefit or family income support to enable them to register as British citizens before the deadline of 31 December.

Mr. Renton: No. The Government believe that it is right that those who wish to become British citizens should meet the cost of their registration. The cost of exemptions for some groups would increase the costs to be borne by other applicants.

Mrs. Beckett asked the Secretary of State for the Home Department if he will consider allowing people in receipt of supplementary benefit and family income supplement to be allowed to pay the fee for British citizenship in instalments beyond the deadline of 31 December.

Mr. Renton: I am not persuaded that it would be right to introduce such a system, which would increase costs and the time taken to finalise registration applications. Those who wish to apply for the relevant registration entitlements still have until the end of December to make arrangements to meet the cost of the fee, which has been held at £60 since April 1986.

Hit-and-Run Drivers (Sentencing Policy)

Mr. Litherland asked the Secretary of State for the Home Department if he will introduce legislation to increase the maximum sentence available to the courts on conviction of hit-and-run drivers; and if he will make a statement.

Mr. John Patten: The road traffic law review, which was set up by my right hon. Friend the Secretary of State for Transport, is examining the scope and definition of road traffic offences and the penalties available. We have no plans to change existing legislation before considering its report, which is expected towards the end of the year.

Detained Persons (Police Cells)

Mr. Bermingham asked the Secretary of State for the Home Department how many male and female prisoners were being held in police cells in England and Wales on each of the following dates: *(a)* 29 June, *(b)* 30 June, *(c)* 1 July, *(d)* 2 July, *(e)* 3 July, *(f)* 4 July, *(g)* 5 July, *(h)* 6 July, *(i)* 7 July and *(j)* 8 July.

Mr. John Patten: The only reliable figures available are obtained from a weekly census on Fridays. On 26 June, the number of prisoners being held in police cells in England and Wales was 411 males and 95 females; on 3 July, 511 males and 109 females; and on 10 July, 553 males and 95 females.

Mr. Bermingham asked the Secretary of State for the Home Department how many prisoners were held in police cells in areas outside the Metropolitan police district during the period 29 June to 8 July.

Mr. John Patten: The only reliable figures available are obtained from a weekly census on Fridays. The number of prisoners held in police cells in areas outside the Metropolitan police district on 26 June and 3 and 10 July were 185, 264 and 311 respectively.

Mr. Bermingham asked the Secretary of State for the Home Department in which police districts prisoners were held in police cells during the period 29 June to 8 July.

Mr. John Patten: Prisoners were held in police cells by each of the following police forces at some time during the period 29 June to 8 July:

Avon and Somerset
Bedfordshire
Cambridgeshire
Cheshire
City of London
Derbyshire
Essex
Gloucestershire
Greater Manchester
Hampshire
Kent
Lancashire
Merseyside
Metropolitan
Northamptonshire
North Wales
Nottinghamshire
South Yorkshire
Staffordshire
Suffolk
Thames Valley
West Mercia
West Midlands
West Yorkshire
Wiltshire

Mr. Bermingham asked the Secretary of State for the Home Department how many remand prisoners are currently being held in police cells in England and Wales.

Mr. John Patten: On 10 July 1987, 648 prisoners, most of whom would have been untried, were held in police cells in England and Wales.

Prospective Employees (Police Information)

Mr. Austin Mitchell asked the Secretary of State for the Home Department (1) whether he will initiate inquiries to see whether information is ever provided by the police to employers in relation to the recruitment of individuals;

(2) what instructions he has issued to the Metropolitan police about provision of information to the Economic League or its officials.

Mr. Douglas Hogg: The principles governing the disclosure of police information to potential employers and others are set out in section 17 of the consolidated circular to the police on crime and kindred matters and Home Office circular 45/1986. A joint departmental circular issued on 17 July 1986 (Home Office circular 44/1986) sets out the arrangements for checks on people seeking positions in local authorities that give substantial access to children. Copies of these circulars are in the Library. We see no need to issue separate guidance to the Metropolitan police on these arrangements, which do not allow for the disclosure of information to private organisations such as the Economic League.

Economic League

Mr. Austin Mitchell asked the Secretary of State for the Home Department (1) when he hopes to publish the results of his inquiry into contacts between the police and the Economic League;

(2) why he chose the North Yorkshire police to investigate complaints about contacts between the Economic League and the North Yorkshire police;

(3) how many police forces were included in his inquiry into contacts between the police and the Economic League;

(4) how many officials of the Economic League were interviewed in the course of his inquiry into the League; what League records were examined; and whether access was refused to any such records.

Mr. Douglas Hogg: It was considered sensible for the North Yorkshire police to undertake this investigation, since the claims about contacts were made in the course of an interview at the regional office of the Economic League in Skipton and were not specifically directed against that force. Since no evidence was found to support these claims, the investigation was not extended to other forces. Six officials of the League were contacted in the course of the inquiry. Records of names were examined; access to other records was not refused.

The outcome of the inquiry was announced in an answer to the hon. Member for Newcastle-Upon-Tyne, East (Mr. Brown) on 30 June 1987, at column 55-56.

Prison Population

Mr. Bermingham asked the Secretary of State for the Home Department for the most recent date available, what was the total prison population for England and Wales.

Mr. John Patten: On 10 July 1987, the total prison population for England and Wales was 50,381. This does not include the 648 prisoners held in police cells.

Remand Prisoners

Mr. Bermingham asked the Secretary of State for the Home Department, at the most recent date available, how many remand prisoners were being held in custody in England and Wales.

Mr. John Patten: On 31 May 1987 about 11,200 untried or convicted unsentenced prisoners were held in custody in England and Wales. This included 355 prisoners held in police cells, most of whom would have been untried.

Charity Commission

Mr. Cash asked the Secretary of State for the Home Department when he will publish the report of Sir Philip Woodfield's efficiency scrutiny of the Charity Commission.

Mr. Hurd: We are placing copies of the report in the Libraries of both Houses and are arranging for copies to be sent to those who gave evidence to the scrutiny team. Arrangements are being made for printed publication by HMSO so that the report will be available more widely.

I should like to thank Sir Philip Woodfield and his team for the contribution they have made to this important issue.

SOCIAL SERVICES

Microwave Therapy

Mr. Steel asked the Secretary of State for Social Services (1) if he will make a statement on the rules governing the administration of microwave therapy to patients;

(2) if he has any plans to change the rules governing the administration of microwave therapy to patients; and if he will make a statement.

Mrs. Currie: The administration of microwave therapy to patients is a matter for the professional practitioners, the physiotherapists. The rules governing this treatment are those of professional practice which are incorporated in training approved by the appropriate professional body—the Chartered Society of Physiotherapy. We are not aware of any plans to change the rules.

The Department has given some consideration to possible dangers arising from unintentional exposure due to the electric and magnetic fields which inevitably surround operating microwave equipment. Work is currently in progress on defining possible risks and setting limits for exposure but to date there is no evidence to suggest that there is any significant risk, provided all persons not receiving treatment remain outside the immediate zone of influence of the operating microwave equipment.

Departmental Forms (Lewisham)

Ms. Ruddock asked the Secretary of State for Social Services what is the reason for the delay in supplying an order of his Department's invalid care allowance claim forms, supplementary benefit, mobility allowance and attendance claim forms and leaflets to Lewisham social services department; and what is the average time in which such orders are processed.

Mr. Portillo: I understand that an order was dispatched to Lewisham on Monday 6 July. Over the past few months the demand for leaflets, particularly bulk orders, has been very high and remains at a high level. This increase in requests has affected the normal working of the leaflets unit and has created substantial delays, sometimes running into several weeks.

I am aware of the many problems this delay can cause. Discussions are currently taking place on various options to overcome these difficulties and include the option to use an outside agency to help clear the backlog of orders. As soon as a decision has been reached it will be implemented quickly.

Hip Operations (Waiting Times)

Mr. Andrew F. Bennett asked the Secretary of State for Social Services if he will list district health authorities where the waiting time for hip replacements is less than six months.

Mr. Newton: I am sorry I cannot give the hon. Member the information he seeks. Reliable estimates at district health authority level cannot be made from the sample information held centrally.

Invalid Care Allowance

Ms. Richardson asked the Secretary of State for Social Services why there is only one telephone line for each half of the alphabet for all inquiries about the payment of invalid care allowance; what is the average delay in paying back claims; and what improvements he intends to institute to ensure that cases receive their entitlement as quickly as possible.

Mr. Scott: Five telephone lines are available for inquiries of the invalid care allowance unit at Preston which currently takes an average of 19·2 weeks to process a backdated claim. We are taking all practical steps to reduce this period.

Cumberlege Report

Mr. Kirkwood asked the Secretary of State for Social Services what plans he has to publish a response to the Cumberlege report entitled "Neighbourhood Nursing—A Focus for Care".

Mr. Newton: We are still considering the issues which emerged from the consultations on the community nursing review, and will respond as soon as possible.

Retirement Pension

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish figures, for each year since 1978, comparing the annual percentage increases in the basic state retirement pension, for each of a single person and a married couple, with increases in *(a)* the retail prices index, *(b)* the index of average earnings and *(c)* the net earnings (after income tax and national insurance contribution) at average earnings of a single person and a married couple.

Mr. Scott: The table shows the increase at uprating dates in each year for each of the items specified.

per cent.

	1978	*1979*	*1980*	*November 1981*	*1982*	*1983*	*1984*	*1985*	*July [1] 1986*	*April [1] 1987*
Basic pension [2]										
single person	11·4	19·5	16·5	9·0	11·0	3·7	5·1	7·0	1·0	2·1
married couple	11·4	19·6	16·5	9·0	11·0	3·7	5·1	7·0	1·0	2·1
Retail price index	8·1	17·4	15·3	12·0	6·3	4·8	4·9	5·5	1·7	4·4
Index of average earnings [3]	13·3	19·1	17·9	11·3	8·3	7·3	6·5	8·6	5·9	5·9

	1978	1979	1980	November 1981	1982	1983	1984	1985	July [1] 1986	April [1] 1987
Net earnings (Male manual workers)										
single person	16·4	21·4	13·3	6·8	6·0	7·0	8·5	6·2	[4] 5·9	[4] 8·3
married man	15·8	20·7	13·5	6·4	6·3	7·4	8·8	6·3	[4] 5·7	[4] 7·6
Net earnings (all adult males)										
single person	16·0	22·2	16·9	8·1	6·3	7·5	9·0	6·8	[4] 6·5	[4] 8·4
married man	15·2	21·3	17·0	7·8	6·7	7·8	9·2	6·9	[4] 6·4	[4] 7·9

[1] Increase since previous uprating date.
[2] Differences in the percentage increases in the pension for a single person and a married couple in 1979 and 1986 are due to rounding.
[3] Average earnings index, whole economy, seasonally adjusted.
[4] Based on provisional earnings figures for July 1986 and April 1987.

Mr. Winnick asked the Secretary of State for Social Services if he will now supply the information requested by the hon. Member for Walsall, North as to the amount paid in £ sterling equivalent in state pension to the retired in other European Economic Community countries and the amount currently paid out in the United Kingdom.

Mr. Scott: There is nothing I can usefully add to my reply to the hon. Member on 8 July at column *171*.

Supplementary Benefit

Sir Brandon Rhys Williams asked the Secretary of State for Social Services how many new claims for supplementary benefit were submitted and accepted during each year since 1980; and how many dependants as well as claimants were involved in each case.

Mr. Portillo: The table shows the total number of claims for supplementary benefit, and the total number where a payment was made, in each year since 1980. (These include repeat claims made by the same person; there are no separate figures on the numbers of people who made claims.) I regret that no figures are available on the numbers of dependants involved.

	Claims made	*Payments made*
1980-81	5,488,399	4,004,964
1981-82	5,653,331	4,073,740
1982-83	5,995,965	4,374,982
1983-84	6,031,233	4,646,030
1984-85	6,175,094	4,909,437
1985-86	5,881,790	4,307,714
1986-87	5,613,323	4,053,295

Mrs. Beckett asked the Secretary of State for Social Services if he will arrange for a one-off single payment to supplementary benefit claimants to enable those eligible to register as British citizens before the deadline of 31 December.

Mr. Scott: There is no provision in the supplementary benefit regulations for single payments to be made for Home Office citizenship fees. Supplementary benefit is intended to cover necessary living expenses, not the cost of acquiring the rights of citizenship.

Mr. Ashley asked the Secretary of State for Social Services if he will state whether disabled people at present in receipt of supplementary benefit at the long-term rate will continue to receive that rate during training under the job training scheme.

Mr. Scott: Yes. The long-term scale rate is used in calculating entitlement to supplementary allowance while a person participates in the job training scheme if he was entitled to that rate when he started the course or becomes entitled during the course.

AIDS

Mr. Graham asked the Secretary of State for Social Services what advice he has given to the dental profession to prevent the spread of AIDS.

Mr. Newton: The Chief Dental Officer issued guidance to all dentists in April last year which stressed the importance of following high standards of cross-infection control when treating all patients, including the use of operating gloves by all dentists and close support staff when treating patients. The advice was in line with previous advice on clinical procedures recommended by the expert group on hepatitis in dentistry in 1979. Following those simple procedures will minimise exposure to the virus during the course of dental treatment.

The Chief Dental Officer also wrote to dentists in September 1986 advising against the use of jet injectors for multiple purposes by dentists. This guidance too relates to control of cross infection. The need to issue further guidance is kept under regular review.

Mr. Dobson asked the Secretary of State for Social Services (1) whether his Department's statistics on AIDS victims include people other than those suffering from Kaposi's sarcoma and/or pneumocystis pneumonia;

(2) what are his Department's latest estimates for the numbers *(a)* infected and *(b)* dead from AIDS or HIV-related disease.

Mr. Newton: Statistics on AIDS are based on reports to the Communicable Disease Surveillance Centre (CDSC) and the Communicable Disease (Scotland) Unit (CD(S)U). These statistics include people suffering from conditions other than Kaposi's sarcoma and or pneumocystis carinii pneumonia, but these two diagnoses form the presenting features in more than half the reported cases. The definition of AIDS established at the Centres for Disease Control (CDC) in Atlanta, covers a number of other diagnoses, including other opportunistic infections. This definition is currently under review by CDC.

The number of AIDS cases and people who have died from AIDS as reported to CDSC and CD(S)U was published on 6 July. A copy of the publication has been placed in the Library. There will also be cases of HIV-related illness, and possibly some deaths, amongst people who have not progressed to AIDS. These cases will not be included in the CDSC and CD(S)U AIDS figures.

I gave our current estimate of the number of people infected with HIV in my reply to my hon. Friend the Member for Eastleigh (Sir D. Price) on 7 July at column *123*.

Housing Benefit

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will update the figures given in his reply to the hon. Member for Norfolk, North (Mr. Howell) *Official Report*, column *541*, 2 February, showing the number of recipients of housing benefits since 1979-80; and if he will estimate the effect on the number of people in receipt of means-tested benefit of the proposed community charge, assuming that rate rebates are replaced by community charge rebates.

Mr. Portillo: The numbers of recipients of housing benefits since 1979-80, according to the latest available information, are as follows:

Average number of recipients (Great Britain)

Thousands

Year	*Rent rebates*	*Rent allowances*	*Rate rebates*[2]
1979-80	1,205	220	3,065
1980-81	1,330	240	3,350
1981-82	1,590	250	3,700
1982-83[1]	3,050	260	5,320
1983-84	3,735	1,015	7,020
1984-85	3,745	1,080	7,220
1985-86	3,795	1,175	7,270
1986-87[3]	3,745	1,190	7,120
1987-88[3]	3,710	1,200	7,135

[1] Figures for 1982-83 include those local authority tenants receiving housing assistance in supplementary benefit who in November 1982 were included in the partial start of the housing benefits scheme.

[2] Most recipients of rent rebates-allowances also receive rate rebates. Rate rebate recipients include owner occupiers.

[3] Estimates for 1986-87 and 1987-88 are provisional and are subject to revision. Estimates for earlier years may be subject to minor revision.

The only estimates currently available on the number of people who would be eligible for a community charge rebate are in the Green paper "Paying for Local Rates" (Cmnd. 9714). Annex J of the paper estimates the number at 7,660,000 and sets out the assumptions on which this is based.

Benefits

Mr. McLeish asked the Secretary of State for Social Services what was the total number of people in receipt of unemployment benefit in the Fife, Central constituency at *(a)* June 1979, *(b)* June 1983 and *(c)* June 1987.

Mr. Portillo: The information requested, at the nearest available dates, is given in the following table:

Number of persons receiving unemployment benefit

	May 1979	*May 1983*	*February 1987*
Glenrothes UBO	873	1,605	1,676
Leven & Methil UBO	730	1,308	1,659

Resettlement Units

Mr. Win Griffiths asked the Secretary of State for Social Services if he will make a statement on the progress of the review bodies established to develop alternative provision to the existing resettlement units in England and Wales.

Mr. Portillo: In two cases, Brighton and Bristol, proposals for the replacement of units have been agreed and the providers are taking steps to bring the facilities into operation.

Eight other teams are expected to put proposals forward in the next few months. In seven cases development workers have been appointed or are about to be appointed to help review teams take things forward.

The Wales review team has produced a consultative document on its plans for replacement provision and this was the subject of a conference in May attended by representatives from the local authority and voluntary sectors.

Abortions

Mr. Kilfedder asked the Secretary of State for Social Services what is the total number of abortions which have been performed under the Abortion Act 1967 *(a)* on persons coming from Northern Ireland and *(b)* on persons from the Republic of Ireland.

Mr. Newton: The numbers of notifications of abortions carried out under the Abortion Act 1977 from 27 April 1968 to 31 December 1986 to women usually resident in Northern Ireland and the Irish Republic are 20,957 and 41,548 respectively.

Speech Therapists

Mr. Cartwright asked the Secretary of State for Social Services how many vacancies for speech therapists in *(a)* inner London, *(b)* Greater London and *(c)* England and Wales remained unfilled at the most recent convenient date; and what steps are being taken to recruit or train speech therapists.

Mr. Newton: I regret that information on vacancy levels is not collected centrally. Recruitment of speech therapists is a matter for individual health authorities. Training of speech therapists takes place within institutions of higher education on courses recognised (under S.I. 1985 No. 47) by the College of Speech Therapists as providing suitable training for work in the National Health Service. The number of people entering employment as speech therapists with health authorities has recently been rising by about 9 per cent. a year.

Supplementary Benefit and Residential Care

Mr. Tom Arnold asked the Secretary of State for Social Services what conclusions he has drawn from the report of the joint working party on supplementary benefit and residential care.

Mr. Dobson asked the Secretary of State for Social Services whether the Firth committee on supplementary benefit and residential care has reported.

Mr. Newton: We have received the report and are making arrangements for its publication later this month. We have drawn no conclusions from it, but will be considering it in the context of other studies, including in particular that of Sir Roy Griffiths in relation to community care.

Obstetricians and Gynaecologists (Session Contract)

Mr. Dobson asked the Secretary of State for Social Services what representations he has received from the call of the Royal College of Obstetricians and Gynaecologists about its session contract in relation to the demands of private practice.

Mrs. Currie: None.

Private Patients

Mr. Dobson asked the Secretary of State for Social Services (1) if he will give for each year since 1979 *(a)* in both money terms and real terms the income received from private in-patients and *(b)* the number of such patients in each payment category;

(2) what arrangements exist to ensure that no profits accrued from national charges to private patients as a result of health authorities with relatively high private patient costs opting out of the national system and establishing their own charges;

(3) if he will list *(a)* those health authorities which have chosen to set their own charges to private patients for all treatment and *(b)* those health authorities which have chosen to set their own charges to private patients for some treatments.

Mrs. Currie: I shall let the hon. Member have replies as soon as possible.

Mr. Dobson asked the Secretary of State for Social Services what information is available to his Department about the impact on consultants' commitment to National Health Service work of the growth of private practice.

Mr. Newton: I am not aware of any evidence that consultants' commitment to NHS work has been affected by the growth in private practice.

National Health Service consultants may hold whole-time, maximum part-time or part-time contracts. Whole-time consultants, who may undertake private practice limited to the value of 10 per cent. of their National Health Service salary, and maximum part-time consultants, who may undertake private practice without specific limit for a slightly lower National Health Service salary, are both expected to devote substantially the whole of their professional time to the National Health Service. Since the introduction of the current contract in 1980, there have been variations from year to year in the proportion of consultants with each type of contract, but over the period as a whole there has been a slight increase in the proportion of contracts which are whole-time.

HIV Virus

Mr. Dobson asked the Secretary of State for Social Services (1) which variants of the HIV virus are known to escape detection by current tests; and what are his Department's estimates of their prevalence;

(2) by what procedures his Department monitors the continuing development of variants of the HIV virus.

Mr. Newton: New retroviruses known collectively as HIV2 have been identified in West Africa. They may be variations of the same virus but are distinct from HIV. Test systems in current use for HIV do not reliably detect antibody to these viruses.

Samples from selected individuals who may have been at risk from infection with these viruses are being monitored by the Public Health Laboratory Service and other virology laboratories. This monitoring shows no evidence of HIV2 being prevalent in the United Kingdom.

Unemployment Benefit

Mr. Dobson asked the Secretary of State for Social Services how many unemployed people have been disqualified from unemployment benefit on grounds of voluntary unemployment at each unemployment benefit office in Greater London since the new rules came into operation in October 1986; in how many cases the disqualification was for the maximum period; and what were the comparable figures for a similar period in 1983.

Mr. Portillo: I shall let the hon. Member have a reply as soon as possible.

NHS Resources

Mr. Dobson asked the Secretary of State for Social Services what is his policy towards the proposal from the Institute of Health Service Management, the British Medical Association and the Royal College of Nursing that at the minimum Health Service spending should be maintained as a proportion of national income with additional finance to cover demographic change and new problems such as AIDS.

Mr. Newton: We are studying the report's analysis and comments, taking account of the fact that the proper measure of the National Health Service is the record and growing amount of treatment and care it provides.

Mr. Dobson asked the Secretary of State for Social Services if he will give the latest percentage estimates of the increased need for the National Health Service resources due to demographic change in each year from 1970 to 1995.

Mr. Newton: The following figures are the latest available estimates of changes in demographic demand on hospital and community health services for each year from 1972-73 to 1995-96 (estimates for earlier years are not readily available):

	Per cent. change
1972-73	0·0
1973-74	0·0
1974-75	0·0
1975-76	0·0
1976-77	0·1
1977-78	0·3
1978-79	1·0
1979-80	1·2
1980-81	1·1
1981-82	0·4
1982-83	0·4
1983-84	0·5
1984-85	0·6
1985-86	1·3
1986-87	1·1
1987-88	1·0
1988-89	1·0
1989-90	1·0
1990-91	0·9
1991-92	0·7
1992-93	0·6
1993-94	0·3
1994-95	0·4
1995-96	0·9

The effect of demographic changes is not identified separately from other pressures for the family practitioner services which are demand-led, but changes in population structure, and especially increases in the number of very elderly people, clearly lead to increased demand for these services as well.

Myalgic Encephalomyelitis

Mr. Ashley asked the Secretary of State for Social Services if he will cause to be sent to all doctors concerned with the granting of his Department's benefits a package of up-to-date information on myalgic encephalomyelitis with a particular emphasis on the diagnostic problems.

Mrs. Currie: No. It is not the Department's policy to advise the medical profession on clinical practice.

Mr. Ashley asked the Secretary of State for Social Services if he will meet the Myalgic Encephalomyelitis Association and medical organisations to discuss ways on which general practitioners could be made better informed about the complaint.

Mrs. Currie: If they will write to me, I shall be pleased to receive and consider any representations from the Myalgic Encephalomyelitis Association.

Mr. Ashley asked the Secretary of State for Social Services if he will take steps to discover whether people suffering from myalgic encephalomyelitis have problems obtaining his Departmant's benefits because of difficulties in diagnosing the disease.

Mr. Scott: Decisions by the independent adjudicating authorities about entitlement to incapacity or disablement benefits depend on medical statements that the claimant is incapable of work or suffers from the prescribed level or type of disablement. Doctors providing such statements are asked to give as full and accurate a diagnosis as the available evidence allows, but inability to provide the specific cause of the claimant's symptoms would not debar him from benefit (except in the case of prescribed industrial diseases). Problems as envisaged by the right hon. Member therefore ought not to arise.

Mr. Ashley asked the Secretary of State for Social Services how many people are receiving invalidity benefit because they are suffering from myalgic encephalomyelitis.

Mr. Scott: The information is not available in the form required. However, in the 1 per cent. sample of cases taken at 30 March 1985 there were seven people receiving invalidity benefit who were classified according to the international classification of diseases as cases of encephalitis, myelitis, and encephalomyelitis. As the sample and actual numbers are both small, grossing up this number may produce an inaccurate figure.

Mr. Ashley asked the Secretary of State for Social Services what estimates are available to him about the number of people suffering from myalgic encephalomyelitis.

Mrs. Currie: No statistics about the incidence of this disease are collected centrally.

Manchester FPC (Ophthalmic Prescriptions)

Mr. Meacher asked the Secretary of State for Social Services if the audit investigation report into the Manchester family practitioner committee concerning ophthalmic prescriptions, as outlined in his letter to the hon. Member for Oldham, West of 27 February is now complete; and if he will make a statement.

Mr. Newton: We have received a report from the auditors and I expect to write to the hon. Member shortly.

Nobrium

Mr. Dobson asked the Secretary of State for Social Services what representations he has received concerning the exclusion of Nobrium capsules from the National Health Service limited list; and if he will make a statement.

Mr. Newton: We have received a number of letters about the exclusion of Nobrium capsules from National Health Service prescription under the selected list scheme. I understand that the Advisory Committee on National Health Service Drugs, which keeps the selected list scheme under review, has not considered it necessary to review the position of Nobrium capsules, nor has it received any representations from the manufacturers.

BT (Total Care Service)

Mr. Dobson asked the Secretary of State for Social Services (1) whether health authorities are paying for British Telecom's total care service where this is required by their employees due to on-call responsibilities;

(2) whether general practitioners and other independent contractors can claim back from the National Health Service the cost of purchasing British Telecom's total care service where this is required to replace emergency fault repair cover;

(3) what is the total cost to the family practitioner service budget of British Telecom's total care service; and whether this cost has been taken into account in his Department's estimates;

(4) what is the total cost to the hospital and community health service budget of health authorities paying for British Telecom's total care service; whether this cost is reimbursed to health authorities; and whether health authority allocations have been increased to cover this new cost.

Mr. Newton: The total cost (including VAT) to the National Health Service of British Telecom's total care service is not yet known. Discussion will continue with BT on the application of the agreed charging arrangements which allow for the total cost to be influenced by the level of demands made.

The cost of these BT services to the hospital and community health service will be met by health authorities from within their existing allocations for the current financial year. It is for health authorities to decide whether they wish all or some of their on-call staff to receive this BT service for which the authority would pay.

Provision for the costs (including VAT) of British Telecom's total care service for priority telephone fault repairs for general medical practitioners (including trainees) and pharmacists in contract with family practitioner committees in England is included in the Department's estimates and central settlement by the Department has been agreed and will be made. To the extent that general dental practitioners and opticians in contract with family practitioner committees take up the

service any costs arising would form part of the normal remuneration arrangements and be indirectly reimbursed through the NHS scale of fees.

Hospitals (Planning)

Mr. Arnold asked the Secretary of State for Social Services what is the optimal size on clinical grounds in terms of the number of in-patient beds currently recommended to district health authorities when planning new general hospitals.

Mrs. Currie: There is no universally applicable optimal size.

Each proposal must be looked at separately on its merits, balancing a range of factors. Although most district general hospitals now being built range between 400 and 800 beds, exceptions do occur. Factors taken into account would include:

size and characteristics of the catchment area and its population;

whether regional or supra-regional services are provided at the hospital;

whether facilities (eg. geriatric or mental illness beds) are already provided elsewhere in the district;

provision of a large enough range of services to meet the needs both of patients brought in following accidents or emergencies and non-emergency cases from the waiting lists;

provision for a large enough population of patients in the specialties provided to ensure that staff have sufficient experience to maintain their skills and thus provide a high quality service;

provision for sufficient patients to provide the experience required by the training bodies in order to employ junior doctors and nurses in training;

provision for sufficient patients in the various specialties to make economic use of expensive equipment;

the state of existing NHS stock;

local social and geographical factors eg difficulties in travelling.

Clarke v Chief Adjudication Officer

Mrs. Beckett asked the Secretary of State for Social Services (1) what are the implications of the decision of the European Court in the recent case of Clarke v Chief Adjudication Officer for Government policy on eligibility for disability benefits; and if he will make a statement;

(2) what are the implications of the decision of the European Court in the case of Clarke v Chief Adjudication Officer for the entitlement of married women who have been incapable of work since May 1984 to severe disablement allowance, under the passporting arrangements for former claimants of housewives' non-contributory invalidity pension;

(3) what steps the Government are taking to comply with the European Court's decision in the case of Clarke v Chief Adjudication Officer.

Mr. Scott: The European Court's judgment in the case of Clarke v Chief Adjudication Officer was in answer to a question referred by a social security commissioner concerning Mrs. J. B. Clarke's entitlement to severe disablement allowance (SDA).

The commissioner now has to give his decision on Mrs. Clarke's claim. It would be premature to make any statement about Government action on the judgment in advance of the commissioner's decision. An announcement will be made as soon as possible thereafter.

Mrs. Beckett asked the Secretary of State for Social Services, in the recent case of Clarke v Chief Adjudication Officer, what questions were referred by the Social Security Commissioner to the European Court.

Mr. Scott: The question referred for determination by the European Court was:

"Does Article 4(1) of Council Directive 79/7/EEC have a direct effect such that a woman can from 22 December 1984 qualify for an invalidity benefit by reason of her having before that date satisfied conditions sufficient to enable a man to qualify for that benefit notwithstanding that she did not also before that date satisfy a further condition applicable under domestic law only to a class of woman of whom she was one?".

Community Pharmacists

Mr. Bill Michie asked the Secretary of State for Social Services what representations he has received from community pharmacists in Sheffield and nationally requesting an increase in advance payment to take account of the cashflow problems being caused by the non-processing of claims for refund of value added tax.

Mr. Newton: In addition to a number of representations from the Sheffield local pharmaceutical committee, we have received representations from the Pharmaceutical Services Negotiating Committee, three family practitioner committees and five pharmacists.

NHS (Annual Report)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services when he expects to publish the annual report of the National Health Service.

Mr. Newton: Later this year.

NHS (Employees)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services how many people are employed in the National Health Service; what was the comparable figure for 1979; and if he will break down both figures to show the tasks for which they were employed.

Mr. Newton: The figures requested are shown in the table.

For non-medical staff, numbers (actual head counts) are not available centrally for 1979 on a consistent basis with those for latter years; we have given therefore a whole-time equivalent (WTE) comparison for 1979 and 1986. Whole-time equivalent figures for September 1986 are still on a provisional basis.

For medical and dental staff, figures comparable with the available non-medical figures have been used to retain consistency and comparability of England totals.

NHS directly employed staff—30 September England

[1] Whole-time equivalents

	1979	*[2]1986*
Medical and dental[3]	39,000	43,200
Nursing and midwifery[4]	[5]358,400	402,100
Professional and technical (excl. works)	[6]60,100	76,100
Works	5,600	5,800
Maintenance	20,100	19,100

	1979	[2]1986
Administration and clerical	103,000	111,400
Ambulance	17,100	18,900
Ancillary	[6]171,900	124,300
Total staff	775,300	801,000

Source: DHSS (SR7) annual censuses of NHS medical and non-medical manpower.

[1] All figures are independently rounded to the nearest 100 whole-time equivalent.

[2] Provisional.

[3] Includes hospital practitioners, part-time medical and dental officers (clinical assistants) and locums.

[4] Includes agency nursing and midwifery staff.

[5] Not adjusted for the reduction in nurses working hours during 1980-81 (from 40·0 to 37·5 hours per week).

[6] Not adjusted to take account of the transfer of operating department assistants (ODAs) some 2,600 wte from ancillary to professional and technical staff group on 1 April 1984.

Severe Weather Payments

Mr. Corbyn asked the Secretary of State for Social Services how many exceptional cold weather payments were made by region in 1986-87.

Mr. Scott: I shall let the hon. Member have a reply shortly.

Food Imports (Radiation Levels)

Mr. Speller asked the Secretary of State for Social Services what testing methods are recommended or approved for importers to ensure that food imports have not been treated with ionizing radiation; and if he will make a statement.

Mrs. Currie: I shall let my hon. Friend have a reply as soon as possible.

Acute Hospital Services (Liverpool)

Mr. Parry asked the Secretary of State for Social Services (1) how many beds will be provided at the Liverpool royal infirmary following the relocation of services from St. Paul's eye hospital and the seamen's dispensary;

(2) what are the estimated savings to the Liverpool area health authority from the location of all obstetric and gynaecology services to the former Liverpool royal infirmary; and if he will make a statement;

(3) what will be the estimated cost of the relocation of the St. Paul's eye hospital and the seamen's dispensary to the Liverpool royal infirmary;

(4) what will be the estimated cost to the Liverpool area health authority of the relocation of all obstetrics and gynaecology services to the former Liverpool royal infirmary;

(5) how many beds will be provided at the Liverpool royal infirmary site following the location of all obstetric and gynaecology services.

Mrs. Currie [*pursuant to her reply*, 10 July 1987]: The Liverpool health authority's plans for reshaping the pattern of acute hospital services in Liverpool are described in its draft strategy, which was issued for consultation at the beginning of June. Firm plans cannot be properly formulated until that consultation exercise is completed on 31 August 1987. I understand that all Members whose constituencies cover Liverpool have been sent copies of the document and invited to comment on the proposals. The hon. Member may therefore wish to write to the chairman of the Liverpool health authority.

London Ambulance Service

Mr. Spearing asked the Secretary of State for Social Services if he will set out in the *Official Report* the figures for the non-emergency patient journeys run under the auspices of the London ambulance service for each of the first two quarters of 1987 in the format of his reply of 5 March, *Official Report*, column *679*, showing percentage change with the respective quarters in 1984.

Mrs. Currie [*pursuant to her reply*, 10 July 1987]: The information requested for the first quarter is given in the table. The information for the second quarter will not be available for several weeks.

On the introduction of new rotas for ambulance persons in March 1986 extra resources were diverted into the emergency side of the service. This has allowed the London ambulance service to deal with the increased number of 999 calls as well as to cut down the average response times to emergencies.

Patient Journeys—1st Quarter 1987
Non-Emergency Service (000's Patient Journeys)

Division	*Walking patients*	*Non-walking patients*	*Total*
North West	39	38	77
North East	56	53	109
South West	36	43	79
South East	34	52	86
Direct Service Total	165	186	351
Indirect Service	—	—	86
Total LAS	—	—	437
Percentage + − on 1st quarter 1984			
North West	−54·1	−13·6	−40·3
North East	−37·8	−18·5	−29·7
South West	−52·6	−2·3	−34·2
South East	−55·3	−14·8	−37·2
Direct Service Total	−49·5	−13·1	−35·1
Indirect Service	—	—	+59·3
Total LAS	—	—	−26·6

Patient Mileage—1st Quarter 1987
Non-Emergency Service (000's Miles)

	Mileage	*Percentage + − on 1st quarter 1984*
North West	364	−33·8
North East	405	−26·5
South West	308	−32·6
South East	359	−35·2
Direct Service Total	1,436	−32·0
Indirect Service	574	+66·4
Total LAS	2,010	−18·2

Cancer Screening

34. **Mr. Patchett** asked the Secretary of State for Social Services what is the target level of accuracy in National Health Service pathology laboratories for dealing with cervical smears.

37. **Mr. Bradley** asked the Secretary of State for Social Services what provision he has made to monitor the standards of accuracy of cervical smear tests.

Mr. Frank Field asked the Secretary of State for Social Services what steps he intends to take to safeguard, in the

rest of the United Kingdom, the accuracy of smear tests for cervical cancer, following recent errors which have been shown to have occurred in the Liverpool area health authority.

Mrs. Currie [*pursuant to her replies*, 30 June 1987, c. *69-70*]: Monitoring of standards of accuracy in pathology laboratories is undertaken by pathologists themselves, for example, through their participation in external quality assessment schemes. Target levels of accuracy for NHS pathology laboratories are not laid down centrally.

A revised health circular on cervical cancer screening which is in preparation will include guidance on arrangements for quality control in laboratories in which cervical smears are examined. We shall certainly take into account any lessons that can be learnt from the problems which arose in Liverpool health authority.

Kidney Transplants

Mr. Dalyell asked the Secretary of State for Social Services what is the latest figure for the change in the number of kidney transplants over a convenient 12-month period.

Mrs. Currie [*pursuant to her reply*, 30 June 1987, c. *79*]: Figures for the change over the most recent 12-month period may be misleading because of significant variation within the period. The number of cadaveric kidney transplants reported to the United Kingdom transplant service for a series of six-monthly periods is as follows:

	Number of transplants
1 June 1985—30 November 1985	672
1 December 1985—31 May 1986	726
1 June 1986—30 November 1986	766
1 December 1986—31 May 1987	646

These figures refer to National Health Service operations within the United Kingdom. We are currently awaiting the advice of a working party established to examine ways of increasing the availability of organs for transplant. For further details I refer the hon. Member to my reply to my hon. Friend the Member for Newbury (Mr. McNair-Wilson) on 9 July 1987.

ENVIRONMENT

Rates

Mr. Michael Brown asked the Secretary of State for the Environment what are the estimated 1987-88 total annual receipts for rates net of rebates in England and Wales; and what percentage this represents of forecast local government expenditure for 1987-88.

Mr. Howard: Local authorities' income from domestic and non-domestic ratepayers, net of rebates, in England and Wales in 1987-88 is estimated at £15 billion. This represents 48 per cent. of estimated local government expenditure (defined as local authority net revenue expenditure for RSG purposes).

Mr. Pawsey asked the Secretary of State for the Environment what discussions have taken place with the National Association of Parish Councils on the impact of the proposed community charge; and what was the outcome.

Mr. Howard: Officials from the Department of the Environment met representatives of the National Association of Local Councils on 5 November 1986 to discuss these issues. NALC wrote to my predecessor, my right hon. Friend the Member for Brent, North (Sir R. Boyson) in February requesting a meeting to which he agreed; I understand that NALC intend to take up that invitation in due course. I shall of course be happy to honour my predecessor's commitment.

Mrs. Wise asked the Secretary of State for the Environment how many women he estimates will become liable to pay the proposed community charge, despite having no personal income.

Mr. Howard: No firm figures are available. However data from the family expenditure survey suggests that there may be about 2·9 million women over the age of 18 with no regular personal income from employment, investment or state benefits (excluding child benefit). Almost all of these are wives not in paid employment.

Mr. Dalyell asked the Secretary of State for the Environment how many civil servants in all Departments are currently involved in preparation for the implementation of the poll tax.

Mr. Howard: Twenty-one staff in the Department of the Environment, 10 in the Scottish Office and three in the Welsh Office are engaged full time on all aspects of the reform of local government finance. A further 21 staff in the Department of the Environment and 36 staff in other central Departments are involved, as part of their other duties, in contributing to this work.

Mr. Atkinson asked the Secretary of State for the Environment if he will make a statement on how the proposed unified business rate and the community charge will affect landlords; and whether they will be required to collect the community charge from their tenants.

Mr. Howard: When the new system of local government finance is in operation, landlords will no longer pay rates in respect of the residential property occupied by their tenants. Adult tenants will pay the community charge in the same way as other adults.

In the minority of multi-occupied properties, where it would be impractical to register tenants individually for the community charge, local authorities will be able to apply a collective community charge. This will be paid to the local authority by the landlord, who will recover contributions from each adult tenant.

Mr. Fatchett asked the Secretary of State for the Environment if he will assess the likely cost to Leeds city council of collecting a community charge as opposed to domestic rates; and if he will make a statement.

Mr. Howard [*pursuant to his reply*, 10 July 1987]: Our preliminary estimate is that the cost of collecting the community charge may be, broadly, up to twice the cost of collecting domestic rates. However, the cost to an individual local authority will largely depend on how far it is successful in reducing unit costs. We estimate that almost twice as many people will pay the community charge as pay domestic rates.

Mr. Nicholas Winterton asked the Secretary of State for the Environment what representations he has received concerning special provision under the community charge for ministers of religion.

Mr. Howard [*pursuant to his reply*, 6 July 1987, c. 56]: My right hon. Friend has received a number of representations about special provision under the community charge for ministers of religion. These include representations from the Churches Main Committee and several diocesan secretaries.

Inner Area Programme

Mr. Pike asked the Secretary of State for the Environment if he will list the inner area programme bids submitted for 1987-88 indicating which have been approved; and if he will make a statement.

Mr. Trippier: The information requested is as shown in the table. I expect to issue further approvals shortly.

Inner area programme 1987-88

Authority	[1] *Provisional inner area programme allocation £ million*	*Bid received £ million*	*Date of approval*
Birmingham	25·0	28·7	13 April 1987
Hackney	10·8	13·9	
Islington	10·0	17·6	
Lambeth	12·8	20·8	31 March 1987
Liverpool	20·0	29·8	
Manchester/Salford	23·8	37·7	
Newcastle/Gateshead	17·2	20·3	31 March 1987
Barnsley	1·5	1·9	12 May 1987
Blackburn	4·0	4·1	7 April 1987
Bolton	4·0	5·2	30 March 1987
Bradford	4·5	5·5	
Brent	4·0	6·4	
Bristol	1·5	1·5	27 March 1987
Burnley	1·0	1·5	9 July 1987
Coventry	5·0	6·0	16 April 1987
Derby	1·3	1·5	23 March 1987
Doncaster	1·8	2·7	
Dudley	1·3	2·0	
Greenwich	1·5	1·5	9 July 1987
Halton	1·3	1·8	6 April 1987
Hammersmith and Fulham	5·0	7·9	9 July 1987
Haringey	2·0	3·2	10 April 1987
Hartlepool	1·8	2·0	9 July 1987
Kensington and Chelsea	1·3	1·2	29 April 1987
Kingston-upon-Hull	5·0	6·2	
Kirklees	0·8	1·3	
Knowsley	4·0	4·9	16 March 1987
Langbaurgh	1·8	2·6	9 July 1987
Leeds	4·5	5·2	
Leicester	5·4	9·4	
Lewisham	1·5	1·5	22 April 1987
Middlesbrough	5·5	8·1	9 July 1987
Newham	1·8	2·2	9 July 1987
North Tyneside	3·5	5·7	9 July 1987
Nottingham	5·5	7·8	9 July 1987
Oldham	4·0	4·4	
Plymouth	0·4	[2]—	
Preston	1·3	1·7	8 April 1987
Rochdale	4·0	5·4	9 July 1987
Rotherham	1·8	2·6	
St. Helens	1·5	2·0	
Sandwell	5·0	6·0	6 April 1987
Sefton	1·5	1·3	13 April 1987
Sheffield	5·5	7·3	
South Tyneside	4·5	4·8	30 April 1987
Southwark	1·8	3·5	30 March 1987
Stockton	1·3	1·4	
Sunderland	4·0	5·2	9 July 1987
The Wrekin	0·4	0·8	9 July 1987
Tower Hamlets	4·5	9·1	
Walsall	1·5	2·1	16 April 1987
Wandsworth	4·5	6·5	9 July 1987
Wigan	1·5	1·5	11 March 1987
Wirral	3·5	5·0	9 July 1987
Wolverhampton	5·5	7·0	16 April 1987

[1] Announced by Minister for Housing, Urban Affairs and Construction on 30 January 1987 (*Official Report*, Vol. 109, column 457).
[2] IAP yet to be submitted.

Rating Reform

Mr. Gordon Brown asked the Secretary of State for the Environment if he will place in the House of Commons Library the Government's study of the expected numbers of community charge payers as a proportion of those obliged to pay.

Mr. Howard [*pursuant to his answer*, 7 July 1987, column *140*]: My right hon. Friend has not undertaken a study of the kind referred to by the hon. Member. Registration for and enforcement of the community charge will be a local authority responsibility. We intend to give authorities the powers to ensure that this task is undertaken effectively and efficiently, and we see no reason why they should not achieve very high registration and payment rates.

Greater London

Mr. Shersby asked the Secretary of State for the Environment what *(a)* ceremonial and *(b)* other functions flow from the continued existence of the county of Greater London following abolition of the Greater London council; and what is the cost of these to public funds for the most recent 12 months period for which figures are available.

Mr. Chope: The functions of the former GLC were transferred to new and existing bodies in accordance with the provisions of the Local Government Act 1985. Aggregate information on the cost of providing ceremonial or other functions across Greater London is not available.

Empty Dwellings

Mr. Wheeler asked the Secretary of State for the Environment how many vacant flats and houses there are in the ownership of the London borough of Ealing.

Mr. Waldegrave: The latest information available to the Department is for the council's vacant housing within its own area and is in the authority's housing investment programme return for 1 April 1986, which is in the Library.

Mr. Allan Roberts asked the Secretary of State for the Environment if he will publish the most recent list available from his Department's estate action team, of schemes where local authorities have disposed of empty dwellings to property developers; if he will state the purpose of this list, how it has been compiled, and how frequently it is updated; who has been sent a copy of this list; and why they have received a copy.

Mr. Waldegrave: The most recent list of schemes involving the disposal of local authority empty dwellings to private developers compiled by my Department is given in the table.

This information is gathered from local authorities and from developers, but is not necessarily comprehensive since local authorities are not required to seek the Secretary of State's consent or to inform the Department when they are disposing of empty housing at the best price.

This information is assembled by the Department as part of its routine assembly of factual material which is used to assist in the assessment of housing policy and performance. The information has been provided on request to local authorities, housing developers and members of the public. The list is updated as and when new information is received.

Number of disposals of vacant dwellings since 1979

Local authority	*Number*
Birmingham	128
Bolton	50
Brentwood	10
Bristol	5
Burnley	111
Calderdale	96
Copeland	47
Crewe and Nantwich	2
Halton	38
Kensington and Chelsea	50
Knowsley	204
Lancaster	44
Langbaurgh	177
Lichfield	128
Liverpool	344
Macclesfield	5
Manchester	46
Newcastle	134
North Tyneside	150
Oldham	296
Preston	338
Reading	135
Rotherham	1
Rushcliffe	6
Salford	384
Sandwell	112
Sefton	378
Solihull	268
South Tyneside	150
Southwark	191
Stockport	4
Stoke on Trent	42
Stroud	1
Sunderland	546
Swale	14
Tamworth	41
Thurrock	90
Tower Hamlets	443
Trafford	156
Wandsworth	981
Warrington	52
Wear Valley	5
Westminster	10
West Lindsey	9
Wigan	99
Wirral	271
Wolverhampton	7
Total	6,799

Poll Tax

Sir Brandon Rhys Williams asked the Secretary of State for the Environment what information he has about which Organisation for Economic Co-operation and Development countries use a poll tax to finance public expenditure; and which Organisation for Economic Co-operation and Development countries use a poll tax to finance state education.

Mr. Howard: I refer my hon. Friend to annex K of the Green Paper "Paying for Local Government" (Cmnd. 9714), which comments on international comparisons.

Local Authority Expenditure

Sir Brandon Rhys Williams asked the Secretary of State for the Environment if he will publish figures for each local authority, and for the latest available year, setting out the

main components of local authority expenditure, and showing expenditure separately on education, fire and police in relation to population.

Mr. Chope: I have today placed the information in the House of Commons Library.

Dr. Cunningham asked the Secretary of State for the Environment if he will publish, for each class of local authority and for local authorities in total, the percentage increase in current expenditure in cash between *(a)* 1978-79 and 1987-88 and *(b)* 1981-82 and 1987-88.

Mr. Ridley: The information for English authorities is as follows:

Percentage increases in net current expenditure

	1978-79 to 1987-88	*1981-82 to 1987-88*
Shire Counties	136	52
Shire Districts	120	54
Metropolitan Areas [1]	137	48
Greater London Area [2]	150	54
All England	138	52

[1] Comprising Metropolitan Counties, Metropolitan Districts, and Metropolitan Authorities for Police, Fire and Civil Defence and Transport.

[2] Comprising ILEA, GLC, City of London, Inner and Outer London boroughs, Metropolitan Police and the London Fire and Civil Defence Authority.

Dr Cunningham asked the Secretary of State for the Environment if he will list in the *Official Report*, for each local authority in England, the increases in current and total expenditure from 1986-87, revised estimates to 1987-88, showing in each case the political complexion of the authority; and if he will provide overall average figures by political control.

Mr. Ridley: I have today placed this information in the House of Commons Library.

Cayman Turtle Farm

Dr. David Clark asked the Secretary of State for the Environment if he will make a statement on the Government's implementation of the convention on international trade in endangered species conference resolution 2.12 with respect to the Cayman turtle farm in the Cayman Islands.

Mr. Ridley: The Cayman turtle farm has not taken turtles or eggs from the wild since 1978 and the Government consider that the 1979 conference resolution 2.12 should not be applied retrospectively to the farm. The operations of the farm are, however, structured to meet the breeding criteria that the resolution lays down.

New Towns

Mr. Grocott asked the Secretary of State for the Environment if he will list the number of houses currently managed by each of the new town corporations.

Mrs. Roe: On 31 March 1987, the numbers of dwellings for rent owned by new town corporations were as follows:

	Numbers
Milton Keynes	13,049
Peterborough	6,842
Runcorn	9,049
Telford	8,742
Warrington	4,891

Mr. Grocott asked the Secretary of State for the Environment what is his latest estimate of the value of the assets of each of the remaining new town development corporations.

Mrs. Roe: With effect from the 1986-87 financial year, new town development corporations are required to show information on the value of their property assets in their annual accounts. I will write to the hon. Member with the information requested when the 1986-87 accounts have been received from all the development corporations.

Enterprise Zones

Mr. Anderson asked the Secretary of State for the Environment when he proposes to end the special attractions and advantages to firms which locate in enterprise zones; and whether the cut-off of financial incentive will be immediate or tapered.

Mr. Trippier: Under the Local Government, Planning and Land Act 1980, the designation order for each enterprise zone specifies the period for which the area concerned is to remain an EZ. When that period ends the financial benefits of the EZ will cease immediately.

Urban Development Corporations

Ms. Armstrong asked the Secretary of State for the Environment what plans he has for monitoring the employment effects of urban development corporations.

Mr. Trippier: Information on this subject is published in the urban development corporations' annual reports and in the public expenditure White Paper.

Nuclear Waste

Mr. Alan W. Williams asked the Secretary of State for the Environment what information he has about which countries other than the United Kingdom are carrying out research into the disposal of intermediate level nuclear waste under the sea bed using coastal sites.

Mr. Moynihan: I have information about the disposal facility under the Baltic at Forsmark in Sweden and about preliminary studies for a similar facility in Finland. I understand that France and Japan are also considering disposal under the sea bed near the coast.

Urban Regeneration Grants

Mr. Rooker asked the Secretary of State for the Environment if he will make a comprehensive statement on the operation of urban regeneration grants giving details of numbers approved, paid, and submitted in each region and the proportion the grant is of the projects approved.

Mr. Trippier: Urban regeneration grant is one of the measures which the Government have introduced in order to encourage new private investment in cities and towns which have been affected by the loss of employment in traditional industries and to bring derelict or unoccupied

land or buildings in these areas back into use. URG is paid direct to developers with proposals for the reclamation and redevelopment of large urban sites of 20 acres or more or for the refurbishment of very large buildings or groups of buildings of 250,000 sq ft of floor space or more. Priority will be given to projects which give the best prospects of private sector investment, and minimise the net outlay by the public sector, in those areas which already have priority under the Government's urban programme. I am greatly encouraged by the amount of interest in URG since the scheme was launched in April. A number of sites, located mainly in the midlands and the north, have been drawn to the Department's attention as possible candidates for URG and I hope it will not be too long before I am able to announce the first offers of assistance.

In the meantime, I would urge private sector developers and property owners with sites which they consider may fit the criteria for URG to get in touch with my Department, from where more detailed guidance can be obtained.

Housing Legislation

Mr. Fatchett asked the Secretary of State for the Environment when his Department plans to issue a White Paper on the Government's proposals for the reform of housing legislation; when the consultative papers will be published; and what subject areas will be covered.

Mr. Waldegrave: These matters are being considered.

Southgarth West

Dr. David Clark asked the Secretary of State for the Environment when he expects to be in a position to reply to the letter of 11 May from the hon. Member for South Shields about Southgarth West.

Mr. Ridley: As soon as my formal decision on this matter is announced, which is likely to be very soon.

Housing (Durham)

Mr. Steinberg asked the Secretary of State for the Environment if he will tabulate for each year since 1979, at constant 1987 prices, the amount requested by Durham city council for its housing investment programme allocation and the amount actually approved by his Department.

Mr. Waldegrave: The position has changed since 1979, in that local housing authorities nationally now fund more than half their capital expenditure from capital receipts, rather than from housing investment programme allocations made by the Department. The proposed capital programmes shown by authorities in their HIP submissions cannot therefore be compared directly with their HIP allocations.

Since 1979 the final HIP allocations made to Durham city council, and its total capital expenditure on housing, have been as follows:

£ million 1987-88 prices

	HIP allocation	*Expenditure*
1979-80	4·785	4·849
1980-81	3·279	3·121
1981-82	2·667	2·589
1982-83	3·550	4·836
1983-84	2·650	4·621
1984-85	2·940	4·712
1985-86	2·400	4·304
1986-87	1·913	[2]5·666
1987-88	[1]1·784	—

[1] Initial HIP allocation
[2] Estimated by the authority on Form HIP2 in July 1986

Mr. Steinberg asked the Secretary of State for the Environment what representations he has received from Durham city council about the level of homelessness and the number of houses in poor repair and the implications of this for the level of Government funding for housing in the city.

Mr. Waldegrave: I have not received any recent representations from Durham city council about these matters which are usually referred to in the authority's annual housing investment programme submission. The council is due to send the submission for 1988-89 to the Department's northern regional office by 13 July.

Performance and Growth

Dr. Cunningham asked the Secretary of State for the Environment if, as in previous years, he will publish expenditure performance and growth tables for 1981-82 to 1987-88, showing also the figures from 1978-79 to 1987-88.

Mr. Ridley: I will place these tables in the House of Commons Library shortly.

Rents

Mr. Michael Brown asked the Secretary of State for the Environment when he intends to introduce legislation to decontrol rents on new lettings.

Mr. Waldegrave: As soon as possible.

Historic Buildings (Report)

Sir Hugh Rossi asked the Secretary of State for the Environment why no reply has yet been issued to the first report from the Environment Committee in Session 1986-87 on historic buildings and ancient monuments, published on 18 February; and if he will now take steps to issue the Government's reply in the form of a Command Paper.

Mr. Ridley: Our planned timetable for replying to the report was overtaken by the dissolution of Parliament. I cannot now reply before the Committee is re-appointed.

Defective Housing

Mr. Wareing asked the Secretary of State for the Environment when he is likely to be able to give a decision on the possible designation of Truscon RD 27 houses under part XVI of the Housing Act 1985.

Mrs. Roe: We are considering the hon. Member's request concerning the designation of these properties under the housing defects legislation and hope to be able to give a decision shortly.

Water Supplies

Mr. Clay asked the Secretary of State for the Environment if he will publish a table showing the average household bill for water rates for each regional water authority in England for 1986-87, the percentage increase on the previous year and the percentage increase between 1979 and 1986-87.

Mr. Moynihan: I refer the hon. Member to the answer given by my right hon. Friend the Secretary of State for the Environment to the hon. Member for Copeland (Mr. Cunningham) on 29 June 1987, at column 46.

Mr. Clay asked the Secretary of State for the Environment if he will publish a table showing the latest figures for the numbers of households where water supplies have been disconnected, showing where possible the reasons for disconnection.

Mr. Moynihan: In 1986-87, about 6,500 households were disconnected by water authorities because of non-payment. Similar information in respect of water companies is not available.

Drins

Dr. David Clark asked the Secretary of State for the Environment (1) if he will place in the Library a copy of the letter he sent to the water authorities on 6 March, 932-19, on the European Community proposals on the drins;

(2) if he will place in the Library the summary note of the first meeting on 28 January of his Department's consultation group on the European Community proposals on the drins.

Mr. Ridley: No. The papers referred to are working documents used in the formulation of Government policy. It is not the practice to make such documents publicly available.

New Parliamentary Building

Dr. Marek asked the Secretary of State for the Environment when he expects to respond to those recommendations addressed to him in the second report from the Select Committee on House of Commons (Services) on the new parliamentary building (phase 2), HC 378, Session 1986-87; and when he now expects to be able to announce a commencement date for works at No.1 Cannon row.

Mr. Chope: I am grateful for the Services Committee report which was published on 1 July. I am considering the recommendations and will respond as soon as possible. I hope to be able to make a full statement about No. 1 Cannon row shortly.

Gipsies

Mr. Ian Taylor asked the Secretary of State for the Environment what assessment he has made as to whether the Caravan Sites Act 1968 gives local authorities sufficient power to regulate unauthorised gipsy encampments; and if he will make a statement.

Mrs. Roe: The eviction powers available to local authorities designated under section 12 of the Caravan Sites Act 1968 were simplified by amendments to the Act in the Local Government, Planning and Land Act 1980. In his announcement on 6 February 1987 of the results of a review of gipsy sites policy, the Secretary of State said there would be no further amendments to the legislation for the present.

Lead-free Petrol

Mr. Fearn asked the Secretary of State for the Environment what information he has as to how many petrol stations in the Merseyside area presently have facilities for lead-free petrol.

Mr. Moynihan: I understand from the United Kingdom Petroleum Industry Association that there are currently five service stations selling unleaded petrol in Merseyside, at Prescot, Birkenhead, Southport, Wallasey and Maghull.

SCOTLAND

Travelling People

Mr. Andrew Welsh asked the Secretary of State for Scotland what advice his Department gives to local authorities regarding the siting of travelling people's facilities and their proximity to existing housing developments.

Lord James Douglas-Hamilton: In circular 34/1984 of November 1984, the Scottish Development Department advised local authorities about arrangements for the grant scheme for sites for travelling people and said that, in choosing a location, authorities should take into account the advice in the third report of the Secretary of State's advisory committee on Scotland's travelling people (HMSO, June 1982). That report indicated that a site should be appropriately located in relation to a number of services and to the settled community, but it did not offer guidance on proximity to existing housing developments.

Stracathro Junction

Mr. Andrew Welsh asked the Secretary of State for Scotland if he will now give a starting date for the construction of the proposed flyover at Stracathro junction.

Lord James Douglas-Hamilton: It is not yet practicable to give a starting date for the construction of the flyover, as this is dependent on the completion of the necessary statutory procedures, by way of a side roads order and compulsory purchase order, and public reaction to them.

Mr. Andrew Welsh asked the Secretary of State for Scotland when he expects to have estimates for the costs of the proposed flyover at Stracathro junction; and if he will detail the steps so far taken in producing this new development.

Lord James Douglas-Hamilton: I expect to have estimated costs within the next few weeks. Tayside regional council, as agent authority, are working on the design of the scheme and details relevant to the necessary statutory orders. This material will be with the Scottish Development Department shortly.

Civil Servants

Mr. Batiste asked the Secretary of State for Scotland how many civil servants are employed in his Department; and what is its budgeted expenditure for the current year.

Mr. Rifkind: At 1 July 1987, 6,618 staff were employed in the Scottish Office, 3,238 in the Scottish prisons service and a total of 2,144½ in the four minor Departments for which I am responsible (Scottish Record Office, General Register Office (Scotland), Department of the Registers of Scotland and the Scottish Courts Administration); the respective running cost limits for 1987-88 are £110·961 million, £61·101 million and £37·040 million.

Students

Mr. Tom Clarke asked the Secretary of State for Scotland if he will list the percentage of students in receipt of SED awards who receive the maximum parental contribution.

Mr. Michael Forsyth: In academic session 1985-86, the latest period for which figures are available, 21·1 per cent. of SED award-holding students received no standard maintenance allowance, either because their parents were assessed as liable for the maximum parental contribution or because no claim for maintenance was made.

Information on parental contributions actually made is not available; that is a matter between the students and their parents.

Psychiatric Hospitals

Mr. Tom Clarke asked the Secretary of State for Scotland if he has a target figure for the number of *(a)* physiotherapists, *(b)* occupational therapists, *(c)* clinical psychologists, *(d)* social workers in psychiatric hospitals and *(e)* psychiatrists required to work with the mentally ill in Scotland; and if he will state the current numbers employed in each category.

Mr. Michael Forsyth: Target figures have not been set for these professions working with the mentally ill, the numbers employed being agreed by local management. 211 consultant psychiatrists work with the mentally ill in Scotland. 150 social workers employed by local authorities work in psychiatric hospitals or psychiatric units. For the other professions, the information is not held centrally in the form requested.

Mr. Tom Clarke asked the Secretary of State for Scotland what was, separately, the number of men and women in Scottish psychiatric hospitals for each of the years 1980 until 1986.

Mr. Michael Forsyth: The information requested is as follows:

Scottish Psychiatric Hospitals[1] : Residents

Residents[2]	*Male*	*Female*
1980	10,260	11,656
1981	9,997	11,607
1982	9,733	11,452
1983	9,519	11,320
1984	9,309	11,110
1985	8,952	10,967

[1] Mental Illness and Mental Handicap.
[2] At 31 December.
Information for 1986 is not yet available.

Mr. Tom Clarke asked the Secretary of State for Scotland if he will publish a table in the *Official Report* showing the Scottish psychiatric hospitals and the number of patients in each hospital on 11 June.

Mr. Michael Forsyth: Information for the day in question is not held centrally. Psychiatric hospital in-patients statistics are published annually by health board area in "Scottish Health Statistics", a copy of which is available in the Library.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of patients, and their percentage of the total number of patients in Scottish psychiatric hospitals, who have been in Scottish psychiatric hospitals for *(a)* under one year, *(b)* under five years, *(c)* under 10 years, and *(d)* over 10 years.

Mr. Michael Forsyth: The latest information available is as follows:

Distribution of residents[1] in Scottish psychiatric hospitals[2] by length of stay: 1985

	Number	*Percentage*
Less than one year	5,229	26
Less than five years	9,896	49
Less than 10 years	12,085	61
10 years of more	7,834	39
Total	19,919	100

[1] At 31 December.
[2] Mental illness and mental handicap.

Occupational Therapists

Mr. Tom Clarke asked the Secretary of State for Scotland what is the total number of qualified occupational therapists working with people with mental illness in Scotland for each of the years 1980 to 1986.

Mr. Michael Forsyth: Information collected centrally does not identify separately those occupational therapists employed in the NHS and by local authorities working with the mentally ill some of whom may be having treatment in psychiatric hospitals, general hospitals, local authority accommodation or at home.

The total numbers of qualified occupational therapists employed by health boards and local authority social work departments are shown in the following table. All figures are whole-time equivalents.

	Health boards (at September)	*Local authority social work departments (at October)*
1980	304·1	158·0
1981	319·5	169·0
1982	340·2	175·0
1983	371·0	185·0
1984	380·4	190·0
1985	414·7	196·0
1986	469·3	[1]198·0

[1] Provisional figure at 6 October 1986.

Schizophrenia

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of people in Scotland estimated to be suffering from *(a)* schizophrenia, *(b)* dementia and *(c)* severe drinking problems.

Mr. Michael Forsyth: It is not possible to assess accurately the number of people with these conditions as not all sufferers come into contact with medical or other services.

Prescriptions

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of prescriptions for sleeping tablets, tranquillisers and anti-depressants issued in Scotland for each of the years 1980 to 1986.

Mr. Michael Forsyth: The following table gives the information for the relevant therapeutic categories. This is abstracted from the annual HMSO publication "Scottish Health Statistics" which is available in the Library. The figures for the full year 1986 are not yet available but those for the first nine months are given.

[1]Therapeutic Classification	1980	1981	1982	1983	1984	1985	Million [2]1986
Hypnotics	1·772	1·758	1·831	1·815	1·825	1·770	1·306
Sedatives/Tranquillisers	2·116	2·098	2·078	1·752	1·651	1·449	1·031
Anti-depressants	0·592	0·630	0·610	0·602	0·653	0·636	0·542
Anti-depressants/ tranquilliser combinations	0·082	0·083	0·074	0·070	0·056	0·036	0·017

[1] Estimated using a sample of approximately one per cent. of prescriptions dispensed in Scotland by chemist contractors (i.e. excluding prescriptions dispensed by dispensing doctors).
[2] January-September 1986.

Prison Disturbances

Mr. Tom Clarke asked the Secretary of State for Scotland if he will list for each Scottish prison the number and dates of all disturbances since 1982.

Lord James Douglas-Hamilton: Providing a list of all disturbances, however minor, which have occurred in Scottish penal establishments since 1982 would require disproportionate staff resources. I am therfore listing only incidents which could be categorised as serious because of the nature of the incident or the extent of the damage caused.

	Establishment	Nature of Incident
1982		
7 May	Peterhead	Major disturbance.
17 August	Edinburgh	Attempt to reach roof.
1983		
16 October	Peterhead	Major disturbance.
1984		
9-10 January	Peterhead	Staff evicted from hall.
1985		
13 March	Peterhead	Staff taken hostage in escape attempt.
15 April	Dumfries	Prisoner taken hostage.
2 November	Peterhead	Staff taken hostage in escape attempt.
1986		
2-3 July	Peterhead	Hostage incident.
21 October-2 November	Edinburgh	Hostage incident.
9-13 November	Peterhead	Hostage incident.
1987		
5-19 January	Barlinnie	Hostage incident.

Holy Loch

Mr. Strang asked the Secretary of State for Scotland what planning requirements exist for future developments at Holy Loch base.

Lord James Douglas-Hamilton: Planning proposals for any future development at the Holy Loch base would be brought forward by the Ministry of Defence and would be subject to the planning procedures that apply to all developments by Government Departments. These procedures are set out in Scottish Development Department circular 21/1984, a copy of which has been placed in the Library of the House.

Health Boards

Mr. Galbraith asked the Secretary of State for Scotland if he will list each member of every health board in Scotland, and the source of their nomination.

Mr. Michael Forsyth: I shall reply to the hon. Member as soon as possible.

Mentally Handicapped and Disabled Persons

Mr. Tom Clarke asked the Secretary of State for Scotland (1) if his Department has set a target for the provision of places for the mentally ill or mentally handicapped in each of the following: *(a)* group homes, *(b)* hostels and *(c)* day hospitals;

(2) whether the Government have set a Scottish target for the provision of places in full-time day centres for *(a)* the mentally ill, *(b)* the mentally handicapped and *(c)* the physically handicapped.

Mr. Michael Forsyth: No formal targets for the provision of residential or day care places for any of the three groups mentioned have been set in the recent past. Suggested figures in a 1979 report by the mental disorder programme planning group of the Scottish Health Services Planning Council have served to stimulate progress but have been overtaken by more recent consideration of the subject.

Local authorities are aware of the Government's view that due priority should be given to the promotion of community care, and in consultation with health boards they are well placed to judge the particular needs of their areas. Considerable progress is being made already, for example in the provision of day care places for the mentally handicapped which have risen from 4,705 in March 1977 to a provisional figure of 6,995 in March 1986.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of group homes or hostels for the mentally ill run by or known to social work departments in Scotland and the number of places they contain.

Mr. Michael Forsyth: The latest available information is as follows:

Group homes and hostels for the mentally ill at 31 March 1986

	Group homes	*Hostels*
Local Authority		
Number of homes	25	4
Number of places	110	40
Other		
Number of homes	104	1
Number of places	410	20

There are, in addition, four fully staffed homes with 64 places at the same date.

SHARE Formula

Dr. Moonie asked the Secretary of State for Scotland when he now proposes to implement the SHARE formula in full.

Mr. Michael Forsyth: The SHARE formula has been fully implemented each year since 1978-79 and this has resulted in a much fairer distribution of available resources to health boards.

Breast Cancer Screening

Mr. McLeish asked the Secretary of State for Scotland (1) if the Scottish Home and Health Department has discussed with health boards the steps which have to be taken to establish a breast cancer screening service in Scotland; and if he will make a statement;

(2) if progress has been made in Scotland on the implementation of the Forrest recommendations on breast cancer screening;

(3) when he expects to announce details of his decision on the 10 centres which were suggested in the Forrest report on breast cancer screening.

Mr. Michael Forsyth: Discussions are continuing with health boards and other interested parties about the implementation of the recommendations on breast cancer screening contained in the Forrest report. Subject to these discussions, I would hope to be able to make an announcement about the location of the first centres in the autumn.

Breast and Cervical Cancer

Mr. McLeish asked the Secretary of State for Scotland how many women have died of breast and cervical cancer in 1986 in Scotland as a whole and in each of the health board areas.

Mr. Michael Forsyth: The information requested is given in the table below:

Deaths from Breast[1] and Cervical Cancer[2] by Health Board Area, Scotland, 1986 (Provisional)

	Breast Cancer	*Cervical Cancer*
Scotland	1,313	199
Borders	37	10
Central	67	8
Dumfries & Galloway	31	11
Fife	90	12
Grampian	101	15
Highland	51	10
Lothian	197	25
Argyll & Bute	112	17
Ayr & Arran	85	20
Greater Glasgow	264	33
Lanarkshire	132	22
Tayside	121	12
Orkney	2	—
Shetland	10	—
Western Isles	13	4

[1] International Classification of Disease Code 174.
[2] International Classification of Disease Code 180.

Universities (Funding)

Mr. Tom Clarke asked the Secretary of State for Scotland when appointments will be made to the Scottish Committee of the Universities Funding Council; and if he will seek nominations from representative groups of Scottish opinion.

Mr. Michael Forsyth: It will only be possible to make appointments after the Universities Funding Council has been established, which the Government propose to do by legislation to be introduced during the current session. Appointments to the committee will be a matter for the council, in consultation with my right hon. and learned Friend. We envisage that the committee will include members in individual rather than representative capacities.

Higher Education

Mr. Tom Clarke asked the Secretary of State for Scotland if he will state what progress has been made in broadening access to Scottish higher education through wider recognition of the national certificate.

Mr. Michael Forsyth: This is a matter primarily for the Scottish Vocational Education Council to take forward as the custodian of the national certificate. I understand that, following discussions with SCOTVEC the Scottish Universities' Council on Entrance has agreed to recommend to individual universities in Scotland that they make sympathetic use of waiver arrangements in the case

of deserving candidates with national certificate qualifications. SCOTVEC and SUCE have agreed that the performance of first year students gaining admission to universities either solely on the basis of national certificate modules or on a mixture of national certificate modules and other qualifications should be closely monitored.

To assist admissions officers and staff in the various specialist departments in institutions of higher education in Scotland in dealing with students who hold the national certificate, my Department is funding the appointment of four development officers by SCOTVEC to assist admission staff in better equipping themselves to interpret and make an assessment of the qualifications offered by applicants. This exercise is intended to build on discussion begun at a conference sponsored by my Department last February at which representatives of SCOTVEC, the Council for National Academic Awards, the universities and central institutions met to consider how progression from national certificate to higher education might be enhanced.

Whatever national initiatives are undertaken, it is, of course, open to individual institutions to make their own arrangements at a local level to encourage national certificate students to move on to higher education. A good example of this is an initiative in the west of Scotland where a working party has been set up, consisting of representatives of Glasgow and Strathclyde universities, Paisley and Glasgow colleges of technology and further education colleges managed by Strathclyde region, specifically to devise national certificate modular programmes which, if successfully completed, would give direct access to first degree courses in business studies and engineering at the two universities as well as to HND and degree courses at the two central institutions. The aim is to construct programmes which will be of particular relevance to young people from disadvantaged backgrounds, to adults without formal qualifications, or to those seeking to enhance their employment prospects through a reorientation of their qualifications. This is an extremely encouraging development which I am sure will be of interest to other institutions.

Mr. Tom Clarke asked the Secretary of State for Scotland what representations he received from the general councils, students' representative councils, student unions, student associations and trade unions of the eight Scottish universities regarding future control of Scottish higher education following his statement in the House of Commons on 1 April 1987.

Mr. Michael Forsyth: My right hon. and learned Friend has received representations from the general council of the university of Edinburgh.

Mr. Tom Clarke asked the Secretary of State for Scotland what plans he has for the future development of adult and continuing education in Scotland.

Mr. Michael Forsyth: Provision for the development of adult and continuing education in Scotland is made through the normal rate support grant arrangements with local authorities. This allows for flexibility in the allocation of priorities by each region in order to respond to local requirements.

To establish close links with industry and commerce, additional central government funds are allocated to the joint Manpower Services Commission and Scottish Education Department programme of local collaborative projects. Under this scheme, educational establishments collaborate with local industrial and commercial interests to identify particular training requirements in their areas.

In 1986, the Scottish PICKUP (Professional, Industrial and Commercial Updating) programme was launched to promote the recognition of and the provision of updating courses for people already in employment. This is a rolling programme of projects funded by central Government and extending over three years to 1988-89.

The Workers Educational Association receives funds annually for the promotion of adult education throughout Scotland and have power to direct their expenditure in accordance with their income.

Mr. Tom Clarke asked the Secretary of State for Scotland what representations relating to the future control of Scottish tertiary education he has received from student organisations, trade unions, governing bodies and individuals in the Scottish central institutions and colleges of education.

Mr. Michael Forsyth: Following his statement on 1 April 1987, my right hon. and learned Friend has received representations from the Joint Committee of Principals of Colleges of Education and the Principals and Directors of Central Institutions and separately from the Royal Scottish Academy of Music and Drama.

Mr. Tom Clarke asked the Secretary of State for Scotland what representations he has received from the General Council of Edinburgh University regarding the control of Scottish higher education; what reply he has sent; and if he will make a statement.

Mr. Michael Forsyth: My right hon. and learned Friend has recently received a letter regretting his decision, announced on 1 April 1987 at column 1107, that the Scottish universities would continue to be funded alongside other universities in Great Britain through the new Universities Funding Council; and suggesting that the members of the Scottish committee of the new council should be appointed by my right hon. and learned Friend in consultation with the Scottish universities and colleges.

My right hon. and learned Friend has replied pointing out the divergence in views between the general council and the university of Edinburgh which, like the majority of the other Scottish universities, did not favour funding of the universities through a Scottish body; and saying that he would consider the method of appointment of members to the Scottish committee in the light of responses to the recent consultative exercise.

Torness Nuclear Power Station

Mr. Darling asked the Secretary of State for Scotland if any emergency exercises are to be carried out at Torness nuclear power station before it is fully operational.

Mr. Lang: The SSEB has already demonstrated its emergency arrangements to the satisfaction of the NII, and as part of its own on-going programme the board will carry out further emergency exercises during the commissioning period of the power station. This will be independent of any further exercises determined by the Inspectorate in implementation, as it considers necessary, of the site licence requirements.

Mr. Darling asked the Secretary of State for Scotland when he expects that the Torness nuclear power station will be commissioned and electricity generated for the national grid.

Mr. Lang: I am advised by SSEB that they expect that the first reactor at Torness will be commissioned towards the end of 1987. The second reactor is planned to be in operation before the end of the current financial year.

Mr. Darling asked the Secretary of State for Scotland when he expects the Nuclear Installations Inspectorate to grant consent for the final fuel loading at Torness nuclear power station.

Mr. Lang: I am advised by the South of Scotland Electricity Board that it hopes shortly to obtain the necessary approval from the nuclear installations inspectorate to allow fuel loading at the first reactor.

Mr. Darling asked the Secretary of State for Scotland if the modifications to the control rod guide tubes at Torness nuclear power station have been completed; and whether the modifications have delayed the commissioning of the power station.

Mr. Lang: I am advised by the SSEB that the necessary modifications to the control rod guide tubes at Torness have now been completed and the approval of the nuclear installations inspectorate is being sought. The requirement to investigate and remedy the problem with the guide tubes has caused some delay to the commissioning of the first reactor, but the station is expected to be fully commissioned substantially to programme.

YTS (Argyll and Bute)

Mrs Ray Michie asked the Secretary of State for Scotland how many people there are on youth training schemes in Argyll and Bute at the moment; and what change there has been over the last year.

Mr. Lang: In Argyll and Bute district, 250 young people were participating in YTS at 30 June 1987, compared with 158 participants at 30 June 1986.

BBC Glasgow (Police Raid)

Mr. Dalyell asked the Secretary of State for Scotland whether the procurator fiscal is still involved in consideration of the evidence involved in the police raid on the BBC in Glasgow on Sunday 1 February; and if he will make a statement.

Lord James Douglas-Hamilton: No. A number of reports from the procurator fiscal are being considered by the Law Officers. I have nothing to add.

Water Supplies

Mr. Clay asked the Secretary of State for Scotland if he will publish a table showing the average household bill for water rates for each regional water authority in Scotland for each year separately between 1979 and 1987.

Mr. Lang: The table shows the average household water bill for each regional authority in Scotland for each year between 1979-80 and 1987-88.

	1979-80 £	*1980-81* £	*1981-82* £	*1982-83* £	*1983-84* £	*1984-85* £	*1985-86* £	*1986-87* £	*1987-88* £
Regional authorities									
Borders	14·86	18·01	22·15	22·31	22·51	25·81	22·56	28·42	32·58
Central	6·96	11·75	16·59	23·83	16·79	16·89	18·88	28·42	29·77
Dumfries and Galloway	15·23	17·53	18·80	25·63	24·65	24·80	24·57	24·69	24·80
Fife	7·44	14·81	19·92	17·55	20·19	20·14	25·06	22·06	25·31
Grampian	19·21	23·79	26·24	28·75	29·82	31·19	34·12	36·81	40·97
Highland	15·22	17·26	27·16	29·41	27·64	25·96	26·00	28·71	28·87
Lothian	10·59	16·02	24·23	24·38	21·78	24·65	26·31	35·19	44·87
Strathclyde	11·93	14·48	19·44	24·48	22·18	24·81	26·26	19·78	26·33
Tayside	10·75	13·02	17·57	19·96	20·10	20·26	24·49	24·63	27·86
Island councils									
Orkney	12·25	15·86	20·66	24·59	27·20	28·66	29·63	31·12	35·01
Shetland	13·21	17·11	12·39	10·10	14·67	7·74	12·02	12·19	10·61
Western Isles	10·04	13·12	17·16	20·40	22·89	24·24	24·11	28·47	30·16

Mr. Clay asked the Secretary of State for Scotland if he will publish a table showing the figures for the numbers of households where water supplies have been disconnected, showing where possible the reasons for disconnection, for each year separately between 1979 and 1987.

Lord James Douglas-Hamilton: This information is not held centrally. A water authority (regional or islands council) would disconnect a household's supply only on account of operational reasons. These would include repairing leaks in household plumbing systems or in burst systems, making connections and lining pipes.

Terrorism

Mr. Soley asked the Secretary of State for Scotland if, when an application is made for an extension of detention for a loyalist suspect by the police in Scotland, it is considered directly by the Scottish Office, as stated by Lord Jellicoe in his 1984 review of the operation of the Prevention of Terrorism (Temporary Provisions) Act 1984 (Cmnd. 8803: paragraph 30).

Lord James Douglas-Hamilton: Yes.

Rating Reform

Mr. Dewar asked the Secretary of State for Scotland if he will give the estimated level of personal community charge in each regional and district council area in Scotland that would be required in the current financial year if the Abolition of Domestic Rates (Scotland) Act were in force.

Mr. Rifkind [*pursuant to his reply*, 8 July 1987, c. *187*]: The estimated levels of personal community charge required to replace domestic rate income in 1987-88 are as follows:

Authority	*District*	*Region (excluding water)*	*Community water charge*	*Total*
Borders	35	138	24	197
Berwickshire	33	138	24	195
Ettrick and Lauderdale	33	138	24	195
Roxburgh	39	138	24	201
Tweeddale	32	138	24	194
Central	57	152	16	225
Clackmannan	54	152	16	222
Falkirk	45	152	16	213
Stirling	81	152	16	249
Dumfries and Galloway	34	138	18	190
Annadale and Eskdale	36	138	18	192
Nithsdale	36	138	18	192
Stewartry	34	138	18	190
Wigtown	28	138	18	183
Fife	45	171	17	234
Dunfermline	37	171	17	225
Kirkcaldy	49	171	17	237
North East Fife	53	171	17	241
Grampian	41	121	27	189
Aberdeen City	52	121	27	200
Banff and Buchan	32	121	27	180
Gordon	40	121	27	188
Kincardine and Deeside	27	121	27	175
Moray	28	121	27	176
Highland	32	154	21	207
Badenoch and Strathspey	33	154	21	208
Caithness	30	154	21	205
Inverness	30	154	21	205
Lochaber	42	154	21	217
Nairn	33	154	21	208
Ross and Cromarty	37	154	21	212
Skye and Lochalsh	25	154	21	200
Sutherland	22	154	21	197
Lothian	63	197	26	285
East Lothian	67	197	26	289
Edinburgh City	67	197	26	289
Midlothian	58	197	26	281
West Lothian	50	197	26	272
Strathclyde	70	191	18	279
Argyll and Bute	62	191	18	270
Bearsden and Milngavie	80	191	18	289
Clydebank	59	191	18	268
Clydesdale	55	191	18	263
Cumbernauld and Kilsyth	57	191	18	266
Cumnock and Doon Valley	48	191	18	256
Cunninghame	71	191	18	279
Dumbarton	73	191	18	281
East Kilbride	50	191	18	259
Eastwood	61	191	18	269
Glasgow City	86	191	18	294
Hamilton	66	191	18	275
Inverclyde	54	191	18	263
Kilmarnock and Loudoun	59	191	18	268
Kyle and Carrick	65	191	18	274
Monklands	58	191	18	266
Motherwell	53	191	18	262
Renfrew	75	191	18	283
Strathkelvin	65	191	18	274
Tayside	59	160	19	238
Angus	40	160	19	219
Dundee City	77	160	19	256

Authority	District	Region (excluding water)	Community water charge	Total
Perth and Kinross	48	160	19	226
Orkney Islands	0	75	27	101
Shetland Islands	0	95	7	102
Western Isles	0	96	21	117
All Scotland	59	174	20	253

Notes:

(1) Figures for regions are averages of their component districts; the figure for Scotland as a whole, is an average of all regions and islands.

(2) The total charge may not be the sum of the constituent parts, as a result of rounding.

(3) The figures for Lothian regional council and Edinburgh district council take account of the rate reductions proposed by the Secretary of State in the reports he laid before Parliament on 10 July. The figure for Clackmannan district council takes account of a rate reduction which the Council propose to make, as announced on 10 July.

Written Answers to Questions

Tuesday 14 July 1987

AGRICULTURE, FISHERIES AND FOOD

CAP (Surpluses)

Mr. John asked the Minister of Agriculture, Fisheries and Food (1) if he will set out the amounts of common agricultural policy surplus production held in each of the stores used for that purpose in the United Kingdom;

(2) what is the location, by town, of the stores used for the storage of common agricultural policy surpluses in the United Kingdom.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Milk Quota

Mr. Livsey asked the Minister of Agriculture, Fisheries and Food if, in view of the effects of delay on United Kingdom dairy farmers, he will immediately allow the Milk Marketing Board to organise milk quota leasing in the United Kingdom.

Mr. Donald Thompson: I shall reply to the hon. Member as soon a possible.

Council of Agriculture Ministers

Mr. Boswell asked the Minister of Agriculture, Fisheries and Food what was the outcome of the Council of Agriculture Minsters' meeting held in Luxembourg on Monday 13 July; and if he will make a statement.

Mr. MacGregor: I represented the United Kingdom at this meeting. The Council agreed, subject to the opinion of the European Parliament, on arrangements for the funding of agricultural expenditure from the Community budget. The decision implements the conclusions reached by Heads of Government at their meeting on 29 and 30 June that the present system of advance payments should be changed.

Instead of member states making guarantee payments to farmers and others *after* they have received funds from the Community budget, they will make the payments in advance, out of their own finances. There will be a delay of two months before member states are reimbursed from Community funds and this will have the effect of removing the budget deficit for agriculture in 1987. This system will continue until such time as final arrangements are made for the future financing of the Community.

Payments to farmers and other recipients will not be affected by the change.

It was important to establish that the adjustment of the advances system will result in no extra cost to the Community budget in 1988 and subsequent years, and this has been achieved. Provision is made for limited interest payments to be made in the short-term to certain member states.

This year's price fixing and budget are finally settled. We must continue to focus on finding longer term solutions to the problems of budgetary discipline in the interests of farmers and taxpayers as a whole. Britain has already put forward ideas which the Commission is considering.

HOME DEPARTMENT

Detained Persons

Mr. Cox asked the Secretary of State for the Home Department (1) what rights and conditions apply to people *(a)* being held on remand in police cells and *(b)* serving a prison sentence;

(2) what are the rights of people being held on remand in police cells as to visits; and if he will make a statement as to his Department's policy in this matter.

Mr. John Patten: The conditions under which sentenced and unsentenced prisoners are held in prison department establishments are laid down in "The Prison Rules 1964" as amended. These do not extend to prisoners held in police cells. However, such prisoners are covered by the relevant sections of the code of practice for detention, questioning and treatment of persons by police officers issued under the Police and Criminal Evidence Act 1984.

Mr. Cox asked the Secretary of State for the Home Department what was the number of *(a)* men and *(b)* women being held in police cells in the United Kingdom on 1 July; and what was the longest period of time a person on remand had been held under such conditions on that date.

Mr. John Patten: On 3 July, the nearest date for which reliable figures are available, the number of men being held in police and court cells in England and Wales was 511 and the number of women was 109. The longest period of time that a person on remand had been so held was 65 days.

Mr. Cox asked the Secretary of State for the Home Department what has been the number of people held in police cells in the United Kingdom for each month since January 1965.

Mr. John Patten: The readily available information relates to the last Friday of each month when the numbers of prisoners held in police cells in England and Wales were as follows:

	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
January	—	1,461	—	107	71	5	53	337
February	—	—	—	201	189	—	56	315
March	—	—	—	415	146	2	16	332
April	—	—	—	296	13	89	139	211
May	—	—	—	353	21	26	114	324
June	—	—	—	340	37	51	154	506
July	—	—	—	269	—	47	214	

	1980	1981	1982	1983	1984	1985	1986	1987
August	—	—	—	233	—	55	89	
September	—	—	119	250	1	28	188	
October	3,497	—	41	259	13	13	106	
November	3,494	—	170	568	18	42	195	
December	3,454	—	—	33	—	—	59	

There are no records available prior to 1980 and information relating to the years 1980 and 1982 is incomplete.

Mr. Cox asked the Secretary of State for the Home Department why people, whose homes are in London and who have been remanded in custody by courts in London, are being held in police cells many miles away from London.

Mr. John Patten: The continuing rise in the prison population, particularly those remanded in custody, has led to the increasing use of police cells to accommodate some remand prisoners. The pressure on police cells in the Metropolitan police district has made it necessary for the police to look outside London for short term accommodation.

Entry Clearance

Mr. Cohen asked the Secretary of State for the Home Department on how many occasions since 1979 visa officers have appealed against an adjudicator's determination to allow an application for entry clearance; and if he will give a breakdown (i) by post of application in the sub-continent and (ii) by year.

Mr. Renton: The available information compiled from statistics maintained by the independent appellate authorities is given in the table. No record is kept for individual posts and prior to 1984 no separate figures were kept for the Indian sub-continent.

Appeals to the Immigration Appeal Tribunal from decisions by adjudicators to allow appeals against refusal of entry clearance

	Commonwealth	Non-Commonwealth	EC
1979	47	50	0
1980	33	21	1
1981	21	19	0
1982	28	20	0
1983	23	18	1

	India/ Bangladesh	Pakistan	Other Commonwealth	EC	Others
1984	32	3	10	0	0
1985	20	10	4	0	5

	Indian	Bangladesh	Pakistan	EC	Others
1986	12	24	27	0	10

Mr. Cohen asked the Secretary of State for the Home Department how many people have been refused visitor's entry clearance, since the new system was introduced, on the grounds that the immigration officer was not satisfied that the applicant was genuinely seeking entry for only the period of the visit stated by him; and if he will give a breakdown by each post considering applications in the sub-continent.

Mr. Renton: Information is available centrally only on all applications refused for a visit visa, irrespective of the reason for refusal, and is given in the following table:

Applications refused initially in the Indian sub-continent for a visit visa to the United Kingdom

Number of persons

	1986 [1] 4th quarter	1987 1st quarter	1987 April
Dhaka	600	370	180
Bombay	100	120	90
New Delhi	360	590	260
Calcutta	[2] —	10	—
Madras	30	40	30
Islamabad	440	590	410
Karachi	290	400	150

[1] Including applications refused for a visit entry clearance in the period 1 to 14 October.
[2] 5 or fewer.

Remand Centres

Mr. Pike asked the Secretary of State for the Home Department what proposals his Department has to improve conditions at remand centres.

Mr. John Patten: In the short term implementation of proposals in "A Fresh Start" and the court escort scrutiny will allow staff to be deployed more flexibly and to better effect, providing a sound organisational base for improvements in regime standards for prisoners. In the longer term we are giving priority to measures designed to reduce overcrowding and modernise old buildings throughout the prison estate, including remand centres. The current prison building programme will provide over 17,000 additional places by the mid-1990s in existing and new establishments and we are undertaking extensive modernisations and refurbishment at about 100 establishments, including almost all the Victorian prisons.

Offenders (Hostels)

Mr. Irving asked the Secretary of State for the Home Department what is the average cost to his Department of a place in a voluntary after-care hostel for offenders.

Mr. John Patten: About £1,000 per annum, but there is considerable variation around this figure according to the type of hostel and the facilities provided.

Feltham Youth Custody Centre

Mr. Ground asked the Secretary of State for the Home Department what progress he has made towards reaching an agreement with the Prison Officers' Association concerning staffing and security at the new remand building due to open at the Feltham youth custody centre on 12 July.

Mr. John Patten: Progress has been made towards reaching agreement with the Prison Officers' Association on matters connected with the new remand building at

Feltham youth custody centre. The opening date of 12 July has been postponed for a few days to allow further talks to take place.

Inner-City Crime

Mr. Heddle asked the Secretary of State for the Home Department what additional measures he proposes to take to combat crime in the inner cities.

Mr. John Patten: We are developing a range of measures to make our cities safer places. We are evaluating the lessons learned from our "Five Towns" local crime prevention initiative with a view to establishing similar arrangements in other urban areas. For this purpose, we shall again be working with the police and seeking the co-operation of local authorities and the private and voluntary sectors. We shall continue our efforts to encourage and support chief police officers in their endeavours to put more police officers on the streets. We will work with other government departments to build on the valuable contribution they are already making to the prevention of crime through the policies and programmes for which they are responsible.

EDUCATION AND SCIENCE

Play Areas (Surfaces)

Dame Peggy Fenner asked the Secretary of State for Education and Science if his Department issues recommendations or guidelines on safe surfaces in children's playgrounds or recreation areas for schoolchildren; and if he will make a statement.

Mr. Dunn: I refer my hon. Friend to the reply I gave on 1 July to the hon. Member for Gateshead, East (Ms. Quin) at column *86*.

ENERGY

Electricity Industry

Mr. Lord asked the Secretary of State for Energy what part of the electricity supply system and ancillary companies will be privatised; and if he will list them.

Mr. Parkinson: Detailed proposals for the privatisation of the electricity supply industry are still being developed.

Nuclear Installations Inspectorate

Mr. Lofthouse asked the Secretary of State for Energy what effect he estimates the limited resources and understaffing of the Nuclear Installations Inspectorate identified by the Chief Inspector in evidence to the Energy Committee on 6 May have on *(a)* the safety of nuclear installations and *(b)* the development of the nuclear industry.

Mr. Parkinson: The legal responsibility for the safety of a nuclear installation lies with the site operator. The responsibility of the NII is to see that appropriate standards are developed, achieved and maintained by the licensee to ensure that the necessary safety precautions are taken and to monitor and regulate the safety of the plant by means of its powers under the licence.

Although the NII has had staffing shortages, it has nonetheless been able to maintain the required standards of safety, by giving priority to the inspection and assessment of operating plant, but with the consequent risk of some delay to other projects. However, following a special salary increase a recruitment campaign is now under way which is expected to bring the NII up to full strength.

Mr. Lofthouse asked the Secretary of State for Energy if he will make a statement on the recommendations contained in paragraph 17 of the second report and paragraph 3 of the third special report of the Energy Committee, Session 1986-87, with regard to the implications for the nuclear industry of the understaffing of the Nuclear Installations Inspectorate.

Mr. Cope: I have been asked to reply.

Two substantial increases in the salary scales for all nuclear installations inspectors have recently been agreed and it is expected that this will enable the inspectorate to attract recruits with the expertise and skills required and to bring its staff up to the numbers planned for 1987-88. A recruitment competition is now under way.

Energy Committee (Second Report)

Mr. Lofthouse asked the Secretary of State for Energy when he intends to respond to the second report of the Energy Committee, Session 1986-87.

Mr. Parkinson: With regard to the Committee's recommendation on NII staffing, the Government have agreed to a further pay award for nuclear inspectors to make NII salaries fully competitive with the rest of the industry. An extensive recruitment campaign is now under way and has attracted considerable interest.

I hope to be able to respond shortly to the Committee's recommendation on decommissioning costs.

Small Businesses

Mr. David Shaw asked the Secretary of State for Energy if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Parkinson: My Department takes full account of the needs of small businesses in considering the adoption or revision of measures for which it is responsible.

Small businesses, like larger ones, will have benefited from measures to encourage competition and stimulate efficiency in energy supply and use. They will also have shared in the benefits from a range of measures, including:

—information and advice schemes to help firms use energy more efficiently;
—support for research and development in new energy technologies; and
—promotion of the offshore supplies industry.

Because the span of these activities is so wide, it is not possible to single out their impact on different sizes of company: some individual measures have, however, been of particular benefit to small business. An example of this is the Energy Efficiency Office's support of projects to draughtproof the homes of low-income groups. Much of the new and expanding market for the materials concerned, worth perhaps £10 million in the current financial year, will be supplied by small companies.

In addition, £40 million has been made available to British Coal Enterprise to help create jobs in coalfield

areas. This has contributed directly to the creation of 18,506 new job opportunities in 1,399 individual projects, many in new, often small, businesses. The company's investment of £31·5 million so far has attracted additional finance from other sources of almost £200 million.

WALES

Ogwr Health District (Staff Shortage)

Mr. Win Griffiths asked the Secretary of State for Wales what representations he has received from the chief administrative nursing officer of the Mid Glamorgan health authority about the shortfall of staff for health visitor and community nursing services in the Ogwr health district based on the Telford guidelines; and if he is prepared to provide extra funds to make up this shortfall in the Ogwr health district.

Mr. Grist: None. The distribution of manpower and other resources to the various units of the district health authority are matters falling to its own operational and managerial responsibility.

S4C (Viewing Audience)

Mr. Alan W. Williams asked the Secretary of State for Wales (1) if estimates are available county by county of the average viewing audience of Welsh-language television programmes broadcast by Sianel 4 Cymru;

(2) what are the latest estimates of the average number of viewers of Welsh-language television programmes broadcast by Sianel 4 Cymru.

Mr. Wyn Roberts: This information is not held centrally.

ADAS (Welsh Language)

Mr. Geraint Howells asked the Secretary of State for Wales how many of the employees of the Agricultural Development and Advisory Service in each of the Welsh counties speak Welsh; and if he will make a statement.

Mr. Peter Walker: The number of employees of the Agricultural Development and Advisory Service in the Welsh counties who speak Welsh is:

	Number
Gwynedd	20
Dyfed	18
Clwyd	9
Powys	4
Mid Glamorgan, South Glamorgan, West Glamorgan and Gwent	5

In addition, there are a further 60 Welsh speakers located at the centralised specialist establishments in Wales, that is ADAS headquarters, sub centres and veterinary investigation centres.

Housing

Mr. Wigley asked the Secretary of State for Wales what was the current and capital expenditure per head on housing in Wales during the last year for which figures are available.

Mr. Grist: Local authorities current and capital expenditure per head for 1986-87 is:

	£ per head
Current	49·32
Capital	62·68

Current expenditure relates to both the housing revenue account and rate fund revenue account but excludes any expenditure on advances under the Housing and Small Dwellings Acquisition Acts, expenditure by the Housing Corporation, any Housing Benefit expenditure and Debt charges.

Capital expenditure is shown gross of receipts but excluding leasing, and Housing Corporation expenditure.

Capital expenditure including Housing Corporation is £81·00 per head.

Community Charge

Mr. Win Griffiths asked the Secretary of State for Wales if he will estimate how many second homes in each borough in Wales will not be rated when the poll tax is operating in full; and what will be the loss of revenue on present charges for each borough as a result of this.

Mr. Peter Walker: All domestic hereditaments, including second homes, will cease to be rated when the community charge is in full operation. Owners of second homes will instead pay a standard charge to the local authority where the property is situated. The standard charge will normally be equivalent to two units of community charge; but local authorities will have power to set lower standard charges.

Mr. Win Griffiths asked the Secretary of State for Wales (1) if he will estimate what is the current rates revenue received from private and local authority establishments catering for old people as residents by each local authority in Wales;

(2) what is the estimated revenue for each local authority in Wales when the new business rate is levied in full on private and local authority residential establishments catering for old people and the poll tax is levied in full on the residents.

Mr. Peter Walker: The information needed to make these estimates is not available centrally. Final decisions on the treatment of such establishments under the new system have not yet been taken. However, we have already made it clear that residents of old peoples homes will be exempt from the community charge.

Rates

Mr. Wyn Griffiths asked the Secretary of State for Wales (1) if he will estimate what is the current rates revenue received from religious establishments with permanent residents by each local authority in Wales;

(2) what is the estimated revenue for each local authority in Wales when the new business rate and poll tax are levied in full on religious establishments and their residents.

Mr. Peter Walker: The information needed to make these estimates is not available centrally.

ATTORNEY-GENERAL

Polling Register

Mr. Allen asked the Attorney-General if the Lord Chancellor will make it his policy to make available free

on request to any hon. or right hon. Member one copy of the marked polling register for his or her constituency; and if he will make a statement.

The Attorney-General: No.

PRIME MINISTER

Insurance (Northern Ireland)

Mr. Kilfedder asked the Prime Minister what information she has as to how insurers' overheads in Northern Ireland compare with those in England.

The Prime Minister: None.

Data Processing (Duplication)

Mr. Michael Marshall asked the Prime Minister (1) to what extent the Home Office's data processing activities are duplicated by *(a)* the Inland Revenue, *(b)* Her Majesty's Customs and Excise and *(c)* the Department of Health and Social Security;

(2) to what extent the Department of Health and Social Security's data processing activities are duplicated by *(a)* the Inland Revenue, *(b)* Her Majesty's Customs and Excise and *(c)* the Home Office.

The Prime Minister: Government Departments do not, in discharging their own responsibilities, deliberately duplicate data processing activities of other Departments.

The Department of Health and Social Security exchanges approximately 40 million data items with the Inland Revenue each year in the process of collecting national insurance contributions and income tax, and in relation to pensioners working and paying income tax; duplication of data processing activities takes place only in that this common information is shared.

Western Sahara

Mr. Corbyn asked the Prime Minister what is Her Majesty's Government's policy towards recognising the Moroccan annexation of Western Sahara; and if she will convey this policy to King Hassan during his forthcoming visit.

The Prime Minister: The Government recognise neither the "Saharan Arab Democratic Republic" nor Moroccan claims to sovereignty over the Western Sahara. The Government fully support the efforts made by the United Nations Secretary General to bring about a peaceful solution. I look forward to discussing this and other international issues with King Hassan.

Engagements

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

Mr. Thomas asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

Mr. Wigley asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 14 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. I was also present at Victoria station to mark the arrival of the King of Morocco. In addition to my duties in the House I shall be having further meetings later today, including one with the Prime Minister of Sri Lanka.

TRANSPORT

BR (Punctuality)

Mr. Pawsey asked the Secretary of State for Transport if, pursuant to the answer of 6 July, *Official Report*, column *14*, he will specify the benefits which his Department derives from the quarterly information on punctuality by sector supplied by British Rail; and if he will publish the latest such information in the *Official Report*.

Mr. David Mitchell: This information forms part of our general monitoring of the board's performance against the objectives that we set it last October. The latest available information on train punctuality is for the last quarter of 1986-87 and is as follows:

Trains arriving within 0 to 5 minutes of right time

	Per cent.
Intercity	77
Network Southeast	91
Provincial	90

Mr. Pawsey asked the Secretary of State for Transport if, pursuant to the answer of 6 July, *Official Report*, column *14*, he will publish in the *Official Report* the evidence upon which he based his statement that British Rail's punctuality had improved over the last six months; and if he will now take steps to monitor punctuality regionally.

Mr. David Mitchell: My statement was based on train punctuality figures for all the passenger railway sectors covering the last six months of the 1986-87 financial year. They are the most recent figures for a six-month period and are as follows:

Trains arriving within 0-5 minutes of right time

Sector	*3rd quarter 1986-87 per cent.*	*4th quarter 1986-87 per cent.*
Intercity	75·0	77·0
Network SouthEast	89·7	91·0
Provincial	90·0	90·0

I do not propose to monitor punctuality regionally, but I have asked the board to send me information broken down by sub-sector.

British Rail (Derelict Land)

Mr. Pawsey asked the Secretary of State for Transport, pursuant to the answer of 6 July, *Official Report*, column *14*, what information he has about British Rail's intentions with regard to maintaining the trend and pace of disposal of derelict land during the next five years.

Mr. David Mitchell: I understand from British Rail that it aims to dispose of its present vacant and under-utilised land by the end of 1989. Where further sites are released from operational use, British Rail would intend to dispose of these where possible within the same times scale.

British Rail (Repair Work)

Mrs. Dunwoody asked the Secretary of State for Transport, if, when next he meets the chairman of British Rail, he will raise with him the concentration of repair work in regional depots and the work available to BREL in Crewe, in the light of the accelerated redundancies there since March 1987.

Mr. David Mitchell: No. The allocation of repair work is a management matter for the Railways Board.

Leeds

Mr. Fatchett asked the Secretary of State for Transport what assessment his Department has made on the prospects for the economic development of south-east Leeds in its deliberations on the proposed M1-A1 link.

Mr. Peter Bottomley: Consulting engineers are carrying out the east of Leeds study. They must be satisfied that traffic forecasts take account of the prospects for economic development.

Mr. Fatchett asked the Secretary of State for Transport when he expects to publish his Department's report on the study of traffic in east Leeds; and if he will make a statement.

Mr. Peter Bottomley: We hope to make an announcement during the autumn. This should end the present uncertainty.

A423 (Maidenhead Thicket)

Dr. Glyn asked the Secretary of State for Transport when a decision can be expected on the A423 through Maidenhead Thicket; and how soon after a decision he expects work to commence.

Mr. Peter Bottomley: I hope to be able to announce a decision on the A423 Maidenhead Thicket to Burchetts Green improvement during the summer. This scheme is in the national trunk road programme for a start of works in the period to March 1989. The actual start will be dependent on the satisfactory completion of the statutory procedures.

Privately-owned Aircraft

Mr. Snape asked the Secretary of State for Transport if he has any plans to introduce legislation to require those flying or operating privately-owned aircraft to be insured for third party and passenger liability; and if he will make a statement.

Mr. Peter Bottomley: It is for aircraft owners who carry passengers on private flights to decide the appropriate levels of both passenger and third party insurance to meet their potential liabilities. Under section 76 of the Civil Aviation Act 1982 they are strictly liable for injury or damage caused to persons or property on the ground.

There are no plans to introduce legislation.

Lighthouse Tender Vessels (Report)

Mr. Ward asked the Secretary of State for Transport whether he will announce the results of studies undertaken into the tender vessel requirements of the general lighthouse authorities.

Mr. Channon: In June last year my right hon. Friend, jointly with the three general lighthouse authorities, commissioned Arthur Young Management Consultants to review the authorities' tender vessel requirements. I have now received their report and I am placing copies of it in the Library.

I believe that this is the first joint comprehensive appraisal that has been made of the authorities' tender vessel requirements, and I am grateful to the consultants for undertaking it. Their report makes a wide range of recommendations which I shall be considering carefully in close consultation with the authorities, the Lights Advisory Committee (which represents shipowners, shippers and port authorities) and the Irish Government.

Channel Tunnel

Mrs. Dunwoody asked the Secretary of State for Transport what information he has as to the steps being taken by the promoters of the Channel Tunnel project to ensure more than 50 per cent. of the contracts required to build the trains for use in the Channel Tunnel will go to British Rail Engineering Ltd., particularly in the north-west region; and if he will make a statement.

Mr. Atkins: I have been asked to reply.

British Rail Engineering Ltd. has been given the lead in the design contract for the shuttle trains to be used in the Channel fixed link. The subsequent manufacturing contract will be subject to open and competitive tendering.

TRADE AND INDUSTRY

IHV Industrial Investments Ltd.

Mr. Rooker asked the Chancellor of the Duchy of Lancaster on what date IHV Industrial Investments Ltd., Reg. No. 1102274, went into liquidation.

Mr. Maude: No notice of the appointment of a liquidator nor a copy of a winding up order has been filed with the Registrar of Companies in respect of IHV Industrial Investments Ltd.

Doorstep Sales

Mr. Fraser asked the Chancellor of the Duchy of Lancaster when he will introduce legislation to reform the law relating to doorstep sales.

Mr. Maude: My Department will shortly be consulting interested organisations on the text of draft regulations to implement the EC directive on doorstep selling. We expect to lay the regulations before Parliament in the autumn.

Task Force Projects (Leeds)

Mr. Fatchett asked the Chancellor of the Duchy of Lancaster if he will list for each of the projects supported by task force money in the Chapeltown area of Leeds the amount of money (*a*) allocated in 1986-87, (*b*) spent in 1986-87 and (*c*) allocated for 1987-88.

Mr. Kenneth Clarke: The information requested is as follows:

	Funds allocated in 1986-87	Spent in 1986-87	Funds to be allocated in 1987-88
	£	£	£
Hendrickson Feasibility Project	500	500	
Headstart in Business	12,883	12,883	
PATH	93,349	20,000	
Chapeltown Community Workshops	3,000		
APEX Trust	1,000	1,000	
Action Resource Centre (ARC)	23,241		
WTOTO Nursery	35,575	17,575	
Jamaica Society Leeds Sight & Sound Education Ltd	132,000	102,000	
Leeds West Indian Centre Ltd.	9,100	9,100	
Palace Youth Project	1,094		
Community Enterprise Trust	249,000	100,000	
Computer assisted learning project	68,000		
Burton Group Training	25,000		
TFDF	50,000	50,000	
Industrial Society	3,500		
NACRO	26,774		
Project Fullemploy			12,000
Police Foundation Crime Prevention			25,000
Harehills Lane Baptist Church			1,546
Apex Trust			12,524
TOTAL	734,016	300,175	51,070

There are a number of projects under development which are expected to commit further substantial sums in 1987-88.

Ferguson Group

Mr. Hoyle asked the Chancellor of the Duchy of Lancaster if, pursuant to his reply of 1 July, *Official Report*, column 92, he has had any discussions or contact with Thomson since its purchase of Ferguson; and what information he has on Ferguson's current share of the market for television *(a)* in the United Kingdom and *(b)* in the European Economic Community.

Mr. Butcher: Neither my right hon. and learned Friend, the Chancellor of the Duchy of Lancaster, nor I have been in contact with Thomson Grand Public since the announcement of its proposed acquisition of Thorn EMI Ferguson. Information collected by my Department about the market share of individual companies is commercially confidential. However, the proposed acquisition would qualify for consideration under the Fair Trading Act 1973, and the Director General of Fair Trading will no doubt take account of market share considerations in advising my right hon. Friend the Secretary of State, on the question of a reference to the Monopolies and Mergers Commission.

Mr. Ivor Williams

Mr. Chapman asked the Chancellor of the Duchy of Lancaster when Mr. Ivor Williams, a constituent of the hon. Member for Chipping Barnet, will receive a substantive reply to his letter dated 12 January to the Office of Fair Trading regarding his complaint about the conduct of his estate agent; why the reply has not yet been given; and why the Office of Fair Trading has not yet acted on the complaint.

Mr. Maude: I shall reply to my hon. Friend as soon as possible.

Redundant Steel Workers (Payment)

Mr. Cryer asked the Chancellor of the Duchy of Lancaster what representations have been made to the EEC Commission to ensure that applications under article 56 of the European Coal and Steel Community programme for payments to redundant steel workers are approved without delay.

Mr. Atkins [*pursuant to his reply*, 13 July 1987]: Representations about delays in approving article 56 ECSC readaptation aid payments were made to the Commission recently, followed up last week by a letter from the United Kingdom permanent representation. I understand that approvals in a number of outstanding cases should be given shortly.

Regional Development Grant

Ms. Quin asked the Chancellor of the Duchy of Lancaster if he will make a statement as to the reasons for the decline in regional development grant assistance to the north-east of England, as detailed in the reply to the right hon. and learned Member for Monklands, East (Mr. Smith) on 2 February 1987, *Official Report*, column 501.

Mr. Atkins [*pursuant to his reply*, 13 July 1987]: Expenditure on regional development grant is a function of the rates and scope of grant, the coverage of the development areas and the level of demand. The decline in RDG payments in the north-east appears to have resulted mainly from changes in the development and special development areas in the early 1980s and a fall in investment by manufacturing industry in the region, notably the capital-intensive petrochemicals and steel industries, as well as from changes in the scheme itself. However, the region's share of RDG payments in 1986-87 was higher than in the preceding four years.

ENVIRONMENT

Bathing Water Quality

Mr. Win Griffiths asked the Secretary of State for the Environment what steps will be taken that all the beaches currently designated as bathing areas for the purposes of meeting the water quality standards of directive 76 160 EEC in the United Kingdom will meet these standards by 1992 at the latest.

Mr. Moynihan: It is not possible to give the assurance the hon. Member seeks. The scale and cost of the necessary works makes it impossible to complete the task by 1992. However, it remains our target that all identified waters should meet the directive's standards, and we are spending nationally some £70 million on improvement schemes.

Rating Reform

Miss Widdecombe asked the Secretary of State for the Environment what assessment has been made of the effect of the community charge on small businesses in the

Maidstone area; and what steps he will consider taking to alleviate the adverse consequences of any sudden increase in payments due from minor but viable concerns with small profit margins.

Mr. Howard: The community charge will replace domestic rates and should not affect businesses directly. The proposal for a national non-domestic rate on present figures would initially increase rate poundages in the Maidstone area, but thereafter restrain further increases to the rate of inflation. My right hon. Friend has already announced generous transitional arrangements to phase the impact of this proposal and the revaluation of non-domestic properties over five years, or longer in the case of those properties with the largest increases from the revaluation.

Mr. Win Griffiths asked the Secretary of State for the Environment what is the estimated revenue for each local authority in England when the new business rate and poll tax are levied in full on religious establishments and their residents.

Mr. Howard: The information needed to make such estimates is not collected centrally.

Mr. Trotter asked the Secretary of State for the Environment if, pursuant to his answer of 29 June, *Official Report*, column *44*, he will publish additional information exemplifying the community charge proposals, to show specifically the effect on each of the illustrative community charge figures of the difference between the amount of revenue likely to be obtained by each local authority from a centrally fixed non-domestic rate and the amount of revenue from locally determined non-domestic rates projected for 1987-88 under the existing system.

Mr. Howard: I shall write to my hon. Friend.

Mr. Win Griffiths asked the Secretary of State for the Environment if he will estimate how many second homes in each borough in England will not be rated when the poll tax is operating in full; and what will be the loss of revenue on present charges for each borough as a result of this.

Mr. Howard: All second homes will be liable for a standard community charge, which will be set by each local authority as a multiple of the personal community charge, up to a maximum of two units of personal charge.

Mr. Win Griffiths asked the Secretary of State for the Environment what is the estimated revenue for each local authority in England when the new business rate is levied in full on private and local authority residential establishments catering for old people and the poll tax is levied in full upon the residents.

Mr. Howard: The information needed to make such estimates is not collected centrally. Final decisions on the treatment of such establishments under the new system have not been taken. However, we have already made it clear that residents of old people's homes will be exempt from the community charge.

Mr. Nicholas Winterton asked the Secretary of State for the Environment whether he intends to make special provision under the community charge for ministers of religion.

Mr. Howard [*pursuant to his reply*, 6 July 1987, c. *56*]: The community charge will be paid by all adults, with only limited exceptions. As a result, local accountability will be restored, because the cost of local spending will be spread much more widely than at present among those entitled to vote in local elections and who use local services.

Against this background, the Government believe that it would be difficult to justify any special provision which resulted in ministers of religion being treated more favourably than their parishioners.

Housing Expenditure

Mr. Wigley asked the Secretary of State for the Environment what was the current and capital expenditure per head on housing in England during the last year for which figures are available.

Mr. Waldegrave: Current expenditure by English local authorities and new towns on their housing revenue accounts in 1986-87, including debt charges, represented on average £124 per head of population. Capital expenditure by local authorities, new towns, the Housing Corporation and central Government in England represented on average £71 per head of population.

Mr. Wigley asked the Secretary of State for the Environment what was the total public expenditure on housing in the United Kingdom as a proportion of the gross domestic product in each year since 1977 to the last year for which figures are available.

Mr. Waldegrave: Total public expenditure on housing in the United Kingdom from 1977 to 1985 is shown in the table as a percentage of gross domestic product at factor cost. The definition is the same as in the answer given to the hon. Member on 23 May 1986, at columns 370-71, and on 2 April 1987, at columns 606-7. The figures for public expenditure on housing are taken from the annual national income accounts, which are usually published in September of each year. 1986 figures are, therefore, not yet available.

Public Expenditure on Housing as percentage of gross domestic product at factor cost

	per cent.
1977	3·1
1978	3·3
1979	3·4
1980	3·5
1981	1·6
1982	2·6
[1]1983	2·9
1984	3·0
1985	2·5

[1] Discontinuity between 1982 and 1983 is due to introduction of housing benefit and consequent exclusion of rent from supplementary benefit paid to tenants.

Old Persons' Establishments (Rates)

Mr. Win Griffiths asked the Secretary of State for the Environment if he will estimate what is the current rates revenue received from private and local authority establishments catering for old people as residents by each local authority in England.

Mr. Howard: This information is not collected centrally.

Religious Establishments (Rates)

Mr. Win Griffiths asked the Secretary of State for the Environment if he will estimate what is the current rates revenue received from religious establishments with permanent residents by each local authority in England.

Mr. Howard: This information is not collected centrally.

Canary Wharf

Ms. Gordon asked the Secretary of State for the Environment, pursuant to his answer to the hon. Member for Newham, South (Mr. Spearing) of 8 July, whether (*a*) a certificate from an independent valuer was obtained in respect of the prospective sale of Canary wharf by the London Docklands Development Corporation or (*b*) specific consent from his Department was sought or given.

Mr. Trippier: I refer the hon. Member to the answer I gave to the hon. Member for Newham, South (Mr. Spearing) on 9 July 1987, at column 228.

Housing Associations

Mr. O'Brien asked the Secretary of State for the Environment how many dwellings are operated by housing associations in the Normanton constituency; and if he will break down the number into categories and type of dwellings.

Mr. Waldegrave [*pursuant to his reply*, 10 July 1987, c. *296*]: There are nine units operated by housing associations in the Normanton constituency and a further 47 under construction. The former are extra care units for the frail elderly and the latter are also designed to accommodate elderly people.

NORTHERN IRELAND

Housing

Mr. Kilfedder asked the Secretary of State for Northern Ireland how many Housing Executive houses in each of the housing executive districts have been sold to tenants up to the latest convenient date.

Mr. Needham: The number of homes sold by the Executive to its tenants in the 43 districts up until 30 June 1987 were as follows:

Region	*Total*
South	
Armagh	1,250
Banbridge	595
Craigavon	772
Kilkeel	426
Lurgen	1,685
Newry 1	921
Newry 2	1,180
Portadown	956
	7,785
Belfast	
District 1	1,115
District 2	581
District 3	362
District 4	528
District 5	499
District 6	423
District 7	461
	3,969
North East	
Antrim	1,430
Ballymena	1,108
Carrickfergus	1,292
Larne	1,000
Newtownabbey I	985
Newtownabbey II	1,122
Ballymoney	553
Ballycastle	285
	7,775
North West	
Londonderry I	303
Londonderry II	693
Londonderry III	322
Limavady	642
Strabane	569
Coleraine	551
Magherafelt	527
	3,607
West	
Omagh	675
Dungannon	783
Enniskillen	734
Cookstown	417
	2,609
South East	
Lisburn I	986
Lisburn II	806
Lisburn III	156
Bangor	905
Castlereagh I	993
Castlereagh II	1,143
Downpatrick	1,195
Newtownards I	1,060
Newtownards II	606
	7,850

Mr. Alton asked the Secretary of State for Northern Ireland why he has changed his policy towards the receipts from the sale of houses owned by the Northern Ireland Housing Executive; and if he will make a statement.

Mr. Needham: There has been no change in the policy which allows the Housing Executive to apply its capital receipts fully in support of its expenditure programmes. It has always been Government policy to take account of the Executive's estimates of income from rents and receipts in determining the overall level of expenditure by the Executive which includes its borrowings and grant-aid from Government.

Mr. McGrady asked the Secretary of State for Northern Ireland what action he proposes in respect of houses in the ownership of the Northern Ireland Housing Executive without central heating.

Mr. Needham: This is a matter for the chairman of the Housing Executive who has advised me that it is the Executive's long-term aim to provide central heating in all of its properties.

Mr. McGrady asked the Secretary of State for Northern Ireland what is the policy of the Northern Ireland Housing Executive with regard to the repair or replacement of steel-framed windows in its houses.

Mr. Needham [*pursuant to his reply*, 13 July 1987]: This is a matter for the chairman of the Housing Executive who has advised me that the policy in respect of galvanised steel window frames in existing housing stock is to retain them until the cost of repair and maintenance is so excessive as to merit replacement, of until repairs are no longer feasible.

Hospitals

Mr Kilfedder asked the Secretary of State for Northern Ireland how many elderly people are waiting for admission to geriatric beds in the hospitals in the North Down area.

Mr. Needham: The number of people waiting for admission to geriatric beds in the hospitals in the North Down area at 31 December 1986 was 107.

Mr. Kilfedder asked the Secretary of State for Northern Ireland what is the waiting list for patients who seek admission to *(a)* the Ulster hospital, Dundonald, *(b)* Royal Victoria hospital, Belfast, *(c)* City hospital, Belfast, *(d)* Mater hospital, Belfast and *(e)* the Bangor and Newtownards hospitals.

Mr. Needham: The number of patients seeking admission to the relevant hospitals at 31 December 1986 were as follows:

	Number
Ulster hospital	2,978
Royal Victorial hospital	5,862
Belfast City hospital	3,340
Mater hospital	72
Bangor hospital	386
Ards hospital	668

Beaches

Mr. Kilfedder asked the Secretary of State for Northern Ireland which beaches in Northern Ireland satisfy the requirements of the European Economic Community and are classified as beaches safe from pollution.

Mr. Needham: In Northern Ireland 14 waters have been identified under the EC directive on bathing-water quality. The directive applies to waters where bathing is traditionally practised by large numbers of people. Non-identification under the directive does not mean that water is unclear or unsafe. Of the five Northern Ireland bathing waters tested for compliance with the directive standards during the 1986 season, Portstewart, Portrush and Groomsport passed while Bangor (Ballyholme) and Newcastle failed. The cause of the failure at Bangor is being investigated and a new sewerage scheme for Newcastle at a cost of £2 million is nearing completion. I am advised that there is no evidence associating illness with bathing in Northern Ireland waters.

Sewage

Mr. Kilfedder asked the Secretary of State for Northern Ireland when the work to prevent sewage spillage at Orlock, County Down, will be completed.

Mr. Needham: The spillage of sewage which occurred at Orlock, County Down, in April-May 1987 resulted from the simultaneous failure of both the normal and stand-by pumps at Coastguard lane. Replacement pumps were installed in mid-May are are now working satisfactorily. To avoid the possibility of future spillages the feasibility of laying an emergency overflow pipe from the pumping station to the sea is currently being investigated.

Pensions

Mr. Kilfedder asked the Secretary of State for Northern Ireland how many persons in Northern Ireland are in receipt of retirement pension at the last available date; and how many receive supplementary benefit to augment their pension.

Mr. Needham: The number of persons in Northern Ireland in receipt of retirement pension at 30 November 1986 was 208,406. At 18 November 1986, 45,969 people were in receipt of supplementary benefit to augment their retirement pension.

Labour Statistics

Mr. Kilfedder asked the Secretary of State for Northern Ireland whether he will provide an estimate of the cost of unemployment in Northern Ireland for the last full financial year.

Mr. Needham: During the 1986-87 financial year a total of £227·9 million was paid to the unemployed £53·7 million by way of unemployment benefit and a further £174·2 million by way of supplementary allowances. Information on expenditure on agency benefits (for example, free welfare foods, school meals, Health Service charges, hospital fares, prison visits) and supplementary benefit single payments received by the unemployed is not readily available.

Clandeboye Shopping Centre (Fire)

Mr. Kilfedder asked the Secretary of State for Northern Ireland whether the fire at the Clandeboye shopping centre has revealed any shortcomings in measures to protect customers in an emergency.

Mr. Needham: No. The Clandeboye shopping centre complied with all the required measures to allow the safe evacuation of all occupants of the building in the event of a fire. On the day of the incident all customers and staff were evacuated safely and without casualty.

Cancer

Mr. McGrady asked the Secretary of State for Northern Ireland whether the Department of Health and Social Services investigation into the incidence of cancer in Northern Ireland is completed; and when he expects it to make its final report.

Mr. Needham: The expert committee examining patterns of disease in Northern Ireland which have a possible association with radiation has not yet completed its work. I hope to receive the committee's final report by the end of 1987.

Warrenpoint Harbour

Mr. McGrady asked the Secretary of State for Northern Ireland what are the plans of the Warrenpoint harbour authority with regard to the expansion or development of the harbour area in Warrenpoint.

Mr. Needham [*pursuant to his reply*, 13 July 1987]: Planning approval for a proposal by the Warrenpoint harbour authority, for development of the area known as the Old Town dock, has recently been refused by the Department of the Environment for Northern Ireland. I understand that the authority has no other current plans for expansion or development of the harbour area.

Water Rates

Mr. Clay asked the Secretary of State for Northern Ireland if he will publish a table showing the average household bill for water rates for each regional water authority in Northern Ireland for each year separately between 1979 and 1987.

Mr. Needham [*pursuant to his reply*, 13 July 1987]: A separate water bill is not levied in Northern Ireland, but is subsumed in the regional rate levied at a uniform poundage across the Province. From 1983-84 onward, however, it is possible to identify the portion of the regional rate attributable to provision of water and sewerage services, and the implied average rate demand per household for these years is shown in the table.

Average household water and sewerage rate demand

Year	*£*
1983-84	61·65
1984-85	67·85
1985-86	70·74
1986-87	71·60
1987-88	77·15

Water Supplies (Disconnections)

Mr. Clay asked the Secretary of State for Northern Ireland if he will publish a table showing the figures for the numbers of households where water supplies have been disconnected, showing where possible the reasons for disconnection, for each year separately between 1979 and 1987.

Mr. Needham [*pursuant to his reply*, 13 July 1987]: Since domestic water supplies are paid for through the general rating system in Northern Ireland, the need to disconnect premises used solely as household residences does not arise.

FOREIGN AND COMMONWEALTH AFFAIRS

Sex Data

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the guidelines dealing with use of data separated by sex for base line studies or other research within his responsibilities.

Mr. Eggar: There are no guidelines dealing with use of data separated by sex in either the diplomatic wing or the aid wing of the Foreign and Commonwealth Office.

Dr. Kurt Waldheim

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what instructions were given to Her Majesty's ambassador in Amman regarding attendance at official functions given in honour of Doctor Kurt Waldheim during his visit to Jordan; and whether he will make a statement.

Mrs. Chalker: Her Majesty's ambassador at Amman was authorised, in consultation with his European Community colleagues, to attend, as appropriate, events connected with the visit.

UN General Assembly Resolution 41/16

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs why the United Kingdom abstained on the United Nations General Assembly resolution 41/16 of 18 December 1986.

Mr. Eggar: We abstained both on this resolution and on a similar one in 1985 in accordance with our policy of strict neutrality in the Western Sahara dispute.

Western Sahara Refugees (Algeria)

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what steps Her Majesty's Government are taking to help relieve the suffering of the 165,000 Western Sahara refugees in Algeria.

Mr. Eggar: The Western Sahara refugees in Algeria receive assistance from European Community funds and from multilateral aid agencies to which we contribute.

Morocco

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will make it their policy to oppose any fishing agreement between the European Community and Morocco which extends to the territorial waters of Western Sahara; and if he will make a statement.

Mr. Eggar: Responsibility for the conduct of the negotiations for a fisheries agreement between Morocco and the European Community lies primarily with the Commission. We continue to monitor closely the progress of these negotiations.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what steps Her Majesty's Government are taking to encourage peace between Morocco and the Polisario Front in Western Sahara; what contacts Her Majesty's Government have had with the parties concerned with a view to advancing the prospects for peace in the region; and what proposals Her Majesty's Government will be putting to King Hassan during his state visit to help bring about peace.

Mr. Eggar: We fully support the United Nations Secretary-General in his efforts to bring about a peaceful solution of the Western Sahara dispute. We look forward to discussing this and other international issues with King Hassan during his state visit.

DEFENCE

Cruise Missiles

12. **Mr. Sedgemore** asked the Secretary of State for Defence if he will make a statement on the number of cruise missiles to be based at Molesworth.

36. **Mr. Nigel Griffiths** asked the Secretary of State for Defence if he will make a statement on the number of cruise missiles to be based at Molesworth.

Mr. Stewart: As has been stated previously it is planned that 64 cruise missiles will be based at Molesworth.

Conventional Weapons

13. **Mr. Gerald Bowden** asked the Secretary of State for Defence if he will make a statement on the proportion of the defence budget spent on conventional weapons since 1979.

Mr. Younger: Over 97 per cent. of the defence budget since 1979 is estimated to have been spent on programmes other than the strategic nuclear force.

Nuclear Arms Control

Mr. Harry Greenway asked the Secretary of State for Defence if he will make a statement on verification procedures for enforcing nuclear arms control agreements.

Mr. Ian Stewart: Any arms control agreement must be effectively verifiable, but precise procedures will depend upon the terms of any agreement which may be negotiated.

Binary Chemical Weapons

15. **Mr. Boyes** asked the Secretary of State for Defence what discussions he has held with the United States Secretary for Defence on the possibility of basing binary chemical weapons in the United Kingdom.

30. **Mrs. Clwyd** asked the Secretary of State for Defence what discussions he has had with the United States Secretary for Defence on the possibility of basing binary chemical weapons in the United Kingdom.

Mr. Ian Stewart: None.

Trafalgar Class Submarines

16. **Mr. Cartwright** asked the Secretary of State for Defence what steps he is taking to assist the sale of Trafalgar class submarines by Vickers Shipbuilding and Engineering Ltd. to the Canadian Government; and if he will make a statement.

Mr. Sainsbury: Following the recent announcement in the Canadian defence White Paper of its requirement for

a fleet of nuclear powered submarines Vickers Shipbuilding and Engineering Ltd. has proposed the Trafalgar class submarine. Officials from the Ministry of Defence will shortly be visiting Canada for preliminary discussions of this requirement with their Canadian counterparts.

Trident

17. **Mr. Hayward** asked the Secretary of State for Defence if he will make a statement on the progress of the Trident programme.

Mr. Sainsbury: The United Kingdom Trident programme is making satisfactory progress and remains on time and to budget.

24. **Mr. Frank Cook** asked the Secretary of State for Defence what talks he has had with his French counterpart on co-operation on operational aspects of the deployment of Trident and the French submarine deterrent.

Mr. Younger: The British and French Governments maintain a close and fruitful dialogue on a wide range of defence and security matters.

31. **Mr. Andrew F. Bennett** asked the Secretary of State for Defence how it is proposed that communications will be maintained between Ministers and Trident submarines, and between Trident missiles and those deciding on targeting, without reliance on United States' extremely low-frequency systems and United States' satellites.

Mr. Ian Stewart: Effective and independent communications under the control of Her Majesty's Government will exist for all aspects of United Kingdom Trident submarine operations. Details of these are naturally classified.

45. **Mr. Franks** asked the Secretary of State for Defence when he plans to place officially the order for the second Trident submarine.

Mr. Sainsbury: I refer to the answer I gave my hon. Friend the Member for Nottingham, South (Mr. Brandon-Bravo) earlier today.

Frigates

18. **Mr. Duffy** asked the Secretary of State for Defence how many type 23 frigates have been ordered; and if he is satisfied with progress on the type 23 frigate building programme.

Mr. Sainsbury: Four type 23 frigates are currently on order. The First of Class HMS Norfolk was launched by Her Royal Highness The Princess Margaret on 10 July and the other ships are making satisfactory progress.

Purple Warrior Exercise

19. **Mr. Foulkes** asked the Secretary of State for Defence what representations he has received concerning the Purple Warrior tri-service exercise to be held in south-west Scotland in November.

Mr. Ian Stewart: As part of its normal exercise planning activity, my Department has consulted the regional and district councils for the area, the local police forces and national governmental and environmental bodies, including the Nature Conservancy Council and the Forestry Commission. Private landowners and local community, environmental and fishing groups are also being consulted closely. That apart, my Department has received no representations, other than recent correspondence from the hon. Gentleman and the Questions tabled by the hon. Member for Lewisham, Deptford (Ms. Ruddock) at column *113*.

Polaris

20. **Mr. Atkinson** asked the Secretary of State for Defence if he remains satisfied with the performance of Polaris missiles.

Mr. Ian Stewart: Yes.

Intermediate Nuclear Forces Agreement

21. **Mr. Ernie Ross** asked the Secretary of State for Defence when he next intends to hold discussions with his North Atlantic Treaty Organisation counterparts on the implications of an intermediate nuclear forces agreement.

50. **Ms. Ruddock** asked the Secretary of State for Defence when he next intends to hold discussions with his North Atlantic Treaty Organisation counterparts on the implications of an intermediate nuclear forces agreement.

Mr. Ian Stewart: My right hon. Friend, the Secretary of State for Defence, next expects to meet his Alliance colleagues collectively at the autumn meeting of NATO's nuclear planning group when a wide variety of nuclear policy issues will be discussed.

Willsworthy Firing Range

22. **Mr. Steen** asked the Secretary of State for Defence if he will make a statement as to the progress in his plans for accommodation for troops on the Willsworthy firing range on Dartmoor.

Mr. Freeman: Willsworthy Camp provides important facilities for regular and TA forces using the Dartmoor training areas, including the Willsworthy range. The camp is, however, in need of early replacement. Rather than rebuild on this site, which occupies a prominent position on the moor, the Ministry of Defence has recently purchased a suitable alternative small area of land at Higher Beardon farm, near Lydford. With new accommodation provided there the site of the present camp would be returned to moorland. The Dartmoor national park committee are aware of our plans in general terms and we will shortly be submitting our proposals through the normal planning consultation procedures.

F111 Aircraft

23. **Mr. Allan Roberts** asked the Secretary of State for Defence in what military circumstances it is envisaged that American F111 aircraft would be used in Europe at a time of conflict.

Mr. Ian Stewart: The F111 is a long-range dual capable aircraft which is assigned to SACEUR for use in the event of a conflict involving NATO in Europe. In accordance with the practice of successive Governments, I am not prepared to comment on the details of particular operational plans.

Training Activities

25. **Mr. Stevens** asked the Secretary of State for Defence if he will make a statement on the resources made available to the armed forces for training activities.

Mr. Freeman: I refer the hon. Member to tables 2.3 and 4.2-4.4 of volume 2 of the "Statement on the Defence Estimates 1987" which give details, respectively, of the financial and manpower resources devoted to training. In 1987-88 £1,277 million was spent by the three services and service colleges in training.

Central Ordnance Depot, Bicester

26. **Mr. Baldry** asked the Secretary of State for Defence if he will make a statement on the progress being made in the consideration of contracting-out certain activities of the Central Ordnance Depot, Bicester.

Mr. Sainsbury: We are currently preparing statements of requirements for those tasks which are to be exposed to competition. These will form the basis of the tender documents which we are aiming to issue to potential contractors later this year.

Local Overseas Allowance

27. **Mr. Colvin** asked the Secretary of State for Defence what is the saving to the defence budget deriving from his proposed cuts in the local overseas allowances for the British Army of the Rhine.

Mr. Freeman: Local overseas allowance is a tax-free payment intended to compensate for the extra cost of serving overseas. It is examined annually to ensure that it continues to meet that objective. In Germany the 1987 examination demonstrated that the sums required to compensate service personnel for the extra costs were lower than in 1986. Accordingly, LOA in Germany will be reduced from 1 August 1987, providing savings of about £25 million in a full financial year.

Small Firms (Contracts)

28. **Dr. Twinn** asked the Secretary of State for Defence how many small firms were awarded contracts by the Ministry of Defence in 1986-87.

Mr. Sainsbury: The collation of this information is a considerable task. I expect to have the necessary details around the turn of the year and will write to my hon. Friend at that time.

Northern Ireland

29. **Mr. Kilfedder** asked the Secretary of State for Defence if he will make a statement about the number of troops stationed in Northern Ireland and the extent of the liaison with the Irish security forces.

Mr. Ian Stewart: The number of troops operating in support of the RUC in Northern Ireland as at 31 March 1987 (the most recent available figure) was 17,694. Liaison with the Irish security forces is achieved through the close and growing co-operation between the RUC and Garda.

32. **Mr. Michael McNair-Wilson** asked the Secretary of State for Defence what are the lengths of the tours of duty of Army units serving in Northern Ireland.

Mr. Freeman: The six resident infantry battalions in Northern Ireland undertake tours of duty of about two years and the four roulement infantry battalions undertake short tours of about four and a half months. These tour lengths, which also apply to most other units in the Province, have remained unchanged for some years. Personnel who are posted to the Province as individuals and not as part of a unit change over — for example, headquarters staff — also serve on tours of about two years.

Rosyth Dockyard

33. **Mr. Allan Stewart** asked the Secretary of State for Defence if he will make a statement on the progress of orders won by the private contractors at Rosyth dockyard.

Mr. Sainsbury: I am satisfied with the work which has been done by Rosyth dockyard since 6 April, since which time some 27 ship and submarine contracts and some 51 for other work have been placed with the dockyard. Of these, two were ships not already in the yard when the commercial managers took over.

IEPG Meeting

34. **Mr. Greg Knight** asked the Secretary of State for Defence if he will make a statement on the recent IEPG meeting.

Mr. Younger: My IEPG colleagues and I met in Seville on 22 June. The main business of the meeting was to consider proposals for increasing the competitiveness of Europe's defence industries and we set in hand detailed work aimed at establishing a framework within which we might move ahead in this vital area.

We also re-emphasised the fact that the activities of the IEPG are aimed at producing a stronger and more cohesive European contribution to the Alliance.

Royal Navy (Fuel Supplies)

35. **Mr. Patrick Thompson** asked the Secretary of State for Defence if he will make a statement on supplies of fuel to the Royal Navy.

Mr. Freeman: We have now decided that the amount of fuel available to the Royal Navy this year should be increased, and so enable activity levels to be broadly comparable with those of recent normal years.

Research Budget

37. **Mr. Thomas** asked the Secretary of State for Defence if he will state the proportion of his Department's research budget, for the last year for which figures are available, spent in each of the English regions, Scotland and Wales.

Mr. Sainsbury: Defence research expenditure is not accounted for on a regional basis.

NATO (Defences)

38. **Mr. Kirkhope** asked the Secretary of State for Defence when he plans to meet the United States Defence Secretary to discuss North Atlantic Treaty Organisation defences in the North Atlantic.

Mr. Ian Stewart: My right hon. Friend has frequent meetings with his United States colleague, when a range

of Alliance defence issues are discussed. He next expects to meet the United States Defence Secretary at the autumn meeting of NATO's nuclear planning group.

RAF North Luffenham

39. **Mr. Latham** asked the Secretary of State for Defence whether he will make a statement on the future of RAF North Luffenham.

Mr. Freeman: I wrote to the hon. Member on 2 July to inform him that we envisage a long-term future for RAF North Luffenham and no loss of employment prospects there.

An announcement to the personnel at the station to this effect has recently been made.

Low-flying Operations

40. **Mr. Geraint Howells** asked the Secretary of State for Defence how many fatalities have resulted from low-flying operations over the past five years; and if he will make a statement.

Mr. Freeman: Since 1 July 1982, the deaths of five RAF personnel have occurred in the United Kingdom during low-level flying operations by fast jet aircraft. A further 10 such deaths have resulted from crashes at sea around the United Kingdom. No civilians have been killed in these accidents. As is well known, a certain amount of low-level flying training is essential to the readiness of our aircrew. A degree of risk to those aircrew and of disturbance to the public is, regrettably, inevitable. However, all possible steps are taken to reduce this to a minimum.

51. **Mrs. Margaret Ewing** asked the Secretary of State for Defence what plans he has to review safety procedures applicable to Royal Air Force low-flying exercises in light of recent accidents.

Mr. Freeman: The regulations governing the low-flying system are kept continuously under review and are altered as necessary. When the reasons for an accident are known these will be taken into account in our ongoing examinations of safety procedures.

Co-operative Ventures (France)

41. **Mr. Ward** asked the Secretary of State for Defence if he plans to meet the French Defence Minister to discuss co-operative defence ventures.

Mr. Younger: I expect to meet M. Giraud later this month to discuss a range of issues of mutual defence interest.

Strategic Defence Initiative

42. **Mr. Simon Hughes** asked the Secretary of State for Defence what is the latest estimated total of strategic defence initiative contracts awarded to British companies.

Mr. Sainsbury: $34 million. This figure includes United States-funded SDI contracts placed with British academic institutions and through the Ministry of Defence. In the last case all but about $3 million of the work has been subcontracted to industry.

Nuclear Weapons

43. **Mr. Tony Lloyd** asked the Secretary of State for Defence if he will consider moving to an explicit policy of no first use of nuclear weapons in the light of current arms control negotiations.

Mr. Ian Stewart: No. It is long established NATO policy, to which we are fully committed, that no NATO weapons, either conventional or nuclear, would ever be used except in response to attack. That is a more fundamental commitment than renunciation of the option of first use of nuclear weapons. As has been only recently reaffirmed, nuclear weapons remain an essential component of NATO's policies of deterrence and flexible response. The current arms control negotiations do not alter our commitment to these important principles which will continue to remain valid for the foreseeable future.

Helicopter Procurement

44. **Mr. Ashdown** asked the Secretary of State for Defence if he will make a statement on future helicopter procurement.

Mr. Sainsbury: I refer the hon. Member to the statement made by my right hon. Friend on 9 April, at columns 470-1, about orders which, subject to the satisfactory resolution of contractual and other issues, he intends to place for the utility version of the EH101 and for Lynx and Sea King helicopters; we are discussing the details with Westlands Helicopters accordingly.

In addition, we are participating with Italy, the Netherlands and Spain in a two-year study into the feasibility and cost of developing the Agusta 129 to meet the future light attack helicopter requirements of the four nations: Industry began work on the study at the beginning of last month.

European Fighter Aircraft

46. **Mr. Gerald Howarth** asked the Secretary of State for Defence if he will make a statement on progress on the European fighter aircraft.

Mr. Sainsbury: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Fylde (Mr. Jack).

Territorial Army

47. **Mr. Conway** asked the Secretary of State for Defence if he will make a statement on recruitment to the Territorial Army.

Mr. Freeman: The annual levels of recruitment into the Territorial Army have continued to show a steady improvement over the past five years. The figures are as follows:

Training year	*Officers*	*Soldiers*	*Total*
1982-83	715	23,218	23,933
1983-84	989	20,032	21,021
1984-85	920	23,931	24,851
1985-86	1,848	24,048	25,896
1986-87	1,919	24,579	26,498

Conventional Weapons

48. **Mr. Caborn** asked the Secretary of State for Defence if he will make a statement on his Department's response to the latest Warsaw pact proposals contained in the Berlin statement covering conventional armaments.

Mr. Ian Stewart: I read the Warsaw pact communiqué with interest, and would draw the hon. Gentleman's attention to the communiqué issued by NATO Foreign Ministers after the meeting of the North Atlantic Council in Reykjavik on 11 June, a copy of which is in the Library of the House. This reiterated the Alliance's determination to pursue its initiatives for achieving a comprehensive, stable and verifiable balance of conventional forces at lower levels. It indicated that work on draft mandates to be tabled in the CSCE meeting and in the conventional stability talks would be pressed ahead. It also reiterated the West's desire to achieve a meaningful agreement in the MBFR talks, calling upon the Warsaw pact to respond positively to the very important proposals made by the West in December 1985.

Defence Committee (Report)

49. **Mrs. Mahon** asked the Secretary of State for Defence whether he will make a statement on the recent Defence Committee report on the implications for the United Kingdom of ballistic missile defence.

Mr. Sainsbury: The Government's response to this report is currently under consideration, and will be presented to Parliament in due course.

Tank Gunnery (Standards)

52. **Sir Geoffrey Johnson Smith** asked the Secretary of State for Defence if he is satisfied with the standard of British tank international gunnery demonstrated in recent competitions; and if he will make a statement.

Mr. Ian Stewart: I do not believe that the performance of tanks in the artificial circumstances of a competition, such as the recent Canadian Army Trophy, is a proper indication of their capability in war. Challenger's gun gives the best penetrative performance against the tanks of a potential enemy. The tank itself is arguably the best protected in the world and has excellent mobility. It carries an advanced thermal imaging system which is much admired by our allies and ensures that Challenger can fight effectively by night and by day. Participation in international tank gunnery competitions is one useful option in the complete spectrum of training opportunities available in preparing our tank crews for war, but it is not on its own a basis for judgment of overall capability.

Single Role Minehunter

Sir David Price asked the Secretary of State for Defence when he expects to be able to announce the results of the tenders for the single role minehunter order.

Mr. Sainsbury: Tenders are still being evaluated and we expect to be in a position to announce the results before the summer recess.

Destroyers and Frigates

Mr. Trotter asked the Secretary of State for Defence if he will list by class the destroyers and frigates presently serving in the Royal Navy showing for each vessel the current age and the dates between which they have undergone major refits.

Mr. Sainsbury: The destroyers and frigates currently serving in the Royal Navy, their ages from commissioning, and the dates between which they have undergone refits are as follows. Those vessels listed in the "Statement on the Defence Estimates" as due to join the Fleet this year but which have not yet done so (Coventry, Cornwall and Sheffield) are not included.

	Age (years)	*Refit dates*
Type 82		
Bristol	14	Refit July 1976 to December 1977. Refit September 1984 to February 1986.
Type 42		
Cardiff	8	None to date.
Glasgow	8	None to date.
Exeter	7	None to date.
Birmingham	11	Refit April 1981 to March 1982. Restorative refit July 1985 to May 1987.
Southampton	6	None to date.
Nottingham	5	None to date.
Liverpool	5	None to date.
Manchester	5	None to date.
York	2	None to date.
Gloucester	2	None to date.
Edinburgh	2	None to date.
Newcastle	9	Refit February 1982 to July 1982. Restorative refit begun April 1986 continues.
Type 22		
Broadsword	8	None to date.
Battleaxe	7	None to date.
Brilliant	6	None to date.
Brazen	5	None to date.
Boxer	3	None to date.
Beaver	3	None to date.
Brave	2	None to date.
London	1	None to date.
Type 21		
Amazon	13	Refit July 1978 to May 1979. Restorative refit August 1983 to September 1984.
Arrow	11	Refit October 1982 to September 1983.
Ambuscade	12	Refit March 1980 to January 1981. Restorative refit. October 1984 to December 1985.
Active	10	Restorative refit July 1985 to August 1986.
Alacrity	10	Refit begun April 1986 continues.
Avenger	9	Restorative refit begun September 1986 continues.
Leander		

	Age (years)	Refit dates
Euryalus	23	Refit August 1966 to November 1966. Refit January 1969 to July 1969. Special refit May 1973 to May 1976. Refit November 1979 to October 1980. Refit November 1984 to November 1985.
Penelope	24	Refit February 1966 to July 1967. Refit February 1969 to December 1969. Refit May 1972 to January 1973. Refit October 1974 to April 1975. Major refit January 1978 to January 1982. Refit January 1986 to September 1986.
Arethusa	22	Refit November 1967 to March 1968. Refit May 1970 to October 1970. Special refit September 1973 to April 1977. Refit May 1980 to March 1981. Comparator refit May 1985 to February 1986.
Phoebe	21	Refit August 1968 to November 1968. Refit January 1971 to April 1971. Major refit August 1974 to April 1977. Refit February 1981 to July 1982. Refit May 1986 to February 1987.
Sirius	21	Refit August 1969 to December 1969. Refit January 1972 to May 1972. Major refit March 1975 to February 1978. Refit May 1981 to July 1982. Refit April 1985 to December 1985.
Argonaut	20	Refit January 1970 to July 1970. Refit October 1972 to March 1973. Major refit February 1976 to March 1980. Refit August 1982 to November 1983.
Minerva	21	Refit July 1969 to October 1969. Refit March 1972 to July 1972. Major refit December 1975 to April 1979. Refit July 1983 to March 1984.
Danae	20	Refit March 1970 to July 1970. Refit February 1973 to August 1973. Major refit August 1977 to April 1981. Refit October 1985 to July 1986.
Andromeda	19	Refit July 1971 to October 1971. Refit September 1974 to March 1975. Major refit January 1978 to February 1981. Refit September 1985 to April 1986.
Hermione	18	Refit March 1972 to November 1972. Refit October 1975 to October 1976. Major refit January 1980 to July 1983. Refit begins July 1987.
Scylla	17	Refit July 1972 to January 1973. Refit July 1976 to March 1977. Major refit November 1980 to December 1984.
Achilles	17	Refit February 1973 to August 1973. Refit March 1978 to October 1978. Refit July 1984 to April 1985.
Charybdis	18	Refit September 1971 to January 1972. Refit April 1975 to March 1976. Major refit July 1979 to July 1982. Refit April 1986 to December 1986.
Diomede	16	Refit November 1973 to May 1984. Refit October 1978 to May 1979. Refit September 1983 to August 1984.
Apollo	15	Refit March 1976 to October 1976. Refit May 1979 to February 1980. Refit July 1984 to May 1985.
Ariadne	14	Refit January 1976 to September 1976. Refit February 1980 to September 1980. Refit January 1985 to November 1985.
Cleopatra	21	Refit December 1967 to April 1968. Refit July 1970 to November 1970. Special refit July 1973 to December 1975. Refit October 1978 to May 1979. Refit January 1982 to April 1983. Refit begun March 1987 continues.
Jupiter	18	Refit April 1972 to September 1972. Refit December 1975 to July 1976. Major refit January 1980 to October 1983. Refit December 1986 due to finish July 1987.
Juno	20	Refit January 1970 to May 1970. Refit January 1973 to June 1973. Refit February 1977 to November 1977. Restorative refit January 1982 to February 1985.
Type 12		
Rothesay	27	Refit September 1961 to December 1961. Refit October 1963 to January 1964. Special refit July 1966 to July 1968. Refit December 1970 to April 1971. Refit August 1973 to July 1974. Major refit October 1977 to May 1980. Refit August 1984 to May 1985.
Plymouth	26	Refit September 1962 to December 1962. Refit July 1964 to September 1964. Special refit August 1966 to February 1969. Refit August 1971 to December 1971. Refit May 1974 to November 1974. Major refit January 1979 to January 1981. Refit August 1986 to April 1986.

Morocco

Mr. Corbyn asked the Secretary of State for Defence if any restrictions are imposed by Her Majesty's Government on the use of British-supplied military equipment beyond Morocco's internationally recognised frontiers in Western Sahara; and if he will make a statement.

Mr. Sainsbury: Successive Administrations have not answered detailed questions of this kind. In general, however, the British Government consider all relevant political, strategic and security factors before issuing any export licence for defence equipment.

Mr. Corbyn asked the Secretary of State for Defence (1) what is the policy of Her Majesty's Government towards the sale of Tornado aircraft to Morocco;

(2) what was the value of United Kingdom arms sales to Morocco in each of the last 10 years; what contracts exist for British arms sales to Morocco; and what negotiations are currently taking place.

Mr. Sainsbury: It has been the policy of this and previous Administrations not to comment on matters of this kind.

USAF (Mid-air Refuelling)

Mr. Kirkwood asked the Secretary of State for Defence whether any notice has been given by the United States Air Force of its intention to continue mid-air refuelling exercises at low level, using B-52 bombers, in the United Kingdom; and if he will make a statement.

Mr. Freeman: There has been no such activity and none is planned.

EMPLOYMENT

Wages (Statistics)

Mr. Pike asked the Secretary of State for Employment if he will publish a table showing (i) on a national basis and (ii) on a regional basis the average weekly wage for *(a)* full-time male employees, *(b)* part-time male employees, *(c)* full-time female employees and *(d)* part-time female employees in both cash terms and real terms based on 1987-88 prices for each year since 1979.

Mr. Lee: I am sending the hon. Member the information requested, which is also available in the Library.

MSC Schemes (Rules)

Mr. Hargreaves asked the Secretary of State for Employment if he will make available to the National Association of Citizens Advice Bureau a full and comprehensive set of rules governing all aspects of the Manpower Services Commission schemes.

Mr. Lee: All the leaflets published by the Manpower Services Commission on the schemes which it operates are freely available to the National Association of Citizens Advice Bureau. These set out the main eligibility criteria. It would not be appropriate to provide more detailed information since the rules are designed to be applied flexibly to meet particular circumstances. The leaflets advise on where further information can be obtained.

Labour Statistics

Mr. McLeish asked the Secretary of State for Employment if he has any plans to alter the publication of the monthly unemployment figures; and what plans he has for a quarterly labour force survey as is used in the United States of America.

Mr. Fowler: My Department continually assesses the quality of its published statistics and seeks ways to improve them, but I have no present proposals for specific changes.

Mr. McLeish asked the Secretary of State for Employment if he will provide, for the last full year for which information is available for the United Kingdom, Scotland and Fife, Central constituency *(a)* how many 16 and 17-year-olds entered the YTS, *(b)* what percentage gained employment at the expiry of their period on the scheme and *(c)* how many 16 and 17-year-olds remained unemployed.

Mr. Cope: Information about YTS entrants and leavers is not available in the form requested, but is available for Great Britain, Scotland, and Dunfermline and Kirkcaldy local authority districts, which together are representative of Fife, Central constituency.

During the period of April 1985 to March 1986, the last full year for which information is obtainable, 406,332 young people started YTS in Great Britain, 46,398 in Scotland and 3,212 in Dunfermline and Kirkcaldy local authority districts.

The MSC conducts a regular follow-up survey of YTS leavers three months after young people leave the programme. The table shows the destinations of young people who left YTS in the period April 1985 to March 1986.

Per cent.

	In a full time job	*In a part time job*	*On another YTS scheme*	*On a full time course*	*Doing something else*	*Unemployed*
Great Britain	53	4	7	3	6	28
Scotland	47	3	7	3	4	36
Dunfermline and Kirkcaldy	44	4	9	2	5	36

Note: Percentages are rounded to whole numbers.

Mr. Tom Clarke asked the Secretary of State for Employment if he will state the number of unemployed people in Monklands, West constituency *(a)* 16-18 years of age, *(b)* 18-21 years of age, *(c)* 21-25 years of age, *(d)* 25-45 years of age, *(e)* 45-55 years of age, and *(f)* over 55 years of age, giving the latest available figures.

Mr. Lee: Following is the available information, which is also in the Library.

Unemployed claimants—Monklands West constituency 9 April 1987

	Number
Aged under 18	540
Aged 18-19	589
Aged 20-24	1,029
Aged 25-44	1,944
Aged 45-54	664
Aged 55 and over	391

Mr. Martlew asked the Secretary of State for Employment if he will publish the latest unemployment figures for Carlisle in the *Official Report* by district ward boundary.

Mr. Lee: The following information is in the Library. The table shows the number of unemployed claimants in each electoral ward in Carlisle local authority district.

Unemployed claimants at 14 May 1987

	Number
Carlisle No. 1	246
Carlisle No. 2	382
Carlisle No. 3	514
Carlisle No. 4	373
Carlisle No. 5	436
Carlisle No. 6	349
Carlisle No. 7	338
Carlisle No. 8	433
Carlisle No. 9	267
Carlisle No. 10	464
Carlisle No. 11	89

	Number
Carlisle No. 12	49
Carlisle No. 13	42
Carlisle No. 14	76
Carlisle No. 15	56
Carlisle No. 16	163
Carlisle No. 17	146
Carlisle No. 18	38
Carlisle No. 19	108
Carlisle No. 20	61

Nuclear Installations Inspectorate

Mr. Lofthouse asked the Secretary of State for Employment if he will make a statement on the extent to which salaries paid to the Nuclear Installations Inspectorate are adequate to recruit employees with experience of the Central Electricity Generating Board and the South of Scotland Electricity Board.

Mr. Cope: The salary scales of recruitment grade nuclear installations inspectors have been increased by £4,000 per annum since April 1986 and a further pay award of £5,000 per annum has been agreed for 1 September 1987. Recruitment to the inspectorate is continuing and in the latest competition a number of candidates from the Central Electricity Generating Board and the South of Scotland Electricity Board have been invited for interview.

Mr. Lofthouse asked the Secretary of State for Employment which tasks the Nuclear Installations Inspectorate *(a)* is not able to fulfil at all, *(b)* has delayed fulfilling and *(c)* has fulfilled to an inadequate extent, due to understaffing.

Mr. Cope: Her Majesty's Nuclear Installations Inspectorate of the HSE has always carried out essential tasks, giving priority to the inspection and assessment of operating installations.

Mr. Lofthouse asked the Secretary of State for Employment (1) what steps are being taken to increase recruitment to the Nuclear Installations Inspectorate;

(2) whether he will make a statement on the recommendations of the second report of the Energy Committee, Session 1986-87, insofar as they relate to his responsibilities for the Nuclear Installations Inspectorate.

Mr. Cope: The Select Committee on Energy, in its second report, made recommendations about the recruitment and retention of Nuclear Installations Inspectorate staff. The resources and staffing of the inspectorate are the responsibility of the Health and Safety Commission and Executive, subject to the limits set by Government on their total manpower and running costs. The Government, the commission and the executive recognise the importance of ensuring that the NII is adequately staffed. Two substantial increases to salaries for all nuclear installations inspectors have recently been agreed and Health and Safety Executive expects that this will enable the inspectorate to attract recruits with the expertise and skills required to bring its staff up to the levels planned for 1987-88. A recruitment competition for inspectors is now under way and there are indications that the number of good quality applicants has increased.

Sellafield (Monitoring)

Mr. Lofthouse asked the Secretary of State for Employment if sufficent nuclear inspectors are now in post to be able to monitor the Sellafield complex adequately; and what backlog of work currently exists at this site.

Mr. Cope: The level of inspection and examination at the Sellafield complex is adequate to ensure the safety of the public and site personnel. The large concentration of effort during the Sellafield audit diverted some resources from assessment work and routine inspection. Any interruption of routine inspection was outweighed by the benefits arising from increased surveillance during the audit.

Hotels (Costs)

Mr. Wood asked the Secretary of State for Employment if he will make it his policy to establish a code of conduct for British hotels in respect of charging clients for telephone and similar non-accommodation costs.

Mr. Lee: The Government support the hotel industry's voluntary code of booking practice, which was updated and revised in 1986. This code of practice stipulates that special charges for telephone and other non-accommodation costs should be drawn to the attention of guests. The Government do not, however, have any plans to introduce a code in respect of the charges themselves. Pricing policy, including charges for telephone and similar non-accommodation costs, is a matter for the hotel industry.

Tourism

Mr. Steen asked the Secretary of State for Employment what representations he has received from the tourist industry on the further development of tourism.

Mr. Lee: I have continuing contact with representatives of the industry and have received correspondence on a variety of subjects relating to the development of tourism in England.

Nuclear Inspectors

Mr. Lofthouse asked the Secretary of State for Employment what studies his Department has made of the future numbers of nuclear inspectors who will be required if the electricity industry is privatised.

Mr. Cope: None.

Enterprise Agencies

Mr. John Mark Taylor asked the Secretary of State for Employment if he is satisfied that enterprise agencies are sufficiently well advertised and visible for persons with spare premises suitable for new-start businesses to be able readily to notify those agencies of the availability of such premises; and if he will make a statement.

Mr. Cope: Local enterprise agencies are independent organisations and therefore responsible primarily to their own boards and supporters for their activities, including their visibility in the local community. Information on local enterprise agencies will be available through a wide range of sources, including libraries, local authorities, and the Government's small firms centres and jobcentres. The

Department of Employment, through its local agency grant scheme, is encouraging greater professionalism in LEA management; LEA business plans, an integral part of the grant application, should address, as appropriate, the availability of small business premises.

Unemployment Benefit

Mr. Martlew asked the Secretary of State for Employment what is the total number of people in receipt of unemployment benefit in the Carlisle constituency.

Mr. Lee: On 14 May 1987 the number of unemployed claimants of benefits in the Carlisle constituency was 3,802.

THE ARTS

Museums

Mr. Butler asked the Minister for the Arts if he will undertake a review of the use of volunteers in museums.

Mr. Luce: Volunteers have always had an important and valuable role to play in British museums. A comprehensive survey of the use of volunteers in museums and galleries was undertaken in 1984 by the volunteers centre under the sponsorship of the Museums and Galleries Commission and with funding from the Office of Arts and Libraries.

Consideration is currently being given to developing guidance for museums on the use of volunteers.

NATIONAL FINANCE

National Economic Development Office

Ms. Armstrong asked the Chancellor of the Exchequer what plans the Government have for the future of the National Economic Development Office.

Mr. Lawson: I informed the National Economic Development Council on 1 July of the Government's conclusions that in future the council would meet four times a year and that the work of the economic development committees and similar activities could not be justified on their present scale. A list of those EDCs which the Government consider would justify public funding after the current financial year has now been sent to the NEDC parties. The Government will take final decisions in the light of their comments. As a consequence of these changes there will be a corresponding reduction in the size of the National Economic Development Office.

Income Tax

Mr. McCrindle asked the Chancellor of the Exchequer if he will estimate the cost of raising the income tax threshold to £4,000; how many people this would take out of tax altogether; and if he will make a statement.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Married Man's Tax Allowance

Mr. McCrindle asked the Chancellor of the Exchequer what estimate he has made at the savings to the Exchequer of abolishing the married man's tax allowance; and if he will make a statement.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

VAT

Mr. McCrindle asked the Chancellor of the Exchequer what estimate he has made of the increase in the rate of inflation from current levels if value added tax at 15 per cent. were imposed on all goods and services; and if he will make a statement.

Mr. Brooke: The direct effect of imposing value added tax at 15 per cent. on all these goods and services which are currently zero rated would be to raise the level of retail prices by 4 per cent. The Government's medium term financial strategy ensures that there would be no lasting effect on the rate of inflation.

Mortgage Interest Tax Relief

Mr. McCrindle asked the Chancellor of the Exchequer if he has any plans to review the availability of mortgage tax relief; and if he will make a statement.

Mr. Norman Lamont: As my right hon. Friend the Prime Minister has reaffirmed on several occasions, the Government remain committed to continuing mortgage interest relief.

New and Expanding Companies

Mr. McCrindle asked the Chancellor of the Exchequer if he will consider expanding the range of investment and capital relief for investment in new and expanding companies; and if he will make a statement.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Clydesdale Bank

Mr. Salmond asked the Chancellor of the Exchequer when the Bank of England was informed of the sale of the Clydesdale Bank to the National Australia Bank; when the Treasury was informed of the matter; whether either sought or received any guarantees as to employment, investment and autonomy of operation; and when the Bank of England gave its approval to the sale.

Mr. Lilley: The Bank of England was informed at an early stage of the negotiations. The bank considered the proposed acquisition of Clydesdale Bank and Northern by National Australia Bank and, against the criteria in the Banking Act 1979, indicated to Midland Bank and National Australia Bank before the announcement on 7 July that it had no objection in principle. The Treasury was also informed before the announcement.

Discussions with the National Australia Bank did not include the question of guarantees of the kind to which the hon. Member refers, as such guarantees were neither necessary nor appropriate to meet the Banking Act criteria.

Customs Officers (Dispute)

Mr. Waller asked the Chancellor of the Exchequer if he will make a statement about the effects of the dispute involving customs officers in terms of delays to goods imports.

Mr. Brooke [*pursuant to his reply*, 13 July 1987]: The Civil Service trade unions' industrial action which involved customs officers has been suspended. All customs officers are now working normally and there are no abnormal delays to goods imported.

SOCIAL SERVICES

Young People (Benefits)

Mr. Battle asked the Secretary of State for Social Services how many young people have had their benefit reduced or suspended for either (*a*) refusing a YTS place or (*b*) leaving a scheme early in the Leeds, West constituency and in the Leeds metropolitan district council areas.

Mr. Portillo: The table sets out the number of young people whose supplementary benefit has been reduced by local offices serving the Leeds, West constituency and in the Leeds metropolitan district council area for the period from December 1983 to April 1987. The youth training scheme started in April 1983 but records were not kept from the outset.

Numbers Whose Benefit was Reduced	*Leeds, West*	*Leeds Metropolitan District Council*
(a) for refusing to take up a youth training scheme place	5	12
(b) for leaving a youth training scheme place early	75	150

NHS (Scientists' Pay)

Mr. Steel asked the Secretary of State for Social Services if he will make it his policy to ensure that graduate scientists working in the National Health Service receive pay awards that are comparable to those gained by similarly qualified people in the private sector.

Mr. Newton: The pay of graduate scientists is a matter for the Whitley Council. I understand that negotiations are in progress on the 1987 pay claim.

"What To Do After a Death"

Mr. Hargreaves asked the Secretary of State for Social Services (1) if he will reissue the leaflet, "What To Do After a Death".

(2) why the leaflet "What To Do After a Death", has been out of print since 1979.

Mr. Portillo: The current edition of Social Security leaflet D49 "What To Do After a Death", is still available. The August 1979 date on the cover of the leaflet is an indicaton of the original production date for that edition. Since that date the leaflet has been amended and reprinted several times. Half a million copies were printed and distributed by the Department last year. A new edition of the leaflet is in the final stages of preparation and will be available later this year.

Pensioners (Incomes)

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish a table for the latest date for which the figures are available, showing the numbers of pensioners with gross weekly incomes other than the state basic pension of £0-£5, £5-£10, £10-£15, £15-£20, £20-£30, £30-£40, £40-£50, £50-£60, £60-£70, £70-£80, £80-£90, £90-£100, £100-£150, £150-£200, £200-£250, £250-£300, £300-£350, £350-£400, £400-£450, £450-£500, and over £500 also distinguishing between single and married pensioners.

Mr. Scott: The table shows the number of pensioners[1] with income, other than retirement pension of any category or supplementary pension, at the levels specified.

Thousands

Gross income excluding pension (£ per week at 1985 prices)	*Single pensioners*	*Married couples*
Less than £5	430	110
5-10	440	130
10-15	410	190
15-20	590	210
20-30	1,070	460
30-40	320	240
40-50	170	180
50-60	100	140
60-70	70	80
70-80	90	90
80-90	50	70
90-100	50	40
100-150	160	240
150-200	50	100
200-250	20	50
250-300	10	70
300-350	[2]—	20
350-400	[2]—	10
400-450	[2]—	10
450-500	[2]—	[2]—
Over 500	[2]—	10
Total	4,030	2,450

[1] Pensioners are defined as individuals in a tax unit which receives some form of retirement pension. Figures are for single pensioners or married couples where the husband is over 65.

[2] Indicates less than 10,000 cases.

Source: Family Expenditure Survey 1985.

Benefits

Mr. McLeish asked the Secretary of State for Social Services what was the total number of people in receipt of supplementary benefit in the Fife, Central constituency at (*a*) June 1979, (*b*) June 1983 and (*c*) June 1987.

Mr. Portillo: Fife, Central constituency is served by Kirkcaldy, Cowdenbeath and Leven local offices, although the local office and constituency boundaries are not conterminous. The table shows the number of people receiving supplementary benefit for the years requested and, as the information is made available on a quarterly basis, May figures have been produced as the nearest alternative to June for each year:

	May 1979	*May 1983*	*May 1987*
Kirkcaldy local office	5,377	8,714	11,035
Leven local office	2,746	4,335	5,234
Cowdenbeath local office	2,168	3,352	4,452
TOTALS	10,291	16,401	20,721

Source: 100 per cent. count of cases in action.

Hip Operations

Mr. Janner asked the Secretary of State for Social Services what is the minimum, maximum and average time that he estimates that a person living in Leicester and requiring a hip replacement operation under the National Health Service would have to wait, from the date when his or her general practitioner originally recommended such surgical intervention.

Mr. Newton: I am sorry I cannot give the hon. and learned Member the information he seeks. It is not held centrally. The hon. and learned Member may wish to write to the chairman of the Leicestershire district health authority who may be able to provide the information requested.

Electoral Statistics

Mr. Grocott asked the Secretary of State for Social Services if he will list in order of size those constituencies in England whose electorates are above the quota.

Mrs. Currie: The information requested is given in the table.

Parliamentary constituency	*1987 electorate (as first published)*	*Amount by which electorate is above the electoral quota*
England	36,393,203	*69,585
Isle of Wight	99,760	30,175
Milton Keynes	98,215	28,630
East Berkshire	88,884	19,299
Eastleigh	88,664	19,079
East Hampshire	87,476	17,891
Horsham	87,229	17,644
Huntingdon	87,195	17,610
Devizes	87,145	17,560
Swindon	87,140	17,555
Wokingham	86,587	17,002
Westbury	85,708	16,123
South Colchester and Maldon	85,302	15,717
Peterborough	85,244	15,659
Cirencester and Tewkesbury	85,181	15,596
Crosby	85,099	15,514
North West Surrey	84,295	14,710
Ryedale	84,205	14,620
The Wrekin	83,796	14,211
Chelmsford	83,696	14,111
Woking	83,453	13,868
North Colchester	83,391	13,806
South Suffolk	83,143	13,558
Waveney	82,920	13,335
Dudley West	82,884	13,299
South West Cambridgeshire	82,692	13,107
Stroud	82,340	12,755
Stratford-on-Avon	82,255	12,670
Feltham and Heston	81,999	12,414
Chichester	81,862	12,277
Harrow East	81,842	12,257
Aldershot	81,791	12,206
Mid Bedfordshire	81,697	12,112
North Wiltshire	81,670	12,085
Mid Worcestershire	81,581	11,996
Portsmouth North	81,350	11,765
Brigg and Cleethorpes	81,214	11,629
Mid Sussex	81,138	11,553
Hornsey and Wood Green	81,122	11,537
Bridlington	81,072	11,487
South Derbyshire	81,041	11,456
Billericay	80,588	11,003
Grantham	80,366	10,781
South Staffordshire	80,336	10,751
Windsor and Maidenhead	80,272	10,687
Richmond (Yorks)	80,255	10,670
Central Suffolk	80,204	10,619
Langbaurgh	80,201	10,616
Romsey and Waterside	80,179	10,594
York	80,159	10,574
Cheltenham	80,121	10,536
Faversham	80,062	10,477
Beverley	79,958	10,373
South West Bedfordshire	79,927	10,342
West Hertfordshire	79,886	10,301
North Hertfordshire	79,689	10,104
Northavon	79,610	10,025
Chorley	79,514	9,929
Arundel	79,468	9,883
Meriden	79,436	9,851
South Norfolk	79,359	9,774
South Hams	79,356	9,771
Basingstoke	79,116	9,531
West Gloucestershire	78,982	9,397
Halesowen and Stourbridge	78,979	9,394
Rutland and Melton	78,921	9,336
Solihull	78,855	9,270
Houghton and Washington	78,821	9,236
Guildford	78,783	9,198
North Shropshire	78,240	8,655
Blaby	78,155	8,570
Bosworth	78,131	8,546
South Worcestershire	78,129	8,544
Braintree	78,025	8,440
Tonbridge and Malling	77,956	8,371
Honiton	77,942	8,357
Lincoln	77,939	8,354
Aylesbury	77,933	8,348
Fareham	77,910	8,325
Gloucester	77,899	8,314
Harwich	77,827	8,242
Worthing	77,719	8,134
Rugby and Kenilworth	77,640	8,055
Bury St. Edmunds	77,615	8,030
Winchester	77,527	7,942
Poole	77,481	7,896
Wallsend	77,465	7,880
Havant	77,412	7,827
Erewash	77,381	7,796
Woodspring	77,255	7,670
Warrington South	77,245	7,660
Sheffield, Hillsborough	77,236	7,651
Tunbridge Wells	77,205	7,620
Weston-Super-Mare	77,172	7,587
West Lancashire	77,054	7,469
Rochford	77,048	7,463
Salisbury	77,045	7,460
Macclesfield	77,018	7,433
Northampton South	76,948	7,363
Canterbury	76,931	7,346
Portsmouth South	76,814	7,229
Tottenham	76,713	7,128
Harrogate	76,607	7,022
Suffolk Coastal	76,547	6,962
South West Hertfordshire	76,535	6,950
Warrington North	76,517	6,932
Sunderland North	76,503	6,918
Hertford and Stortford	76,470	6,885
Witney	76,221	6,636
St. Albans	76,206	6,621
Dudley East	76,154	8,569
Newbury	76,145	6,560
Stockton South	76,136	6,551
Wandsdyke	76,108	6,523
Boothferry	76,084	6,499
Exeter	76,053	6,468
Bournemouth East	75,906	6,321
Rossendale and Darwen	75,894	6,309
New Forest	75,780	6,195
Sunderland South	75,762	6,177

Parliamentary constituency	1987 electorate as first published	Amount by which electorate is above the electoral quota
Harborough	75,666	6,101
Ealing, Southall	75,660	6,075
Scarborough	75,628	6,043
Blackburn	75,586	6,001
Don Valley	75,452	5,867
Torridge and West Devon	75,373	5,788
Batley and Spen	75,334	5,749
Staffordshire Moorlands	75,318	5,733
Bournemouth West	75,290	5,705
North Luton	75,270	5,685
Tynemouth	75,180	5,595
South West Norfolk	75,152	5,567
Taunton	75,035	5,450
Stoke-on-Trent North	75,029	5,444
North East Cambridgeshire	75,026	5,441
East Lindsey	74,915	5,330
Eddisbury	74,882	5,297
Sheffield, Hallam	74,868	5,283
Halton	74,853	5,268
Mid Norfolk	74,778	5,193
Harrow West	74,771	5,186
Southampton, Test	74,711	5,126
Eastbourne	74,705	5,120
Sheffield, Heeley	74,688	5,103
Loughborough	74,622	5,037
North West Norfolk	74,605	5,020
North Bedfordshire	74,506	4,921
Welwyn Hatfield	74,435	4,850
Birmingham, Perry Barr	74,413	4,828
Watford	74,314	4,729
Kingston upon Hull North	74,258	4,673
Calder Valley	74,238	4,653
Halifax	74,201	4,616
Burton	74,151	4,566
Slough	74,147	4,562
Hertsmere	74,142	4,557
Saffron Walden	74,093	4,508
Leicester South	74,074	4,489
Sevenoaks	74,047	4,462
South East Cambridgeshire	74,031	4,446
Wealdon	73,984	4,399
South West Surrey	73,983	4,398
Birmingham, Northfield	73,956	4,371
Maidstone	73,952	4,367
Doncaster North	73,944	4,359
Lewes	73,941	4,356
Worsley	73,918	4,333
Kingswood	73,888	4,303
Liverpool, Walton	73,826	4,241
North Dorset	73,790	4,205
Glanford and Scunthorpe	73,764	4,179
Spelthorne	73,751	4,166
Crewe and Nantwich	73,711	4,126
Warwick and Leamington	73,684	4,099
Gravesham	73,671	4,086
Bristol North West	73,630	4,045
South Dorset	73,607	4,022
Rushcliffe	73,581	3,996
Dartford	73,520	3,935
Hastings and Rye	73,515	3,930
Nottingham South	73,472	3,887
Stafford	73,421	3,836
Southampton, Itchen	73,412	3,827
Crawley	73,356	3,771
Truro	73,327	3,742
Mid Kent	73,223	3,638
North Cornwall	73,202	3,617
Hove	73,154	3,569
South Ribble	73,133	3,548
Sutton Coldfield	73,128	3,543
Skipton and Ripon	73,063	3,478
Reading East	73,007	3,422
Bishop Auckland	72,936	3,351
North Durham	72,934	3,349
Wycombe	72,852	3,267
Wigan	72,842	3,257
Bristol West	72,837	3,252
Birmingham, Selly Oak	72,821	3,236
Gillingham	72,790	3,205
Chesham and Amersham	72,747	3,162
Reigate	72,733	3,148
Tatton	72,701	3,116
Bootle	72,659	3,074
Broxtowe	72,618	3,033
Teignbridge	72,578	2,993
Derby North	72,548	2,963
Pudsey	72,531	2,946
Brentford and Isleworth	72,371	2,786
Ellesmere Port and Neston	72,332	2,747
Ealing North	72,321	2,736
Mid Staffordshire	72,289	2,704
Selby	72,289	2,704
Chertsey and Walton	72,241	2,656
Sherwood	72,221	2,636
Southport	72,210	2,625
Luton South	72,037	2,452
Shoreham	71,994	2,409
Penrith and Border	71,930	2,345
Dewsbury	71,838	2,253
Ashfield	71,826	2,241
North Warwickshire	71,671	2,086
Christchurch	71,626	2,041
St Helens North	71,624	2,039
Wyre Forest	71,619	2,034
West Derbyshire	71,609	2,024
Stoke-on-Trent South	71,585	2,000
Shrewsbury and Atcham	71,582	1,997
Bradford West	71,577	1,992
North West Leicestershire	71,564	1,979
Makerfield	71,549	1,964
Stamford and Spalding	71,520	1,935
Broxbourne	71,472	1,887
Epsom and Ewell	71,458	1,873
Wellingborough	71,403	1,818
Yeovil	71,226	1,641
North East Derbyshire	71,184	1,599
Harlow	71,181	1,596
Hackney South and Shoreditch	71,167	1,582
Torbay	71,151	1,566
Reading West	71,131	1,546
Westmorland and Lonsdale	71,110	1,525
Stockton North	71,069	1,484
Colne Valley	71,057	1,472
Buckingham	71,046	1,461
South East Cornwall	71,036	1,451
Chesterfield	71,020	1,435
Ashford	70,986	1,401
North West Hampshire	70,916	1,331
Holborn and St. Pancras	70,901	1,316
High Peak	70,819	1,234
Gainsborough and Horncastle	70,780	1,195
Leominster	70,760	1,175
Bolton West	70,722	1,137
North Norfolk	70,546	961
Nottingham North	70,480	895
Doncaster Central	70,467	882
Wakefield	70,465	880
Stevenage	70,393	808
Bradford South	70,372	787
North Thanet	70,342	757
Banbury	70,335	750
Bromsgrove	70,328	743
St. Helens South	70,254	669
Denton and Reddish	70,218	633
Enfield North	70,190	605
Barrow and Furness	70,175	590
Northampton North	70,163	578

Parliamentary constituency	1987 electorate as first published	Amount by which electorate is above the electoral quota
Daventry	70,144	559
Elmet	69,975	390
Oxford West and Abingdon	69,963	378
Leigh	69,925	340
Carshalton and Wallington	69,906	321
Cambridge	69,895	310
Newcastle upon Tyne North	69,889	304
Worcester	69,823	238
Dover	69,807	222
Somerton and Frome	69,661	76
Hartlepool	69,802	17

[1] Electoral quota for England.

Small Businesses

Mr. David Shaw asked the Secretary of State for Social Services if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Moore: Details of the Government's measures designed to help small businesses are given in the White Papers "Lifting the Burden" Cmnd. 9571 (July 1985), "Building Businesses . . . not Barriers" Cmnd. 9794 (May 1986) and in the progress report "Encouraging Enterprise" published May 1987, copies of which have been placed in the Library. These publications include details of those measures to help business introduced by my Department over the last three years.

Considering ways of helping small businesses and encouraging enterprise remain important elements in the work of my Department. The Department has a system to monitor proposals which impact on business to ensure that the needs of small businesses are fully taken into account. Specific performance indicators would not be of practical assistance in monitoring achievements in this area.

Crown Immunity

Mr. Ashley asked the Secretary of State for Social Services (1) what information he has sought or been offered by health authorities regarding the effect of the lifting of Crown immunity; how many authorities have had to increase their expenditure on food hygiene and health and safety; and what requests for increased funding he has received as a consequence;

(2) if he will take steps to ensure that the accounting system for health authorities will enable identification of the extent to which the lifting of Crown immunity has increased hospital spending on food hygiene and health and safety in the first year without immunity;

(3) if he will request from regional health authorities information on the additional costs so far incurred or predicted in their regions because of the lifting of Crown immunity; and if he will seek a breakdown of the nature of the costs.

Mrs. Currie: I shall let the right hon. Member have a reply as soon as possible.

Disablement Services Authority

Mr. Hannam asked the Secretary of State for Social Services how many members of the new Disablement Services Authority are disabled.

Mr. Scott: Two. One amputee, and one wheelchair user.

Mr. Hannam asked the Secretary of State for Social Services when the new Disablement Services Authority plans to meet.

Mr. Scott: I understand that at the first meeting of the Disablement Services Authority on 1 July the following meeting dates were agreed for 1987:

30 July
26 August
6 October
5 November
1 December

Thereafter, starting on 7 January 1988, I understand that the authority intends to meet on the first Thursday of each month.

Cancer Screening

Mr. Hoyle asked the Secretary of State for Social Services how many women have been tested for cervical cancer in the Warrington district health authority area in the last six months; how many of these tests have been fully processed; how many of the results have been sent out; and what is the average waiting time for these results.

Mrs. Currie: I am sorry I cannot give the hon. Member the information he seeks. It is not available centrally. The hon. Member may wish to write to the chairman of Warrington district health authority for the information requested.

The health authority did experience some difficulties in keeping within the one month target for sending out results. However, with the engagement of an additional medical laboratory scientific officer, the health authority expects to achieve a three-week turn round time from the end of August.

Community Care

Mr. Irving asked the Secretary of State for Social Services what assessment he has made as to whether mental illness patients with a hospital stay of less than a month, who cannot return to their previous accommodation, can be provided for on discharge by local housing authorities under the Housing Act 1985.

Mrs. Currie: Clinicians are expected to pay regard to the circumstances and needs of patients when arrangements for discharge are being made. Health and local authorities should work together, in collaboration with the voluntary and private sectors, to provide a range of services, including accommodation, to meet the needs of former patients.

Local housing authorities have a statutory duty under the Housing Act 1985 to secure accommodation for those whom they judge to be in priority need. The definition of priority need includes mentally ill people and housing authorities are recommended by my right hon. Friend the Secretary of State for the Environment to consult health and social services authorities in assessing individual cases.

Community Charge

Mr. McCrindle asked the Secretary of State for Social Services what arrangements he proposes to make to enable those on supplementary benefit to receive compensation for their 20 per cent. contribution to the community charge; how long they will be required to wait before compensation is paid; and if he will make a statement.

Mr. Scott: The Government have made it clear that the decision to compensate those on income support, for the average minimum contribution towards domestic rates, will be carried through on introduction of the community charge. Details will be announced in due course.

Mr. McCrindle asked the Secretary of State for Social Services if he will estimate the cost of *(a)* collecting from supplementary benefit recipients their 20 per cent. contribution to the community charge and *(b)* the cost of paying compensation to those on supplementary benefit for their 20 per cent. contribution to the community charge; and if he will make a statement.

Mr. Scott: The Green Paper "Paying for Local Government" (Cmnd. 9714) discusses in paragraph 3.43 the operational issues and cost of collecting the community charge. The cost of taking account of the minimum contributions in benefit rates will depend on the detailed arrangements yet to be announced.

Mr. McCrindle asked the Secretary of State for Social Services if he will estimate the total sum to be collected from those making the 20 per cent. contribution to the community charge; and if he will make a statement.

Mr. Scott: The amount of community charge to be collected from those eligible for maximum rebate of the charge cannot yet be known. It will depend on the level of charges set by local authorities and the numbers of people qualifying for income-related benefits.

National Health Service (Cost Monitoring)

Mr. McCrindle asked the Secretary of State for Social Services what measures he proposes to take to monitor the relative costs and performance of National Health Service regional health authorities, individual hospitals, hospital and community based services and medical procedures; and if he will make a statement.

Mr. Newton: A number and variety of measures have already been devloped to monitor the relative costs and performance of the National Health Service. A foremost example is the performance indicator package which provides managers at all levels with the means of comparing the performance of their own services with those in other authorities.

Analysis of performance indicators, together with the results of other forms of monitoring (such as scrutiny of regions' strategies, annual short-term programme implementation reports and financial and statistical returns) are channelled into the anual accountability review process. Introduced in 1982 between the Department and regional health authorities, the review process has since extended through the service and brings to an annual head the continuous process of monitoring, appraisal and review of NHS performance. Work on improving the existing arrangements continues.

The Department is also exploring new measures, like involving professional staff directly in resource management, aimed at helping all those working in the service to improve the quantity and quality of services provided to the public.

Private Contractors

Mr. McCrindle asked the Secretary of State for Social Services if he will make a statement on progress made by health authorities in contracting out ancillary services.

Mr. Newton: The initiative launched by the Government in September 1983 was competitive tendering for domestic cleaning, catering and laundry services in the National Health Service. In England, health authorities continue to make good progress in putting these services out to tender thereby testing their cost effectiveness. By 31 March 1987, 78 per cent. of these services had been put out to tender.

Total annual savings generated as a result in England are estimated at £93·3 million — an increase of £7·3 million over the figure reached at 31 December 1986. £26·1 million of the total savings generated have been realised from 194 contracts let to private contractors and £67·2 million from 1046 tenders secured by in-house organisations.

Information for Scotland and Wales is for my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Wales, respectively.

Low-income Families

Mr. Frank Field asked the Secretary of State for Social Services if, pursuant to the answer given to the hon. Member for Birkenhead on 7 July, *Official Report*, column *115*, on low income families, he will detail the reasons for and the nature of the technical review being undertaken.

Mr. Scott: The technical review is being conducted by officials from the Department of Health and Social Security and the Central Statistical Office. Since the methods and assumptions underlying the low-incomes statistics have never been systematically reassessed, the review is considering a range of bases of measurement, for example, the income-unit (the individual, the family and the household), the income-period (annual, current or normal), and how adjustments are to be made for the size and composition of income units. In addition, ideas in the academic literature are being reviewed. Some alternative approaches to the measurement of low income were outlined in the Green Paper "Reform of Social Security" (Cmnd. 9519).

Mr. Gordon Brown asked the Secretary of State for Social Services when he hopes to publish the 1985 low-income families tables and the figures showing the number of children living in low-income families.

Mr. Scott: I refer the hon. Member to my reply to the hon. Member for Birkenhead (Mr. Field) on Tuesday 7 July, at column *115*.

Supplementary Benefit

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish a table showing the value of the long-term supplementary benefit scale rates,

excluding housing costs, for a single person and a married couple as a proportion of average net earnings for all males for each year from November 1978 to April 1986.

Mr. Scott: The information is as follows:

Uprating date	*Scale rates as a percentage of average net earnings of all males*[1]		
	Single non-householder	*Single householder*	*Couple*
November 1978	24·4	30·4	45·8
November 1979	23·7	29·7	45·0
November 1980	23·2	29·1	44·4
November 1981	23·4	29·3	44·9
November 1982	24·3	30·4	46·5
November 1983	23·6	29·5	45·0
November 1984	22·7	28·4	43·1
November 1985	22·3	27·9	42·4
July 1986[2]	21·2	26·5	40·3

Supplementary benefit rates are more usually compared with male manual earnings.[1] The equivalent percentages are as follows:

Uprating date	*Single non-householder*	*Single householder*	*Couple*
November 1978	26·5	33·0	49·5
November 1979	25·9	32·4	48·9
November 1980	26·2	32·8	49·7
November 1981	26·7	33·4	50·9
November 1982	27·9	34·9	52·9
November 1983	27·1	34·0	51·4
November 1984	26·2	32·8	49·4
November 1985	26·0	32·4	48·9
July 1986[2]	24·8	31·0	46·7

[1] Net average earnings is gross average earnings less tax and national insurance contributions at the non-contracted out rate.

[2] Provision. The comparison is based on July benefit rates, when the uprating took place in 1986.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will estimate *(a)* the total savings, *(b)* the number of people affected, and *(c)* the average loss per person resulting from the changes in the regulations for the payment of mortgage interest for people on supplementary benefit.

Mr. Scott: Our latest estimates of the effect of the changes made in January to the amount allowed for mortgage interest in supplementary benefit for new claimants under 60 are:

(a) savings of £38 million in the year 1987-88;

(b) just over 70,000 claimants affected at any one time;

(c) an average amount of mortgage interest of £170 would not be met for someone staying on benefit the full 16 weeks.

Regional Health Authority Chairmen

Mr. Hayward asked the Secretary of State for Social Services whether he will announce the appointment of regional health authority chairmen from 1 August.

Mr. Moore: The terms of office of three of the 14 regional health authority chairmen expire on 31 July 1987. On the retirement of Sir Arthur South JP, I have appointed Mr. Colin Walker OBE to succeed him as chairman of East Anglian RHA. The chairmen of South East Thames and North Western RHAs have accepted my invitation to continue to serve in this most important position.

The appointments are as follows:

East Anglian Mr. Colin Walker OBE until 31 July 1991.

SE Thames Sir Peter Baldwin KCB reappointed until 31 July 1989.

N Western Sir John Page OBE reappointed until 31 July 1988.

AIDS

Mr. Favell asked the Secretary of State for Social Services what steps he is taking to enable those undertaking research into the treatment and care of people with HIV or AIDS to learn from experiences in the United States.

Mr. Newton: The Department, with funds generously donated by Abbott Laboratories, is able to offer a number of travel fellowships to the United States of America for those undertaking research relevant to the care of people with HIV infection or AIDS in hospital or the community. The fellowships are designed to provide an opportunity to meet others working in the same field and to study their research methods.

Advertisements will be placed shortly inviting applications. The fellowships, of up to three months' duration to meet travel and subsistence expenses, will be available in late 1987 or in 1988.

Health Service Commissioner (Report)

Mr. Roger King asked the Secretary of State for Social Services when he expects to receive the annual report of the Health Service Commissioner for 1986-87.

Mr. Newton: The Health Service Commissioner has, as in previous years, made a single report on the performance of his functions in England, Scotland and Wales. My right hon. Friend, my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Wales presented the report to the House yesterday. It is being published today (House of Commons Paper No. 31) and copies are available from the Vote Office.

Departmental Publications (Languages)

Mr. Andrew Bowden asked the Secretary of State for Social Services which of his Department's publications are produced in languages other than English, and which are the additional languages used.

Mr. Portillo: The leaflet "Which Benefit" has been reproduced in Gujerati, Bengali, Punjabi, Urdu, Hindi and Chinese.

Implied Marginal Tax Rates

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish tables showing *(a)* implied marginal tax rates as a result of income tax, national insurance contribution and withdrawal of housing benefit (or equivalent) in each year since the introduction of rent rebates, and *(b)* implied marginal tax rates as a result of income tax, national insurance contribution, housing benefit and family income supplement/family credit withdrawal, for each year since introduction of family income supplement; and if he will include estimates for 1988 on the assumption that national insurance contribution and income tax rates will remain as at present.

Mr. Scott: The information requested is shown in the table. In practice, the impact of the highest theoretical

marginal tax rates may be mitigated by the duration of benefit award (FIS awards run unchanged for a period of one year).

Implied marginal tax rates from April 1972

HB taper	Based on tax, NI and withdrawal of HB	Based on tax, NI and withdrawal of HB and FIS	Comments
July 1972			
(a)	57·64	96·14	
(b)	67·64	101·14	
October 1972			
(a)	57·89	96·39	Change in NI rates
(b)	67·89	101·39	
April 1973			
(a)	57·75	96·25	Change in basic rate of tax
(b)	67·75	101·25	
October 1973			
(a)	58·00	96·50	Change in NI rates
(b)	68·00	105·50	
April 1974			
(a)	61·00	99·50	Change in basic rate of tax
(b)	71·00	104·50	
August 1974			
(a)	61·50	100·00	Change in NI rates
(b)	71·50	105·00	
April 1975			
(a)	63·50	102·00	Change in basic rate of tax
(b)	73·50	107·00	
April 1976			
(a)	63·75	102·25	Change in NI rates
(b)	73·75	107·25	
April 1977			
(a)	62·75	101·25	Change in basic rate of tax
(b)	72·75	106·25	
April 1978			
(a)	54·50 or 62·50	93·00 or 101·00	Different rates correspond to 25 per cent. tax band and basic rate of tax respectively
(b)	64·50 or 72·50	98·00 or 106·00	
April 1979			
(a)	54·50 or 59·50	93·00 or 98·00	Different rates correspond to 25 per cent. tax band and basic rate of tax respectively
(b)	64·50 or 69·50	98·00 or 103·00	
April 1980			
(a)	59·75	98·25	Change in NI rates
(b)	69·75	103·25	
April 1981			
(a)	60·75	99·25	Change in NI rates
(b)	70·75	104·25	
April 1982			
(a)	61·75	100·25	Change in NI rates
(b)	71·75	105·25	
April 1983			
(a)	67·00	103·00	Changes in HB Taper and NI rates
(b)	72·00	105·50	
April 1984			
(a)	74·00	106·50	Change in HB Taper
(b)	72·00	105·50	
November 1984			
(a)	77·00	108·00	Change in HB Taper
(b)	72·00	105·50	
April 1985			
(a)	77·00	108·00	
(b)	72·00	105·50	
October 1985			
(a)	73·00, 75·00 or 77·00	104·00, 106·00 or 108·00	Different rates correspond to NI rates of 5, 7 and 9 per cent. respectively
(b)	68·00, 70·00 or 72·00	101·50, 103·50 or 105·50	
November 1985			
(a)	77·00, 79·00 or 81·00	106·00, 108·00 or 110·00	Different rates correspond to NI rates of 5, 7 and 9 per cent. respectively; Change in HB Taper
(b)	68·00, 70·00 or 72·00	101·50, 103·50 or 105·50	
April 1986			
(a)	76·00, 78·00 or 80·00	105·0, 107·00 or 109·00	Different rates correspond to NI rates of 5, 7 and 9 per cent. respectively; Change in basic tax rate

	HB taper	Based on tax, NI and withdrawal of HB	Based on tax, NI and withdrawal of HB and FIS	Comments
	(b)	67·00, 69·00 or 71·00	100·50, 102·5 or 104·50	
April 1987	(a)	78·00, 80·00 or 82·00	105·00, 107·00 or 109·00	Different rates corrspond to NI rates of 5, 7 and 9 per cent. respectively; Change in HB Taper; Change in basic tax rate
	(b)	65·00, 67·00 or 69·00	98·50, 100·50 or 101·50	

Key:
(a) Assessable Income *above* the housing benefit Needs Allowance.
(b) Assessable Income *below* the housing benefit Needs Allowance.

Implied marginal tax rates for April 1988

	Rate of National Insurance			Comments
	5 per cent.	7 per cent.	9 per cent.	
Based on current tax and national insurance rates and withdrawal of housing benefit	86·4	86·8	87·2	Assumes a housing benefit taper of 80 per cent. of net income and a family credit taper of 70 per cent. of net income
Based on current tax and national insurance rates and withdrawal of housing benefit and family credit	95·92	96·04	96·16	

Notes:
1. Implied marginal tax rates are given for private and local authority tenants only.
2. The tables start from July 1972 when the national rent rebate and allowance scheme was introduced.
3. Changes in tax rates, national insurance contributions and housing benefit tapers have been included since July 1972.
4. Precise rates for the reformed social security system have yet to be set. The marginal tax rates for April 1988 are based on the illustrative assumptions included in the Technical Annex accompanying "Reform of Social Security" (Cmnd. 9691).

Child Benefit

Mrs. Maureen Hicks asked the Secretary of State for Social Services what is his policy with regard to the future of child benefit payments; and if he will make a statement.

Mr. Scott: There are no plans to reduce the scope of child benefit. All families will continue to get child benefit and it will be paid to the mother. Its rate will be determined as a part of the annual social security uprating exercise, when the need for a balanced programme of family support is considered.

Invalid Care Allowance

Mr. David Martin asked the Secretary of State for Social Services what representations he has received concerning the system that when a child is at a special boarding school invalid care allowance is paid only in holiday periods and not as a retainer to the person responsible for the caring; and if he will make a statement.

Mr. Scott: Invalid care allowance is paid to a carer for each week he or she spends at least 35 hours caring for a severly disabled person who is living at home and receiving an attendance allowance. We have not received any representations about these rules which preclude payment of the allowance when the disabled person is living away from home at a special boarding school or other residential accommodation.

Nursing and Residential Care Homes

Dr. Moonie asked the Secretary of State for Social Services (1) what rates of board and lodging benefits are payable to persons in private, charitable or voluntary old people's homes; and when they were last reviewed;

(2) when he next proposes to review the levels of benefits payable to persons in old people's homes; and whether he will be taking full account of the real cost of accommodation and support in such homes.

Mr. Scott: Supplementary benefit claimants in independent residential care and nursing homes for the elderly can have their fees met in full up to maximum weekly amounts which are currently £130 in a residential care home (£145 where the elderly claimant is blind or very dependent), and £175 in a nursing home. An extension of up to £17·50 is payable in homes in the Greater London area. Claimants also receive a personal expenses allowance of £9·25. Increases were last made on 6 April 1987, following a review which took account of a range of information on costs and charges including a report on changes in costs by management consultants Ernst and Whinney, which has now been placed in the Library. The next general uprating of benefits will be in April 1988, and the position of people in homes will again be considered, taking account of similar factors, in advance of that date. The Department would welcome any fresh information from hon. Members or other sources which might assist that process.

Regions (RAWP Allocation)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each region for each year since 1979-80 its capital resource allocation working party allocation as a percentage of its weighted population share.

Mr. Newton [*pursuant to his reply*, 30 June 1987, c. *79-80*]: The information requested is set out in the table. The RAWP (resource allocation working party) formula uses regions' populations weighted to take account of age and sex distribution and mortality rates, and the value of capital stock in relation to the weighted population as indicators of relative need.

From 1979-80 to 1984-85, 85 per cent. of the national RAWP sum was distributed on a weighted population basis, the remaining 15 per cent. serving to reduce the inherited disparities in the value of regional health authorities' capital stock. A review in 1983 concluded that the stock equalisation element did not provide a fair measure of relative need and regional health authorities

agreed to move, progressively from 1985-86 to 1991-92, to capital RAWP allocations based solely on weighted population shares.

Regional health authorities
Capital allocation - RAWP share as percentage of weighted population share

Percentage

Regional health authority	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*
1. Northern	105	101·3	98·2	96·0	92·9	86·8	88·7	90·6	92·5
2. Yorkshire	105	104·7	105·8	106·7	107·7	107·6	106·2	105·3	104·3
3. Trent	114	105·2	97·9	91·9	91·1	90·4	90·5	93·2	94·5
4. East Anglian	128	117·5	105·3	94·1	85·0	85·0	87·2	89·1	91·6
5. North West Thames	85	85·0	85·0	85·0	85·0	85·0	87·2	89·4	91·2
6. North East Thames	85	85·0	85·0	85·0	85·0	85·0	88·5	89·4	91·4
7. South East Thames	85	85·0	85·0	85·0	85·0	88·9	90·8	92·0	93·1
8. South West Thames	85	85·0	85·0	85·0	85·0	85·0	86·9	89·1	91·5
9. Wessex	103	110·5	120·5	129·2	136·1	140·0	134·2	128·7	122·3
10. Oxford	85	85·0	85·0	85·0	87·0	85·0	87·2	89·3	91·6
11. South-Western	96	95·6	98·5	103·0	107·2	111·8	112·7	108·3	106·8
12. West-Midlands	85	93·7	100·6	107·2	113·0	119·4	115·9	113·8	111·1
13. Mersey	123	110·7	100·3	90·4	85·0	85·0	87·5	89·0	91·5
14. North-Western	123	132·0	137·0	138·3	132·6	1227·7	119·6	116·4	113·8

Mentally-Handicapped Children

Mrs. Virginia Bottomley asked the Secretary of State for Social Services how many children were placed in long-stay mental handicap hospitals for short-stay or respite care in the last 12 months; for how long they stayed there on average, for every health district; and what alternative community provision, including specialist fostering, is available to such children in each health district and each social services authority.

Mrs. Currie [*pursuant to her reply*, 7 July 1987, c. *129*]: I am sorry I cannot give my hon. Friend the information she seeks. Statistics are collected centrally on admissions to, and discharges from, mental handicap hospitals and units, but these cannot be linked to individual people. Figures on discharges by age and length of stay are contained in the set of booklets "Mental Health Statistics for England", available in the Library. Comprehensive information is not collected centrally on alternative community provision, including fostering arrangements.

SCOTLAND

Psychiatric Hospitals

Mr. Tom Clarke asked the Secretary of State for Scotland what is the population of Scottish psychiatric hospitals; and if he will state the percentage of the psychiatric hospital population aged between each of *(a)* 0 to 25 years, *(b)* 25 to 35 years, *(c)* 35 to 50 years, *(d)* 50 to 65 years and *(e)* over 65 years.

Mr. Michael Forsyth: The latest information available is as follows:

Age distribution of residents[1] in Scottish psychiatric hospitals[2] : 1985

	0-24	*25-34*	*35-49*	*50-65*	*65+*	*Total*
Number	1,693	1,767	2,943	3,959	9,557	19,919
Per cent.	8	9	15	20	48	100

[1] At 31 December
[2] Mental Illness and Mental Handicap

Mentally Handicapped and Disabled Persons

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of purpose-built accommodation units for disabled people completed in Scotland in each of the years 1979 to 1985.

Lord James Douglas-Hamilton: Information covering this period is not readily available.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of full-time day centres and the average number of places within them for each of the *(a)* mentally ill, *(b)* mentally handicapped and *(c)* physically handicapped.

Mr. Michael Forsyth: The latest available information is as follows:

Day Centres for Handicapped Adults at 31 March 1986[1]

Type of Centre[2]	*Number of Centres*	*Number of Places*	*Average Number of Places per Centre*
Mentally Ill	2	92	46·0
Mentally Handicapped	107	6,995	65·4
Physically Handicapped	30	1,362	45·4
Multiply Handicapped	4	129	32·2

[1] Provisional
[2] Day centres are classified according to the main group attending.

All centres provide for handicapped persons to attend on a full-time basis but a number of clients may attend only part-time.

Mr. Tom Clarke asked the Secretary of State for Scotland what was the number of purpose-built accommodation units for disabled people completed in Scotland in 1986.

Lord James Douglas-Hamilton: Returns submitted by housing authorities indicate that 52 dwellings purpose-built to accommodate disabled people were completed during 1986.

Central Computer Service

Dr. Moonie asked the Secretary of State for Scotland whether he is satisfied with the performance of the Central Computer Service in the National Health Service in Scotland.

Mr. Michael Forsyth: The Scottish Health Service Common Services Agency operates a computer centre whose role is limited to support of the agency itself (including payroll and preparation of all-Scotland health statistics) and of the Lanarkshire health board. It is not a central computer for the service as a whole since the health boards also operate large computer installations, either individually or in consortia.

In order to improve the collection, co-ordination and use of information to benefit the service my right hon. and learned Friend has recently authorised the formation of a new directorate of health service information systems, within the Common Services Agency.

Common Services Agency Building Division

Dr. Moonie asked the Secretary of State for Scotland what steps he proposes to take to improve the efficiency and effectiveness of the Common Services Agency building division, with regard to the period between design and completion for hospitals.

Mr. Michael Forsyth: I am making arrangements for a review of the Common Services Agency building division's current activities in hospital building.

Care in the Community

Dr. Moonie asked the Secretary of State for Scotland what steps he proposes to take to ensure that adequate short term funds are made available to health boards and local authorities, to meet the high cost of setting up properly funded community care schemes for elderly, mentally ill, mentally handicapped and physically disabled people.

Mr. Michael Forsyth: The level of funding for particular health and social work services is a matter for decision by individual health boards and local authorities in the light of local circumstances and subject to any general guidance they may receive through my Department. Both health boards and local authorities have been made aware of the need to give high priority to community care facilities for the elderly, mentally ill, and mentally and physically handicapped. I see no case for reducing their discretion in the use of resources available to them by earmarking some of them for particular purposes.

Elderly People

Dr. Moonie asked the Secretary of State for Scotland what steps he is taking to promote the setting up of joint funded homes for elderly people with mental disability in Scotland.

Mr. Michael Forsyth: Arrangements for joint funding of these and other projects providing persons with appropriate care outside the hospital environment have existed since 1980 and were revised and extended in 1985. The allocation of resources to particular projects is a matter for decision by individual local authorities and health boards in the light of established priorities and local circumstances.

Psychiatry (Registrar Posts)

Dr. Moonie asked the Secretary of State for Scotland when he proposes to correct the situation of imbalance in registrar posts in psychiatry between teaching and non-teaching health boards in Scotland.

Mr. Michael Forsyth: A full review of hospital medical staffing is currently being conducted in Scotland with a report expected in the autumn. Thereafter it is expected that discussions will take place with the profession and health service management on a whole range of issues on medical manpower including deployment of registrars in different specialties.

Cervical Cytology

Mr. McLeish asked the Secretary of State for Scotland what is the average length of time taken to provide results from cervical smears for each of the health board areas in Scotland; and if he will allocate extra resources to improve cytology services.

Mr. Michael Forsyth: Information on the average length of time taken to provide results from cervical smear tests is not available centrally. I am currently considering the report of a working group set up under the chairmanship of Professor John Strong to review the cervical cytology screening service in Scotland and will announce the Government's response in due course.

Higher Education

Mr. Galbraith asked the Secretary of State for Scotland what representations he has had from Scottish universities about the proposed Scottish committee for planning of higher education in Scotland; and if he will make a statement.

Mr. Michael Forsyth: I have seen the representations made to my right hon. Friend the Secretary of State for Education and Science by the Standing Committee of the Scottish Universities on behalf of all the Scottish universities in support of the proposal for a Scottish committee of the new Universities Funding Council. Individual universities have also made representations.

Glasgow Airport

Mr. Galbraith asked the Secretary of State for Scotland if he will hold a public inquiry into the proposed extension to Glasgow airport; and if he will make a statement.

Lord James Douglas-Hamilton: My right hon. and learned Friend is still considering whether he should call in the relevant planning application so the question of holding a public inquiry does not yet arise.

Housing

Mr. Wigley asked the Secretary of State for Scotland what was the current and capital expenditure per head on housing in Scotland during the last year for which figures are available.

Mr. Rifkind: Current expenditure on the housing revenue accounts of local authorities, new towns and the

SSHA was £175·80 per head of overall population in 1986-87. Information on the current expenditure of housing associations is not available. Gross capital expenditure by all public housing bodies in 1986-87 was £127·27 per head.

Radioactivity (Dounreay)

Mr. Wallace asked the Secretary of State for Scotland whether, in the light of the recent report of R. F. Wheaton of Edinburgh Radiation Consultants, a copy of which has been sent to him, he intends to review the pattern of monitoring of radioactivity in the vicinity of the Dounreay nuclear establishment.

Lord James Douglas-Hamilton: No. The report, apart from one set of readings, does not contain information which is out of line with previously published data. The anomalous results will be followed up.

High Court of Justiciary

Mr. Menzies Campbell asked the Secretary of State for Scotland what progress has been made in the provision of additional accommodation in Glasgow for the High Court of Justiciary; and if he will make a statement.

Lord James Douglas-Hamilton: Several options have been examined for the provision of additional court and ancillary facilities in Glasgow for the High Court of Justiciary; and consultations have been undertaken. My right hon. and learned Friend is considering in the light of these consultations how best to meet the future accommodation needs of the High Court in Glasgow.

Court of Session

Mr. Menzies Campbell asked the Secretary of State for Scotland what proposals there are to provide additional accommodation in Edinburgh for the Court of Session; and if he will make a statement.

Lord James Douglas-Hamilton: Plans are being prepared to provide a rear extension to Parliament House comprising three additional civil courts with ancillary facilities, accommodation for the Court of Session's public offices, for its clerks of court and for the Supreme Court's staff training unit.

Local Authority Accounts (Access)

Mr. Allan Stewart asked the Secretary of State for Scotland if he has any proposals to amend the statutory provisions governing public access to local authority accounts, in the light of the High Court judgment in the case of Olivers *v.* Northampton borough council.

Mr. Lang: My right hon. and learned Friend is aware of the Scottish implications of the English High Court judgment, concerning the public right of access to personal information in local authority accounts about an authority's employees. A consultation paper is being issued today inviting comments on a proposal that at the next convenient opportunity amending legislation should be introduced to limit this right of access to information about gross pay, allowances, bonuses and overtime payments. A copy of the paper has been placed in the Library.

Written Answers to Questions

Wednesday 15 July 1987

HOME DEPARTMENT

Forensic Science Service

Mr. Dalyell asked the Secretary of State for the Home Department when he hopes to reach conclusions about the three reports on the forensic science service, to which he referred, *Official Report*, column 387, 30 June; and if he will make a statement.

Mr. Hurd: I expect to receive the reports shortly. I shall write to the hon. Member once I have had the opportunity to consider them.

Prison Population

Mr. Grocott asked the Secretary of State for the Home Department if he will list the average daily prison population for *(a)* 1970, *(b)* 1975, *(c)* 1980 and *(d)* the latest year for which figures are available, showing in each case the proportion of remand prisoners.

Mr. John Patten: The information is given in the following table. Details of the average population for each of the previous 10 years are published annually in "Prison Statistics, England and Wales" (table 1.4 of the latest issue for 1985, Cmnd. 9903) and figures for 1986 were published in April in Home Office Statistical Bulletin 6/87.

Average population of Prison Department establishments in England and Wales, 1970, 1975, 1980 and 1986

Year	*Number of persons*	*Percentage on remand*[1]
1970	39,028	12
1975	39,820	14
1980	42,264	14
1986	46,770	21

[1] Untried or convicted unsentenced.

Mr. Tom Clarke asked the Secretary of State for the Home Department if he will publish as a table in the *Official Report* the total prison population and the prison population rate per 100,000 people for each member country of the Council of Europe showing United Kingdom figures, England and Wales figures and Scotland figures separately.

Mr. John Patten: A copy of the latest figures, which relate to 1 September 1986, from the Council of Europe, showing the information required has been placed in the Library. The information about prisoners in different countries published by the Council of Europe is not likely to be strictly comparable, because it reflects different legal and administrative systems and such differences may have a substantial effect on the comparisons. These difficulties apply particularly to the figures of committals to prison per 100,000 inhabitants.

Small Businesses

Mr. David Shaw asked the Secretary of State for the Home Department if he will make a statement on the achievements of his Department in helping small businesses over the last three years, and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Hurd: The Home Office, as part of the Government's policy to promote small businesses, is undertaking a number of initiatives intended to help business.

The Home Office has reviewed all the licences for which it is responsible, to ascertain whether they place a burden on business and if so to see whether that burden could be reduced. A number of changes have been made which will help small business: for example, restrictions on betting offices have been relaxed; the requirement to hold a public billiard licence has been abolished; legislation has been introduced allowing bingo clubs to participate in a national bingo game; and a requirement for pest control firms to hold Home Office authority as well as Minister of Agriculture licences has been removed.

For future developments, the Government are proposing to introduce a Bill later this Session to liberalise the laws on liquor licencing hours; new Cinema (Safety) Regulations and a guide to fire precautions in existing places of public entertainment should reduce burdens on both businesses and local authorities; the Home Office will also be publishing, as a result of the Fire Safety and Safety at Places of Sport Act 1987, a guide specifically intended to help small businesses ascertain what measures are necessary for fire safety. Performance indicators and statistics are not available to show the result of these activities, which are in the main enabling and assisting provisions.

The Home Office, in partnership with other Government Departments, the private sector and local authorities, has helped to establish and fund four enterprise agencies in inner city areas with a high ethnic minority population. Though open to all, they are especially designed to counsel and support ethnic minority small businesses. The performance of the first three agencies, opened last year, is undergoing independent evaluation, using a number of performance indicators, including the number of businesses established and their rate of survival. An estimate will also be given of the value of the benefits flowing from the agencies' work in relation to the expenditure involved. An interim report will soon be made, but meanwhile there is evidence of ample demand for the agencies' services and that small businesses are being established as a result. As the evaluation progresses, more quantitative data are expected.

The Home Office is also providing funding, through section 11 of the Local Government Act 1966, for a number of local authority posts concerned with ethnic minority business development, and a grant for similar work to an existing enterprise agency in an inner city. Routine monitoring arrangements will cover all such posts.

In addition, my Department has for many years sponsored the Community Projects Foundation, which exists to demonstrate community development techniques in a range of local projects. Several of these have led to the

setting up of small businesses. The work of the foundation has been regularly reviewed and we are at present considering proposals for research into the more systematic analysis of community development project.

Jury Fixing

Sir Dudley Smith asked the Secretary of State for the Home Department (1) what information he has about the incidence of jury fixing in important criminal trials in London and elsewhere;

(2) what efforts are being made by police forces in England and Wales to counter the practice of jury nobbling.

Mr. Douglas Hogg: I understand that the police have intelligence which indicates that attempts to bring illegal pressure to bear on jurors have been made, but that this does not support the view that the problem is widespread. The police are alert to the risks to juries, particularly in major trials, involving organised crime, and if necessary seek the authority of the trial judge to provide police protection for the jurors in order to prevent any interference.

Sir Dudley Smith asked the Secretary of State for the Home Department if, when he last met the Commissioner of Police for the Metropolis, he raised with him allegations of the suborning of juries in important trials; and if he will make a statement.

Mr. Douglas Hogg: This subject has not been discussed at my right hon. Friend's meetings with the Commissioner.

Election Counts (Police)

Mr. Alan W. Williams asked the Secretary of State for the Home Department if he will call for reports from the chief constables concerned about whether there were police video cameras present filming the crowds outside the count as results were declared on 12 June in the constituencies of Caernarfon, Meirionnydd Nant Conwy, Ynys Môn and Carmarthen.

Mr. Douglas Hogg: The use of surveillance equipment (including video cameras) by the police is governed by guidelines issued by the then Home Secretary, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan), and placed in the Library in December 1984.

The guidelines were issued to ensure, amongst other things, that surveillance devices were used only where strictly necessary and with due regard for the intrusion of privacy that might sometimes result.

It has been the long-standing policy of successive Governments not to confirm or deny whether surveillance measures have been authorised in any particular case, irrespective of whether such measures have been authorised or not. We do not intend to depart from that policy.

Government Data Network

Mr. Michael Marshall asked the Secretary of State for the Home Department what conclusions were drawn in the course of preparatory studies undertaken in relation to the proposed Government data network, about the potential cost savings resulting from the transfer of relevant data between (*a*) his Department and Her Majesty's Customs and Excise, (*b*) his Department and the Inland Revenue and (*c*) his Department and the Department of Health and Social Security.

Mr. Hurd: With one exception, no transfers of data are planned between the Home Office and the three other Departments which are expecting to participate in the initial implementation of the Government data network, and no cost savings resulting from the transfer of data between my Department and those departments are foreseen. The exception is the properly authorised transfer of data, through existing networks, to Her Majesty's Customs and Excise, which provides an inquiry-only service on the vehicle keepers index held on the police national computer. A decision whether the police national computer network should be transferred to the Government data network will not be made this year.

Drug Offenders (Malaysia)

Mr. Adley asked the Secretary of State for the Home Department if he will make a statement about his consideration of the Malaysian Government's methods of dealing with drug offenders, as raised with him in the last Parliament by the hon. Member for Christchurch.

Mr. John Patten: Our consideration of Malaysian methods of dealing with drug offenders, insofar as they are different, does not lead us to propose any changes in our law.

Petty Officer John Black

Mr. Latham asked the Secretary of State for the Home Department whether he will call for a report from the Commissioner of Police of the Metropolis regarding the progress of the investigation into the unlawful killing of Petty Officer John Black in Spain over Christmas 1983.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that the investigation into Petty Officer Black's death requires further inquiries to be undertaken in Spain. The permission of the Spanish authorities has been sought for British police officers to go to Spain to conduct these inquiries and their reply is awaited.

EMPLOYMENT

Bridge Programmes

Mr. Galbraith asked the Secretary of State for Employment what plans he has for the future of bridge programmes; and if he will make a statement.

Mr. Cope: The funding by the Manpower Services Commission of a distinct bridge programme for unemployed executives and managers was withdrawn from the end of March 1987 as part of a wider redevelopment of resources to provide more help for the long-term unemployed. The commission is, however, continuing to provide similar assistance through other schemes.

Training in job hunting skills, similar to that previously offered by bridge courses, will continue to be available within the commission's job training scheme and jobclubs for those who have been unemployed for at least 26 weeks.

For executives and managers with shorter periods of unemployment, the commission is arranging to provide possibilities for equivalent help through its wider opportunities training programme.

Manpower Services Commission

Mr. Ron Davies asked the Secretary of State for Employment what proposals he has to alter the composition of the Manpower Services Commission.

Mr. Fowler: As I announced to the House during the debate on the Loyal Address on Tuesday 30 June 1987, at column 468, I intend to increase employer representation on the commission by creating up to six extra seats.

Wool Textile Industry (Yorkshire)

Mrs. Peacock asked the Secretary of State for Employment what was the number of people employed in the Yorkshire woollen textile industry in each year from 1972 to 1979 inclusive.

Mr. Lee: The available information is as follows and relates to June each year from 1972 to 1978 when censuses of employment were taken. No census was taken in 1979.

Employees in Employment in Yorkshire in the Woollen and Worsted Textile Industry
(Minimum List Heading 414 of the 1968 Standard Industrial Classification)

(thousands)

Year	*Numbers*
1972	74·0
1973	73·1
1974	69·6
1975	61·2
1976	56·3
1977	56·3
1978	53·7

Community Programme

Ms. Armstrong asked the Secretary of State for Employment if he will detail the proportion, broken down by regions of Great Britain, of those members of the community programme who are successful in obtaining employment on leaving the scheme.

Mr. Lee: There is no up-to-date regional information, but information for Great Britain is available from the latest (4th) survey of former community programme participants undertaken from November 1986:

29 per cent. of respondents obtained a job immediately on leaving the programme.
36 per cent. of respondents were in employment at the time of the survey, an average 11 months later.
59 per cent. of respondents had had at least one job during the 11 month period.

Regional information will be available in due course, and, when completed, a copy of the report of the survey will be placed in the Library.

Ms. Armstrong asked the Secretary of State for Employment if he will outline his plans for the community programme.

Mr. Lee: We are planning to improve the community programme in a variety of ways. We intend to make it full-time and to pay participants a premium over and above their social security entitlements. This will make the programme much more attractive to long-term unemployed people with families. We also propose to enhance significantly the training and job search content of the programme.

FOREIGN AND COMMONWEALTH AFFAIRS

Terrorism

Mr. Lawrence asked the Secretary of State for Foreign and Commonwealth Affairs what support has been received from other Commonwealth countries for the Government's proposals for combating terrorism.

Mr. Mellor: The discussion of terrorism has figured prominently at recent Commonwealth fora. We have actively urged all Commonwealth members to accede to and ratify the various international conventions to combat terrorism. This has drawn wide support amongst Commonwealth members, who have committed themselves to increased co-operation in this field.

Colonies and Dependent Territories

Mr. Grocott asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the remaining British colonies and dependent territories indicating in each case his latest estimate of the annual cost to the Exchequer of administering them.

Mr. Eggar: I shall write to the hon. Member and place copies of my letter in the Library of the House.

International Organisations

Mr. Grocott asked the Secretary of State for Foreign and Commonwealth Affairs if he will list those international organisations, including the European Economic Community of which Britain is a member indicating in each case the latest figure for the annual cost of membership.

Mr. Eggar: A list of international organisations for which the Foreign and Commonwealth Office is responsible and the estimated costs of membership for 1987-88 were published in class II, vote 2, sections A and B, and vote 5, section C, of the Supply Estimates. The estimated cost of membership of the European Communities is to be found in the public expenditure White Paper (Cmnd. 56.II) in part 3.2. The costs of membership of other international organisations for 1987-88 will be found in the appropriate Supply Estimates. Copies of all these documents are available in the Library of the House.

Nizametdin Akhmetov

Mr. Anthony Coombs asked the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have made about the fate of Nizametdin Akhmetov, imprisoned since 1966 in Soviet labour camps, and now incarcerated in a psychiatric prison in Kazakhstan.

Mr. Mellor: Nizametdin Akhmetov was released from Chelyabinsk special psychiatric hospital in June of this year.

We had previously raised his case with the Soviet authorities and we welcome his release. We shall continue our efforts on behalf of others unjustly detained in Soviet psychiatric institutions.

Middle East

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to whether, following the meeting of the Palestine National Council in Algeria, there has been any movement by the Palestine Liberation Organisation to meet Her Majesty's Government's publicly stated conditions regarding the unambiguous recognition of Israel and the ending or armed violence prior to any meeting being possible at Cabinet Minister level with representatives of that organisation.

Mr. Eggar: We have regular contacts with the PLO, but a meeting at Cabinet Minister level remains difficult while the PLO's policies remain ambiguous on Israel's right to exist within secure and recognised boundaries and on the use of violence.

We have no information of a recent change in PLO policy on these issues.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the response by the Palestine Liberation Organisation to the public statement of support given by Her Majesty's Government to the proposal for an international conference on the middle east, following the recent meeting between the Prime Minister and Mr. Shimon Peres.

Mr. Eggar: We regret that the PLO should have misinterpreted the statement issued on 23 June as hostile to the Palestinian people. We remain committed to the search for a peaceful settlement of the Arab/Israel dispute, to ensure justice and security for all the peoples of the area.

Western Sahara

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the achievement of independence for the Western Sahara.

Mr. Mellor: I refer the hon. Member to the answer that I gave to the hon. Member for Norwood (Mr. Fraser) on 3 July, at column 190.

ATTORNEY-GENERAL

Jury Panel Lists

Mr. Evennett asked the Attorney-General to whom jury panel lists are currently made available; and if he will make a statement.

The Attorney-General: Under section 5(2) of the Juries Act 1974, any party to proceedings involving trial by jury, or his representative, is entitled to reasonable facilities for inspecting the jury panel.

Under section 5(4) of the Act the court may, if it thinks fit, grant facilities for inspecting the panel to any other person at any time. This is intended to provide for the legitimate needs of persons such as research students.

Juries (Interference)

Mr. Evennett asked the Attorney-General whether the Lord Chancellor intends to conduct any inquiries regarding interference with juries.

The Attorney-General: Interference with juries is a criminal matter of great gravity, and its investigation must be a matter for the police. But there is no evidence to suggest that it is widespread.

Land Registry (Nottingham)

Mr. Alexander asked the Attorney-General what delays are being experienced by applicants at HM land registry, Nottingham district, for first registration of their property titles; what is the reason for these delays; what arrangements he is making to overcome these delays; and if he will make a statement.

The Attorney-General: The average completion time at Nottingham district land registry for applications for first registration, where they are correctly lodged and no requisitions arise, is 170 working days. The delays are due to the exceptional increase over the last 12 months in the number of applications received. Measures being taken to reduce delays include the working of overtime, the recruitment of new staff, the opening of new offices and improvements in practice and procedures.

Crown Prosecution Service

Mr. Latham asked the Attorney-General what are the instructions given by the Director of Public Prosecutions to the Crown Prosecution Service in Leicestershire regarding bringing young persons under the age of 18 years before the courts who are alleged to have been involved in theft or malicious damage; and whether local prosecutors retain the discretion to insist upon a prosecution.

The Attorney-General: Paragraphs 15 to 18 of the "Code for Crown Prosecutors", a copy of which has been placed in the House of Commons Library, set out the guidelines for dealing with juvenile offenders. No specific guidelines have been issued in respect of juveniles accused of offences of theft or malicious damage. Local Crown prosecutors have a discretion in all cases, including cases involving juveniles, either to discontinue or continue prosecutions which have been initiated by the police, or to institute proceedings where the papers have been submitted to the Crown Prosecution Service by the police for advice.

This policy is followed by all chief Crown prosecutors in England and Wales, including the chief Crown prosecutor for the Crown Prosecution Service area of Leicestershire and Northamptonshire.

Mr. Latham asked the Attorney-General in what proportion of cases coming before magistrates' courts in Leicestershire the case for the Crown is put by a full-time employee of the Crown Prosecution Service; and what is the approximate equivalent proportion for the use of a solicitor in private practice retained by the service for that case.

The Attorney-General: Since 1 June 1987 full-time Crown Prosecution Service lawyers have appeared to prosecute in 11 per cent. of the courts in the Leicestershire

area. The remaining 89 per cent. of courts have been covered by solicitors in private practice employed as agents. The relative proportion of cases within these figures cannot be ascertained incurring disproportionate cost.

Mr. Latham asked the Attorney-General what is the total number of persons employed by the Crown Prosecution Service in Leicestershire; how many of them are qualified solicitors; and what is the estimated cost to public funds of the service in Leicestershire during the current financial year.

The Attorney-General: Seventy three persons are employed by the Crown Prosecution Service in the Leicestershire and Northamptonshire area. Of these, 42 are employed in Leicestershire. The number of qualified solicitors for the whole area is 18 and for Leicestershire is eight. The budget for the current financial year for the whole area is £2,571,321. Of this £1,240,604 represents salaries, of which approximately 60 per cent. is paid to staff working in Leicestershire.

PRIME MINISTER

Middle East

Mr. Latham asked the Prime Minister whether in her recent meeting with Mr. Shimon Peres, she raised with him the consequences for the middle east peace process of the continuing level of armed violence initiated by members of the Palestine Liberation Organisation.

The Prime Minister: No. My talks with Mr. Peres were concerned with how to keep up the momentum towards peace. The Government have repeatedly called on all concerned to refrain from acts of violence which can only obstruct progress towards a peaceful settlement.

EDUCATION AND SCIENCE

Small Businesses

Mr. David Shaw asked the Secretary of State for Education and Science if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mrs. Rumbold: The Department has a relatively small purchasing budget and the scope for helping small businesses is limited. In 1986-87 we purchased from small firms goods to a total of £955,000, mainly in the information technology field. Information is not available for earlier years. The Department will continue to use small firms when it is appropriate to do so. The introduction of performance indicators is under consideration.

Staffordshire (Reorganisation)

Mr. Heddle asked the Secretary of State for Education and Science whether he has yet received a reply from the chief education officer of the Staffordshire county council to his Department's letter regarding the Staffordshire local education authority's proposals to reorganise educational provision in the Stafford area generally, and at Broadacres school at Hixon in the Mid-Staffordshire parliamentary constituency particularly.

Mr. Dunn: A reply has been received and is at present under consideration.

HOUSE OF COMMONS

Members' Salaries

Sir Barney Hayhoe asked the Lord Privy Seal if he will set out in tabular form the sum recommended by the relevant review body for the salary of a Member of Parliament in October 1964, January 1972, June 1975, June 1979 and June 1983, respectively, together with *(a)* the amount and *(b)* the percentage by which the value of the salary currently payable falls short in real terms of each of those previously recommended sums.

Mr. Wakeham: The information requested is as follows:

	Sum recommended by TSRB	*Sum recommended by TSRB in June 1987 prices*[1]	*Current Salary*	*Shortfall between current and recommended salary*	*Shortfall between current and recommended salary*
	£	£	£	£	*per cent.*
October 1964[2]	3,250	23,205	18,500	4,705	20
January 1972	4,500	21,209	18,500	2,709	13
June 1975	8,000	23,456	18,500	4,956	21
June 1979	12,000	21,972	18,500	3,472	16
June 1983	19,000	22,819	18,500	4,319	19

[1] Using the retail prices index.
[2] Lawrence report.

WALES

Water Supplies

Mr. Livsey asked the Secretary of State for Wales what information he has as to how many communities in Wales are supplied by private water undertakings, as to what size of communities these supply and as to how many of these undertakings are registered as charities.

Mr. Grist: Two statutory water companies in Wales, the Wrexham and East Denbighshire water company and the Chester water company supply water to 148,000 and 112,500 persons in their areas respectively. Information in

respect of the number of other communities in Wales supplied by a private water undertaking or the size of those communities is not held centrally but is available from individual local authorities in Wales, who have a duty under section 11(2) of the Water Act 1973 to ascertain the sufficiency and wholesomeness of water supplies within their area. The question of the number of such undertakings registered as charities should be addressed to the Charity Commission.

Mr. Livsey asked the Secretary of State for Wales what guidance Her Majesty's Government give to water authorities regarding the criteria to be used in determining the eligibility of rural communities in Wales *(a)* to receive water supplies and *(b)* to obtain an expansion in their supply; and if he will make a statement.

Mr. Grist: The Welsh water authority has a general duty under the Water Act 1973 to supply water within its area. Grants are available to the authority under the Rural Water Supplies and Sewerage Acts 1944 to 1971 for the provision of services to rural localities not previously served, or for the strengthening of services for the benefit of existing commitments, or for the improvement of a source which has an unacceptable quality or unreliable yield.

Mr. Livsey asked the Secretary of State for Wales if he will provide assistance to the Cwmdu water undertaking, Powys, in its current programme of essential renewal works to meet EEC requirements on drinking water supply; and what is his policy towards assisting for the purpose other similar water undertakings which charitable status.

Mr. Grist: There are no funds available from my Department to assist the owner of any private water undertaking requiring remedial works to meet the standards of the EC drinking water directive. It is, of course, open to any owner of property served by a private water supply to apply to the relevant water authority for a mains water supply. A mains supply to a number of properties in rural area might qualify for grant and under the Rural Water Supplies and Sewerage Acts 1944 to 1971.

Caridgan Bypass

Mr. Geraint Howells asked the Secretary of State for Wales what are the latest developments regarding the construction of the Cardigan bypass; and if he will make a statement.

Mr. Wyn Roberts: A public local inquiry into objections to draft line, side roads, and compulsory purchase orders was held on 7 and 8 July 1987. The inspector's report is now awaited. Subject to the satisfactory completion of statutory procedures and engineering design and to the availability of resources the scheme is expected to start in the period January 1988 to December 1990.

Water Pollution

Mr. Ron Davies asked the Secretary of State for Wales what were the number of incidents of water pollution recorded in Wales for each of the past five years in which there was loss of fish life; in how many of these cases there was a successful prosecution; and on how many an unsuccessful prosecution; what was the average level of the penalties imposed; what were the maximum penalties imposed; in how many cases compensation was awarded for the specific purpose of replacing fish stocks; and what were the average and the maximum of the amounts so awarded.

Mr. Grist: Information on fish kill incidents in the area covered by the Welsh water authority is contained in the "Environmental Digest for Wales", published by the Government Statistical Service, a copy of the table from the latest edition (No. 2 1985) is reproduced in the following table. Information on prosecutions is not held by this Department but I have asked the chairman of Welsh water to write and let the hon. Gentleman have such information that is available.

2.10 Analysis of fish kill incidents: Welsh Water Authority area[1]

Number of incidents

Cause	*1977-78*	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Discharge of crude sewage from WWA works	2	4	4	5		2	—	5	
Discharge from storm sewage overflows	—	—	—	—	[2]8	8	8	9	3
Discharge of sewage effluent from WWA works	1	2	1	2			3	1	
Discharge from WWA water treatment works	2	1	1	3		1	2	3	—
Farming	9	4	2	18	18	23	43	25	15
Industry or trade waste	9	6	4	8	8	10	6	9	4
Low oxygen	4	4	1	2		4	15	10	6
Suspected poaching	8	13	7	5	7	4	11	8	—
Other	4	1	[3]8	5	9	8	12	4	—
Unknown	3	6	11	15	17	29	33	14	
Total	42	41	39	63	67	89	131	88	78

[1] Fish kill is an incident when more than 100 fish are killed.
[2] Includes incidents resulting from discharge from sewage overflows and WWA works.
[3] Includes four incidents due to construction or demolition near a river.
Source: Welsh Water Authority: Water Quality Committee Annual Reports.

ENERGY

Electricity Supply Industry

Mr. Michael Brown asked the Secretary of State for Energy if he will make a further statement on his plans to introduce legislation to privatise the electricity supply industry.

Mr. Parkinson: A provision designed to pave the way for privatisation of the electricity supply industry is being included in a public utilities Bill. This provision will clarify the powers of the industry to ensure that it has adequate statutory backing to prepare for privatisation. Our main legislation on electricity privatisation will follow later.

TRADE AND INDUSTRY

Net Book Agreement

Mr. Butler asked the Chancellor of the Duchy of Lancaster when the Director General of Fair Trading last reviewed the question of the net book agreement; and what plans he has to do so again.

Mr. Maude: The Restrictive Practices Court considered the net book agreement in 1962 and found that it was not contrary to the public interest. Under the legislation, the Director General of Fair Trading may obtain leave to apply to the court to review its judgment only if there is prima facie evidence of a material change in the relevant circumstances. He must therefore consider in particular whether there has been sufficient change in respect of those matters on which the court relied in reaching its judgment. The Director General keeps such matters under regular review but considers that at present there are insufficient grounds for an application to the court to review its judgment.

Fertiliser Products

Mr. Salmond asked the Chancellor of the Duchy of Lancaster if he will estimate the balance of trade figures in volume and value terms in fertiliser products between the United Kingdom, the European Economic Community as a whole and Saudi Arabia.

Mr. Alan Clark: The information is in the following table:

Trade with Saudi Arabia in fertiliser products[1]

	United Kingdom			*European Community*[2]		
	Exports	*Imports*	*Balance*	*Exports*	*Imports*	*Balance*
Tonnes (000's)						
1986	4·4	—	+4·4	144·2	110·5	+33·7
1987 Q1	1·1	—	+1·1	4·7	–	+4·7
Value (000's ECU's)						
1986	1,738	—	+1,738	28,509	12,828	+15,681
1987 Q1	795	—	+795	2,118	–	+2,118

[1] Taken as Nimexe Chapter 31 (fertilisers)
[2] Figures for 1987 Q1 exclude Greece
Note: 1 ECU = approximately £0·67
Source: Eurostat

Urea

Mr. Salmond asked the Chancellor of the Duchy of Lancaster what has been Her Majesty's Government's involvement in the policy decision of the European Community to impose additional import duties on urea products from Saudi Arabia; and what are the reasons for this policy.

Mr. Alan Clark: Provisional anti-dumping duties were imposed on imports of urea from a number of countries, including Saudi Arabia, after a preliminary investigation by the European Commission indicated that dumping of urea was causing injury to the Community fertiliser industry. All EC members were consulted before the provisional duty was imposed and Her Majesty's Government were satisfied on the evidence available that the measures were necessary.

Mr. Salmond asked the Chancellor of the Duchy of Lancaster if he will estimate the total quantity of urea used in Britain's fertiliser production; and what percentage of this comes from the United Kingdom, other European Economic Community countries, and Saudi Arabian sources.

Mr. Atkins: I regret that I am not able to do so. Some of the information requested cannot be given without prejudicing company confidentiality. Furthermore, whilst the majority of urea is sold as straight nitrogen fertilizer, my Department has no information on the quantity used in the production of compound fertilizer. Nor is data available segregating urea for fertilizer use from urea used for industrial purposes. Recent total imports into the United Kingdom from other member states of the EEC and from Saudi Arabia are:

	Tonnes		
	January-December 1986	*January-April 1986*	*January-April 1987*
From EEC	240,739	126,206	96,803
From Saudi Arabia	Nil	Nil	Nil

Source: Her Majesty's Customs and Excise

Inventor Protection

Mr. McCrindle asked the Chancellor of the Duchy of Lancaster what assessment he has made as to the adequacy of investor protection for the purchasers of financial services in the period prior to the introduction of the compensation fund.

Mr. Maude: The Financial Services Act was introduced and passed because the previous arrangements did not offer an adequate level of protection to investors. It is not therefore possible to be satisfied with the protection afforded to investors until the whole of the regulatory structure established by the Act, including the proposed compensation arrangements, has been brought into operation.

Intermediaries (Professional Indemnity)

Mr. McCrindle asked the Chancellor of the Duchy of Lancaster if he will have further discussions with the Securities and Investments Board regarding the desirability of all intermediaries authorised under the Financial Services Act 1986 holding professional indemnity cover; and if he will make a statement.

Mr. Maude: The regulation of persons authorised under the Financial Services Act is a matter for the board. The board's draft rules, which were before the House when it approved the delegation order transferring the relevant powers to the board, made clear the board's preference for a widely drawn compensation scheme rather than a requirement to hold professional indemnity. However, I know that the Board shares my view that there will continue to be substantial advantages to firms in taking out professional indemnity cover.

EC (Scientific Collaboration)

Mr. Strang asked the Chancellor of the Duchy of Lancaster why Her Majesty's Government have refused to approve the budget allocation for the framework programme for scientific collaboration in Europe; what research into AIDS has been delayed because of this refusal; and whether he will make a statement.

Mr. Kenneth Clarke: We have always made clear our commitment to the concept of a framework programme for European Community research and indeed have been willing to see increases in funding in those areas aimed at improving Europe's industrial competitiveness. However, we have been concerned by the scale and scope of the proposals and have worked throughout the negotiations to secure a more effectively targeted and high quality programme. In her statement to the House on 1 July reporting on the European Council on 29 and 30 June my right hon. Friend the Prime Minister made clear our agreement to the content of the framework programme and to spending continuing at present levels. We hope therefore that work can proceed quickly on this basis.

A programme of AIDS research, a significant part of which comprises the co-ordination of national research activity in member states, forms part of the medical and health programme within the framework. Work to prepare this AIDS programme is at an advanced stage and we have indicated our willingness to agree to the commencement of the AIDS programme as soon as the way is clear. The Government's commitment to a programme of AIDS research in this country has been clearly demonstrated and will continue alongside the support we are giving to the EC programme.

"Spycatcher" (Import Licence)

Mr. Campbell-Savours asked the Chancellor of the Duchy of Lancaster whether the Government intend to issue an amendment to the general import licence so as to render the importation of the book "Spycatcher" by Peter Wright subject to licensing.

Mr. Kenneth Clarke: The Import of Goods (Control) Order 1954 provides powers to require goods to be subject to import licensing. I have no plans to amend the licensing requirements to cover this book.

Post Office (New Services)

Mr. Matthew Taylor asked the Chancellor of the Duchy of Lancaster if, pursuant to his answer of 8 July, *Official Report*, column 337, he will outline the proposed new services to be carried out by the Post Office.

Mr. Butcher: We are still considering with the Post Office the range of services that counters might undertake with wider powers and I am not yet able to announce our conclusions.

Textile Quota (Taiwan)

Mr. Curry asked the Chancellor of the Duchy of Lancaster if he will make a statement on the adoption of a European Community regulation on the textile quota regime for Taiwan.

Mr. Alan Clark: The Council of Ministers adopted on 21 May a regulation amending textile import quotas for Taiwan. Quota levels for Taiwan had previously been reduced by 20 per cent. pending proof that Taiwan was not discriminating against the Community in its treatment of certain imports. Taiwan subsequently provided satisfactory evidence in this respect and the regulation reinstated the quota levels to 100 per cent. Withholding the United Kingdom's formal agreement would have given rise to uncertainty for the United Kingdom industry. I therefore judged that it was in the United Kingdom's interest not to delay adoption of the regulation until the House had completed its consideration of the Commission's proposal. I regret that the normal procedures were not followed on this occasion, but I hope the House will understand the special reasons why the Government agreed to the adoption of the regulation in these circumstances.

Yarns

Mr. Curry asked the Chancellor of the Duchy of Lancaster if he will make a statement on the adoption of a European Community Directive setting a mandatory range of sizes for knitting and rug yarns.

Mr. Maude: The Council of Ministers adopted on 25 June a directive setting a mandatory range of sizes for knitting and rug yarns. This is a harmonisation measure which sets a simple range of sizes in which such yarns must be packed throughout the Community. The sizes which have been agreed are those which were suggested by the relevant EC trade association. They have the full support of United Kingdom manufactureres who have been pressing for the measure to be adopted at the earliest opportunity. It will also benefit consumers by allowing them to make easier value-for-money comparisons between sizes. The outcome of negotiations might have been called into question had the United Kingdom delayed adoption beyond 1 July, the date on which the Single European Act came into force. In these circumstances and given the wish of all other member states to see the

measure adopted as soon as possible. I judged that it was not in the United Kingdom's interest to continue to withhold agreement until the House had completed its consideration of the Commission's proposal. Although I regret that normal procedures were not completed on this occasion, I hope the House will understand the reasons why the Government agreed to the adoption of the directive.

Credit and Suretyship Insurance

Mr. Curry asked the Chancellor of the Duchy of Lancaster if he will make a statement on the adoption of European Community directives on credit and suretyship insurance, and on legal expenses insurance.

Mr. Maude: The Council of Ministers adopted on 22 June two directives on credit and suretyship insurance, and legal expenses insurance. These directives bring to an end a temporary dispensation which had enabled Germany to require that credit, suretyship and legal expenses insurance may be performed only by undertakings specialising in the relevant class of insurance. They also provide for further harmonisation of the conduct of credit insurance and legal expenses insurance. In both cases the United Kingdom had obtained significant improvements during negotiations to meet our own concerns. Among these improvements were the exclusion of state export credit insurers from the scope of the directive on credit insurance and in the directive on legal expenses insurance we secured provision enabling the motoring associations to be exempted from certain of the directive's requirements. These and other improvements might have been called into question had the United Kingdom delayed adoption beyond 1 July, the date on which the Single European Act came into force. I therefore judged that it was in the United Kingdom's interest not to delay adoption of the two measures until the House had completed its consideration of the Commission's proposals. I regret that the normal procedures were not followed on this occasion, but I hope the House will understand the special reasons why the Government agreed to the adoption of the two directives in these circumstances.

Assembled Products

Mr. Curry asked the Chancellor of the Duchy of Lancaster if he will make a statement on the adoption of a European Community Regulation on the dumping of assembled products.

Mr. Alan Clark: The Foreign Affairs Council adopted on 22 June a regulation designed to prevent the circumvention of anti-dumping duties by assembly operations within the Community with little or no added value. It would do so by extending these duties to a product assembled in the Community where assembly or production has been started or substantially increased after the opening of the anti-dumping investigation; where assembly or production is carried out by a company which is related to a manufacturer whose exports of the like product are subject to anti-dumping duty; and where the value of the parts used in the assembly operation and originating in the country of exportation exceeds the value of all other parts by at least 50 per cent. (that is, by a ratio of 40:60). The United Kingdom welcomed the Commission's original proposal and had pressed for a Community decision as soon as possible in order to close a loophole in the Community's existing controls and prevent continuing uncertainty which would have been unfair on genuine overseas investors. It would therefore have been undesirable to delay its adoption. I regret that the normal procedures were not followed on this occasion, but I hope the House will understand the special reasons why the Government agreed to the adoption of the regulation in these circumstances.

Consumer Products (Imitations)

Mr. Curry asked the Chancellor of the Duchy of Lancaster if he will make a statement on the adoption of a European Community Directive on dangerous imitations of consumer products.

Mr. Maude: The Council of Ministers adopted on 25 June a directive prohibiting the sale of products which are made or packaged to resemble other products and may as a result mislead and injure consumers, especially children. Examples are scented lamp oil and scented erasers. The United Kingdom had obtained substantial improvements during negotiations to meet our own concerns; we limited the scope of the directive to products resembling food or drink where there was a risk, and we blocked a proposal to give the Commission greater powers to require member states to ban particular products. These improvements might have been called into question had the United Kingdom delayed adoption beyond 1 July, the date on which the Single European Act came into force. I therefore judged that it was in the United Kingdom's interest not to delay adoption of the measure until the House had completed its consideration of the Commission's proposal. I regret that the normal procedures were not followed on this occasion, but I hope the House will understand the special reasons why the Government agreed to the adoption of the directive in these circumstances.

Mr. Ivor Williams

Mr. Chapman asked the Chancellor of the Duchy of Lancaster when Mr. Ivor Williams, a constituent of the hon. Member for Chipping Barnet, will receive a substantive reply to his letter dated 12 January to the Office of Fair Trading regarding his complaint about the conduct of his estate agent; why the reply has not yet been given; and why the Office of Fair Trading has not yet acted on the complaint.

Mr. Maude [*pursuant to his reply*, 14 July 1987]: The Director General of Fair Trading has responsibility for the day-to-day activities of his office. I have therefore asked him to write to the hon. Member directly.

NORTHERN IRELAND

Civil Servants

Mr. Batiste asked the Secretary of State for Northern Ireland how many civil servants are employed in his Department; and what is its budgeted expenditure for the current year.

Mr. Stanley: On 1 April 1987 there were 26,489 civil servants employed in the Northern Ireland Office and the Northern Ireland Departments. This figure includes those in administrative grades, and also scientific officers and professional and technical officers. It excludes prisons

service grades, civilian search unit staff and a small number of casual staff. Total planned public expenditure for the Northern Ireland Office and the Northern Ireland Departments for the current year is £4,877 million (the "Government's Expenditure Plans 1987-88 to 1989-90", Vol. II, table 3.18 p.291).

Mr. Kilfedder asked the Secretary of State for Northern Ireland how many persons under 21 years of age were unemployed in Northern Ireland at the latest date; and how this compares with 1967, 1977 and 1982.

Mr. Viggers: At 14 May 1987, the latest date for which figures are available, there were a total of 22,106 unemployed claimants under 21 years of age in Northern Ireland. Figures on the number of unemployed claimants in this age group are not available for earlier years.

Fishing Fleets

Mr. McGrady asked the Secretary of State for Northern Ireland how many and what amounts of grants have been made to fishing fleets in the South Down ports of Ardglass and Kilkeel in each of the last three years.

Mr. Viggers: Fishermen can obtain assistance to construct and modernise fishing vessels from both United Kingdom and EC funds. Information on United Kingdom grant-aid in respect of individual ports could only be obtained at disproportionate cost but the figures for Northern Ireland as a whole are as follows:

Northern Ireland

Year ending	*Number of projects*	*Total grant paid (£)*
31 March 1985	82	157,000
31 March 1986	148	559,000
31 March 1987	118	604,000

Grant-aid from the European Community has been:

	Kilkeel		*Ardglass*	
Year ending	*Number of projects*	*Total grant paid (£)*	*Number of projects*	*Total grant paid (£)*
31 March 1985	2	44,456	Nil	
31 March 1986	4	100,039	3	64,956
31 March 1987	9	277,319	1	31,389

Teachers

Mr. Kilfedder asked the Secretary of State for Northern Ireland how many teachers are presently unemployed; and how this compares with 1967 and 1977.

Mr. Viggers: At 14 May 1987 the number of unemployed claimants in Northern Ireland whose normal occupation was given as teacher was 1,495. The corresponding figure for unemployed registrants at 9 June 1977 was 451. Information for 1967 is not available.

Action for Community Employment

Mr. Hume asked the Secretary of State for Northern Ireland if he will list the current sponsors of action for community employment schemes in Northern Ireland, indicating the number of action for community employment places and tasks undertaken in each case.

Mr. Viggers: Information in the form requested could be compiled only at disproportionate cost. There are currently some 500 sponsors providing over 6,000 jobs throughout Northern Ireland.

Mr. Hume asked the Secretary of State for Northern Ireland if he will indicate the amounts of money allocated to the action for community employment programme in Northern Ireland, outlining the means by which the use of such money is monitored and evaluated.

Mr. Viggers: £106·31 million has been made available since the scheme was introduced in 1981. All applications from potential ACE sponsors are carefully scrutinised to ensure that they satisfy the aims and objectives of the scheme and regular on site inspections of projects are carried out. Expenditure on the ACE programme is evaluated through surveys and through monitoring against annual cost per job target.

Mr. Hume asked the Secretary of State for Northern Ireland if he will detail the Government's plans for the action for community employment programme in Northern Ireland indicating the type of work, scheme or area which will have priority.

Mr. Viggers: The overall objective is to sustain an average of at least 6,200 jobs in the current financial year. Priority is given to projects which are likely to promote the creation or development of longer term jobs and to those which provide services for disadvantaged groups and jobs for the unskilled. Priority is also given to projects in areas where ACE provision is relatively low in relation to the local incidence of long-term unemployment.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement indicating what role he envisages for the action for community employment programme in relation to the care in the community policies promoted in Northern Ireland's strategic plans for health and social services.

Mr. Viggers: The Department of Health and Social Services "Regional Planning Guidelines 1987-1992" put forward a strategy for the development of community care which is long-standing and will proceed independently of the ACE programme. It is, however, estimated that about one third of ACE places are currently engaged in "community care" activities.

Mr. Hume asked the Secretary of State for Northern Ireland whether the Department of Economic Development maintains a list or other records of current action for community employment.

Mr. Viggers: Yes, manual records are kept in respect of each ACE sponsor and it is hoped to computerise these in the very near future.

Equal Opportunities

Dr. Twinn asked the Secretary of State for Northern Ireland what action he proposes to take to follow up the publication of the consultative paper, "Equality of Opportunity in Employment in Northern Ireland."

Mr. Tom King: There has been a general welcome and a substantial number of responses to our consultative paper. Further consultation is proceeding and we expect to receive shortly a report on the outcome of the current review of anti-discrimination legislation being undertaken

by the Standing Advisory Commission on Human Rights. In the light of these I wish to proceed as quickly as possible to make a number of changes.

A major issue raised in the consultative paper was whether change should concentrate on the single dimension of religion, or also encompass sex and disability. In the light of the comments received, I have decided to concentrate legislative and other action on the vital religious issue. The promotion of equality of opportunity in relation to sex and disability will continue to be addressed in the same way as in the rest of the United Kingdom.

Work has now started on the preparation of new measures. It will proceed in parallel with further consultations, and considerations of the Standing Advisory Commission's report. Detailed proposals will be brought forward as soon as possible.

Pending new legislation, action is now being taken, in respect of the religious dimension, to strengthen the promotion of equality of opportunity in employment. A new guide to effective practice will be published in September. It will make clear our commitment to ensuring that recruitment, selection and promotion take place solely on the basis of merit; and to the active promotion of employment equality through "affirmative action" where necessary. We shall also be introducing a support scheme to assist employers to improve the practice of employment equality in the private sector. Educational initiatives, in both the public and private sectors, will be carried forward over the next few months by the Departments of Finance and Personnel, and Economic Development. In advance of the wider changes to its role which we envisage, the Fair Employment Agency will be provided with additional resources, and we shall discuss with the agency how they can best be deployed.

The Government are totally committed to equality of employment opportunity for both communities in Northern Ireland. These actions demonstrate the further progress we will be making to fulfil that commitment.

Royal Ulster Constabulary

Mr. Lawrence asked the Secretary of State for Northern Ireland what is the present position on the investigations by Mr. Colin Sampson into allegations concerning the Royal Ulster Constabulary.

Mr. Tom King: As I have already informed the House, I wish to make a statement as soon as I can about those aspects of the investigations which fall within my area of responsibility. I regret that I am not yet able to do so. In the meantime, however, I can inform the House that in response to one particular recommendation made by Mr. Sampson it has been agreed that certain matters of organisation and procedure should be more fully examined by way of a special inspection by Her Majesty's inspectorate of constabulary. With the agreement of the Chief Constable, Her Majesty's chief inspector is arranging for a special inspection to be undertaken by one of Her Majesty's inspectors forthwith. I shall of course, take account of its findings when I make my statement to the House.

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will publish the list of sponsors of action for community employment Schemes which was made available to ACE sponsors in 1986 for the elections to the Northern Ireland Federation of ACE Sponsors.

Mr. Viggers [*pursuant to his reply*, 13 July 1987]: The list of ACE sponsors as given to the Northern Ireland Federation of ACE Sponsors, in October 1986, was confined to those employing more than 10 ACE workers and is as follows:

Antrim Borough ACE Scheme
Ardoyne Industrial Development Ltd.
Carrickfergus Youth Services Ltd.
Coleraine & District Churches
Divis Joint Development Committee
Elim Churches of Northern Ireland
Enterprise Carrickfergus Limited
Farset Youth & Community Development Ltd.
Glenbryn/Alliance District & Environmental Community Services
Parish of St. Macnissis
Rathcoole Community Group
Shankill Road Mission
Glenravel Community Centre
Glora Na Ngael
Grosvenor Environmental Society
Joe Lindsay Memorial Recreation Centre
Maghera & District Community Association
Milltown Cemetery Maintenance Committee
Mossley Community Project
Mount St. Nicholas Roman Catholic Church
Newtownabbey Community Group Project
North Queen Street Community Centre Management Committee
The 174 Project
Third World Centre
Waveney Community Association
Springfield Charitable Association
Suffolk Community Service
St. Agnes Community Services
St. Luke's ACE Scheme
St. Oliver Plunkett Parish Welfare Committee
Newtownabbey Borough Council Special Parks Development
Northern Health & Social Services Board Braid Valley Hospital
Royal Group of Hospitals Unit of Management
West Belfast Enterprise Group
Physically Handicapped and Able-bodied (NI)
Voluntary Services Belfast
Voluntary Services Lisburn
YMCA
Eastern Health & Social Services Board
Workspace (Draperstown) Ltd.
Antrim Borough Council
Ballymena Borough Council
Magherafelt District Council
Coleraine Borough Council
Newtownabbey Borough Council
Lower Falls Handicapped Association
Mid-Belfast Charitable Association
Parish of Nativity
Rathcoole Self Help Group
Society of St. Vincent de Paul Belfast
Down District Council
Lisburn Borough Council
North Down Borough Council
Eastern Health and Social Services Board Belfast City Hospital
South Eastern Education and Library Board
East Belfast Community Council
Belfast Simon Community
Belfast Voluntary Welfare Society
James Butcher Housing Association
Chinese Welfare Association Ltd.
Newcastle Society for the Mentally Handicapped Children
Northern Ireland Association for the Care and Resettlement of Offenders
Northern Ireland Chest, Heart and Stroke Association
Church of Ireland Youth Office

Conservative Volunteers (Northern Ireland)
Donaghadee Community Association
Down and Connor Youth Council
Downpatrick and Area Inter Church Caring Project
East Belfast Mission
Extern Organisation
Extra Care Committee
Fold Housing
National Council of YMCA's
Newcastle Community Project Committee
Parish of Derriaghy Committee Group
Waterside Churches Community Advice Centre
The Ulster Society
Archdiocese of Armagh
Armagh Diocesan Council
Ashgrove Community Projects

TRANSPORT

Staveley Bypass

Mr. Jopling asked the Secretary of State for Transport if he will give the dates for the start and the completion of the Staveley bypass on the Kendal-Windermere road.

Mr. Peter Bottomley: The A591 Staveley bypass is a local road proposal for which Cumbria county council is responsible. I understand that construction work is to start in the autumn and will take two years. The Government are supporting the scheme by transport supplementary grant.

Commercial Vehicles (Noise)

Mr. Waller asked the Secretary of State for Transport what information is available to him about highway authorities which have made local traffic orders requiring commercial vehicles to meet noise requirements other than those prescribed in the Road Vehicles (Construction and Use) Regulations 1986.

Mr. Peter Bottomley: I know of no such local traffic orders. The London night time and weekend lorry ban mentions efforts to reduce noise emissions as one of the factors which may be taken into account in issuing exemption permits.

Aircraft Noise

Mr. Harry Greenway asked the Secretary of State for Transport if he will specify for which aircraft types 95 perceived noise decibels footprint diagrams will be included in his future consultation document on night restrictions.

Mr. Peter Bottomley: This matter is still under consideration.

Mr. Harry Greenway asked the Secretary of State for Transport what change there has been in the aircraft noise contours around Gatwick airport between 1984 and 1985; and what action he intends to take as a consequence.

Mr. Peter Bottomley: The area within the 35 noise and number index contour which is generally taken to indicate the onset of disturbance was 225 sq km in 1984, 299 sq km in 1985 and 288 sq km in 1986. We continue to pursue the policies in relation to aircraft noise described in the airports policy White Paper of June 1985. The ban on non noise-certificated subsonic jets will apply to foreign registered aeroplanes from 1 January 1988. We shall continue to press, in international negotiations, for the eventual phasing out of chapter 2 aircraft, such as the BAC1-11, which is one of the noisier aircraft using Gatwick.

Mr. Harry Greenway asked the Secretary of State for Transport if he will initiate an update of aircraft noise infringement limits.

Mr. Peter Bottomley: BAA plc is considering, together with the Civil Aviation Authority and officials of the Department, the introduction of an integrated noise and track-keeping monitoring system for Heathrow, Gatwick and Stansted. When we know the capability of the equipment we shall consider the criteria against which it should be operated, including revised noise limits.

Chelmsford Bypass (Noise)

Mr. Burns asked the Secretary of State for Transport if the testing of noise levels on and around the A12 bypass at Chelmsford has been completed; and when the results will be made public.

Mr. Peter Bottomley: The noise measurements have been completed. The report is being prepared. I shall write to my hon. Friend as soon as I have studied it.

Passenger Vehicles

Mr. Madel asked the Secretary of State for Transport what steps he has taken to prescribe procedures for conducting appeals against refusals to remove prohibitions from larger passenger vehicles.

Mr. Peter Bottomley: I have today laid regulations before Parliament to prescribe procedures for these appeals, which were provided for in section 31 of the Transport Act 1985. These regulations also rationalise existing subordinate legislation on:—

(i) appeals against refusals to remove prohibitions from goods vehicles;
(ii) appeals against refusals to issue certificates of initial fitness and public service vehicles certificates of conformity; and
(iii) circumstances in which vehicles may be driven in contravention of a prohibition without committing an offence.

The new regulations prescribe time limits of 14 days for appeals against refusals to remove prohibitions, and 28 days for appeals against refusals to issue certificates of initial fitness and public service vehicle certificates of conformity. The regulations require all appeals to be lodged at the Department's Goods Vehicle Centre Public Service Vehicle Centre, Swansea.

NATIONAL FINANCE

Government Data Network

Mr. Michael Marshall asked the Chancellor of the Exchequer what stage has been reached in the consideration of responses to the issued service requirement for the proposed Government data network; and when the final decision for the award of any contract can be expected.

Mr. Brooke: Following the evaluation of suppliers' responses, a short list was announced on 25 March 1987. Further discussions and demonstrations are in progress. It is hoped to complete the tendering stage and award a contract by the end of 1987.

Mr. Michael Marshall asked the Chancellor of the Exchequer what assessment he has made as to how far the type of network envisaged by the Central Computer and Telecommunication Agency's Government data network service requirement could potentially be used to eliminate the duplication of data processing, either by allowing the controlled transfer of data between Departments or by facilitating shared access to suitable data; and whether the Government data network will eventually be used in such a way as to realise its potential in this respect.

Mr. Brooke: The proposed Government data network service is being created primarily to facilitate the transmission of data between sites within Departments. Initially, four Departments are expected to take advantage of the service. Economies of scale are expected because the Government data network will obviate duplication of communication facilities which would arise if each of the departments installed and managed separate networks.

Where interdepartmental exchanges or access to data are planned the use of the GDN will not alter the requirement for the originating Department owning the data to authorise such a transfer.

Development (Tax Incentives)

Mr. Adley asked the Chancellor of the Exchequer if he will establish a system for provision of tax incentives to developers in blighted inner-city areas, combined with tax disincentives for development in designated areas of prosperity suffering from over-development.

Mr. Norman Lamont: I have noted my hon. Friend's suggestion.

Coinage

Mr. Wheeler asked the Chancellor of the Exchequer if he will make a statement on future changes in the United Kingdom coinage.

Mr. Lawson: In May, at the ceremony of the Trial of the Pyx, I announced that the Royal Mint would be issuing a pamphlet describing some options for future changes in the coinage, including smaller versions of the 10p and 5p coins. The aim is to meet public dissatisfaction with the overall weight of the present coinage. The pamphlet is being published today, Wednesday 15 July.

I hope that everyone — not just industry and commerce, but the general public and groups with a special interest such as the blind — will let us have their views.

And I can give this assurance: we will not take any decisions about what changes should be made to the coinage — or indeed whether any changes should be made at all — until we have had the opportunity to consider thoroughly all the views and comments we receive.

Mr. Nigel Griffiths asked the Chancellor of the Exchequer if he will give details of the consultation process in relation to the proposed changes in the coinage; and if he will make a statement.

Mr. Brooke [*pursuant to my hon. Friend's reply*, 13 July 1987]: I refer the hon. Member to the answer my right hon. Friend gave the hon. Member for Westminster, North (Mr. Wheeler) earlier today.

DEFENCE

Coach House, Giffen

Mr. Wilson asked the Secretary of State for Defence if he will describe the circumstances under which the Ministry of Defence raised objections to the establishment of licensed premises at the Coach house, Giffen, by Dalry; and to what purpose.

Mr. Freeman: The Ministry of Defence invoked its statutory right and objected to the conversion of stables into a public house at the Coach house, Giffen by Dalry. The development lay within the safeguarded zone surrounding the royal naval armament depot, Beith and my Ministry was not prepared to accept an increase in the number of persons potentially at risk, in the albeit unlikely event of an accidental explosion at the depot.

Tornado Aircraft, Stretton

Mr. Latham asked the Secretary of State for Defence (1) whether he will outline the action which has been taken to check the detailed lists of incidents which have been supplied by two residents of Walnut close, Stretton, either directly or through the hon. Member for Rutland and Melton, showing substantial numbers of cases where Tornado aircraft fly directly over their houses rather than in accordance with the approved flight path;

(2) whether he will make a statement on the level of complaints *(a)* to RAF Cottesmore and *(b)* to his Department, from residents of Walnut close Stretton, Leicestershire, about Tornado aircraft flying directly over the houses, contrary to the approved flight path; and what action is being taken to prevent this nuisance.

Mr. Freeman: Residents of Walnut close, Stretton, Leicestershire, have since August 1985 submitted 78 complaints to RAF Cottesmore and five to the Ministry of Defence.

RAF Cottesmore has checked the lists of alleged overflying of Walnut close and while it can confirm that the figures more or less reflect the number of aircraft in the air at the time, it is not possible in retrospect to establish whether or not their flight paths took them over Walnut close.

It remains the policy to the station to fly the circuit agreed with my hon. Friend and local residents, (as acknowledged in my letter of 23 April). However, even experienced aircrews' are unable to hold the course exactly because of the wind factor. Action taken to prevent the nuisance caused includes ending night circuit flying, modifying landing procedures to reduce reverse thrust noise, and modifying the circuit pattern for runway 23 to avoid specifically overflying Stretton.

Morocco

Mr. Beith asked the Secretary of State for Defence whether he has any plans to supply to Morocco military equipment which could be used against the population of the Western Sahara.

Mr. Sainsbury: I have nothing to add to the reply I gave the hon. Member for Islington, North (Mr. Corbyn) on 14 July.

Foreign Nationals (Military Training)

Mr. Corbyn asked the Secretary of State for Defence if he will now answer questions about the details of military training given to foreign nationals in the United Kingdom.

Mr. Freeman: No. Details of the military training provided for foreign nationals at Ministry of Defence establishments in the United Kingdom are confidential between Her Majesty's Government and the Government concerned.

AGRICULTURE, FISHERIES AND FOOD

Civil Servants

Mr. Batiste asked the Minister of Agriculture, Fisheries and Food how many civil servants are employed by his Department in *(a)* London and the south-east, *(b)* the south-west, *(c)* the midlands and *(d)* the north of England; and what is the budgeted expenditure of his Department for the current year in each of these regions.

Mr. Donald Thompson: The number of staff employed in London and the Department's five regions on 1 April 1987 was as follows:

	Number
London and South-East Region	4,658
Midlands and Western Region	1,329
South Western Region	1,083
Eastern Region	1,724
Northern Region	1,066

There were also 622 staff in Wales, Scotland and Northern Ireland, and 512 temporary employees.

On budgeted expenditure, some 60 per cent. of the Department's running costs are decentralised, partly to the regional organisation and partly to line management commands on a national or HQ basis. Details are published in the Supply Estimates 1987-88 for class IV, vote 5. A breakdown of costs as requested could be achieved only at disproportionate cost.

Live Animal Exports

Mr. David Martin asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the procedures and practice governing the export of live animals; and what steps are taken to ensure that these requirements are properly observed in Portsmouth.

Mr. Donald Thompson: In Great Britain the export of live food animals is regulated by the Export of Animals (Protection) Order 1981 which prohibits such exports except in accordance with a licence. The animals must be rested for 10 hours immediately before export at an approved lairage near the port of departure. At the lairage the animals must be offered food and water and be inspected for fitness to travel before their loading for international transport is officially supervised. These controls are applied stringently, at Portsmouth and elsewhere, by the state veterinary service and by local authorities.

Morocco (Fisheries)

Mr. Beith asked the Minister of Agriculture, Fisheries and Food what is the policy of Her Majesty's Government towards the proposal that the European Economic Community fisheries agreement with Morocco should extend only to the area of sea which is internationally recognised as Moroccan waters.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Mr. Livsey asked the Minister of Agriculture, Fisheries and Food if, in view of the effects of delay on United Kingdom dairy farmers, he will immediately allow the Milk Marketing Board to organise milk quota leasing in the United Kingdom.

Mr. Donald Thompson [*pursuant to his reply*, 14 July 1987]: As my right hon. Friend has already reported to the House on 1 July at column 511, it was agreed as part of this year's price-fixing settlement that measures would be implemented to permit the continuation of quota leasing. Although the Council agreed in principle to this measure, the absence of the European Parliament opinion, which is required on the proposal, means that formal adoption of a regulation will be delayed until after the summer holidays. My officials are already discussing detailed arrangements with the Milk Marketing Board that can be put into operation as soon as the necessary regulation is formally adopted.

SCOTLAND

Psychiatric Hospitals

Mr. Tom Clarke asked the Secretary of State for Scotland if he will state capital spending plans for Scottish psychiatric hospitals for the next year.

Mr. Michael Forsyth: Each health board determines its capital expenditure priorities within the block capital allocation made annually by my right hon. and learned Friend. Full details are not held centrally and at this stage in the year it is not possible to say which individual project each board will decide to take forward, but the following major projects for psychiatric hospitals are currently at detailed planning stages or under construction:

Project	*Total Cost*	*Current Year Estimated Expenditure*
	£ million	*£ million*
1. Royal Cornhill, Aberdeen	8·2	0·2
2. Parkhead, Glasgow	4·6	2·3
3. Ailsa Hospital, Ayr	1·3	0·8
4. Hairmyres, East Kilbride	3·1	0·1

In addition the West Lothian district general hospital, phase II, includes provision for psychiatric patients. Other smaller projects are being undertaken by boards.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of people admitted to Scottish psychiatric hospitals for each of the years 1980 to 1986.

Mr. Michael Forsyth: The total number of admissions (including re-admissions) is as follows:

Scottish psychiatric hospitals[1] Admissions

	Admissions
1980	27,896
1981	28,510
1982	[2]25,571

	Admissions
1983	28,387
1984	29,167
1985	29,947

[1] Mental illness and mental handicap
[2] Influence of industrial action in Health Service
Information for 1986 is not yet available

The above figures reflect a reduction in lengths of stay in hospital and an increase in readmissions, both of which are matters of clinical judgment. The number of residents in psychiatric hospitals has been falling in recent years.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of Scottish hospitals which meet the suggested target of 40 trained psychiatric nurses for every 100 psychiatric patients.

Mr. Michael Forsyth: The target of 40 trained psychiatric nurses for every 100 psychiatric patients is not one which has been recommended by the Scottish Home and Health Department and its source has not been verified. The number of mental illness hospitals, mental handicap hospitals and those with units for the mentally ill and handicapped which have 40 or more trainee nurses (whole-time equivalents) for every 100 weighted[1] patients at 31 March 1986, the latest figures available, are shown in the table.

Trained nurses include both registered mental illness and mental handicap nurses and enrolled nurses. Information on registered nurses alone cannot be provided except at disproportionate cost.

	Psycho-geriatric	*Mental illness*	*Mental handicap*
Mental hospitals			
Number	19	26	17
Number with 40 or more nurses per 100 weighted[1] patients	2	3	1
Other hospitals with mental units			
Number	16	13	4
Number with 40 or more nurses per 100 weighted[1] patients	7	13	1

Note: Hospitals with patients falling into more than one of the three categories of mental illness shown will be counted separately in each line as appropriate.

[1] Weighted to take account of in-patients, out-patients, day patients and day cases.

Central Institutions (Staff Morale)

Mr. Tom Clarke asked the Secretary of State for Scotland if he will state his policy towards the problem of the low morale among staff in Scottish central institutions; and if he will outline his plans to increase morale.

Mr. Michael Forsyth: Staff morale is a matter for the boards of governors and for the management of the institutions. We warmly welcome the positive way in which the central institutions are responding to the Government's policies of improving access to higher education and seeking better value for money.

Occupational Therapists

Mr. Tom Clarke asked the Secretary of State for Scotland what is the number of qualified occupational therapists in Scotland specialising in long-stay or psychogeriatric care.

Mr. Michael Forsyth: The number of qualified occupational therapists based in long-stay hospitals at 30 September 1986, the latest figure available, was 184.4 (whole-time equivalents). This figure does not include staff employed in long-stay units of general hospitals as information collected centrally does not separately identify these staff.

Leukaemia

Dr. Moonie asked the Secretary of State for Scotland what studies are currently in progress to investigate unexplained clusters of cases of leukaemia in the east of Scotland.

Mr. Michael Forsyth: I refer the hon. Member to the reply I gave my hon. Friend the Member for Tayside, North (Mr. Walker) on 13 July at col. 247.

Earnings

Mr. Tom Clarke asked the Secretary of State for Scotland if he will estimate the number of workers in Scotland who earn less than £3 per hour and the percentage which they constitute of the total Scottish work force.

Mr. Lang: The table gives information about the distribution of average gross hourly earnings for some groups of workers. The figures are from the April 1986 New Earnings Survey, which is conducted by the Department of Employment and covers a 1 per cent. sample of employees who are members of PAYE schemes. The results of the April 1987 survey should be available at the end of the year.

Adult employees in Scotland whose earnings were not affected by absence

April 1986	*Percentage with average gross earnings less than £3.00 per hour*
Full-time	
males	18.3
females	46.6
employees	28.2
Part-time	
males	not available
females	77.3
employees	not available

The figures are subject to sampling errors, and cannot be assumed to apply to the whole working population because they do not cover, for example, the self-employed, members of the armed forces, private domestic servants, those who are not on adult rates, and those who are not members of PAYE schemes.

Mr. Tom Clarke asked the Secretary of State for Scotland if he will publish a table in the *Official Report* showing average weekly earnings for men and women in Scotland and in each of the Scottish regions for each year since 1979.

Mr. Lang: Estimates of average gross weekly earnings for Scotland as a whole, and for the larger Scottish regions, are published each year in the tables of the New Earnings Survey, part E, which are available in the Library of the House. The results of the April 1987 survey should be available at the end of the year.

Prison Population

Mr. Tom Clarke asked the Secretary of State for Scotland if he will state the total prison population in Scotland and the prison population rate per 100,000 people in Scotland.

Lord James Douglas-Hamilton: The population of the Scottish penal system on 30 June 1987 was 5,394. This is equivalent to 105·3 inmates per 100,000 of the Scottish population.

Job Training Scheme

Mr. McLeish asked the Secretary of State for Scotland if he will list the job training scheme sponsors in Scotland; how many unemployed people are involved at the latest date; and what accounts he is taking of the views of the Convention of Scottish Local Authorities and the Scottish Trades Union Congress in reviewing the scheme.

Mr. Lang: The following organisations had, at 10 July 1987, signed contracts with the Manpower Services Commission to act as managing agents in Scotland for the new job training scheme:

Aberdeen Chamber of Commerce
A. D. M. Ltd. (Alan d'Morias)
AMARC (TES Ltd.) (Associated Marine and Related Charities (Training and Education Services Ltd.))
Borders Regional Council
British Shipbuilders
Buckhaven Parish Church
Dumfries and Galloway Regional Council
Dundee Skillcentre
Edinburgh Chamber of Commerce
Grampian Regional Council
Hotel and Catering Training Board
Hillington Skillcentre
J. H. P. Training Ltd.
Lanarkshire JTS Ltd.
Lloyds British Testing Ltd.
Mentor
Metcon
The Microcomputer Training Centre
Radix Training (Scotland) Ltd.
Reid Consultants
R. R. W. Associates
Sight and Sound
Suliven Ltd.
Training Services (Fife) Ltd.
Westwood Training Services Ltd.
Whiteleys
Work Start

At 3 July 1987 1,391 unemployed people were participating in the new job training scheme.

The views of the Convention of Scottish Local Authorities and the Scottish Trades Union Congress have been noted: I very much regret that they are seeking to deny the unemployed the opportunity to receive training which will enhance their future employment prospects.

School Placements

Mr. Galbraith asked the Secretary of State for Scotland what representations he has had from parents about school placements; and if he will make a statement.

Mr. Michael Forsyth: I receive many representations from parents about school placing requests. Most are inquiries as to how to make an application or requests for advice on the appeals procedures. Since 1982, over 93,000 placing requests have been made to Scottish education authorities; almost 95 per cent. have been successful.

Stobhill Hospital

Mr. Galbraith asked the Secretary of State for Scotland what discussions he has had with Greater Glasgow health board about the future of Stobhill hospital; and if he will make a statement.

Mr. Michael Forsyth: None. Future developments at Stobhill hospital will depend on the outcome of the reviews of services currently being carried out by the Greater Glasgow health board for the whole of its area.

Accident and Emergency Departments (Glasgow)

Mr. Galbraith asked the Secretary of State for Scotland what discussions he has had with the Greater Glasgow health board about the future of the accident and emergency departments in Glasgow; and if he will make a statement.

Mr. Michael Forsyth: None. The board will be reviewing its accident and emergency services as part of its review of acute services generally.

Homeless Persons

Mr. Adley asked the Secretary of State for Scotland if he will list for each local authority area in Scotland the number of houses made available to people under the Housing (Homeless Persons) Act for each of the last five years; and what percentage this represented of the total number of houses available for new tenants for each year.

Lord James Douglas-Hamilton: The information requested is shown in the table attached for each of last four financial years. Corresponding information for 1982-83 is not available.

Houses allocated to applicants under the Housing (Homeless Persons) Act 1977

	Houses allocated to applicants under the Act							
	Number of houses				*Percentage of houses available for letting*			
Authority	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Scotland	5,146	5,654	6,230	7,353	7·15	12·53	12·37	15·60
Berwickshire	3	5	8	2	1·80	3·05	3·77	1·34
Ettrick and Lauderdale	18	13	6	9	5·79	3·57	1·46	3·01
Roxburgh	12	18	23	17	1·62	2·30	2·91	2·51
Tweeddale	0	[illegible]	1	14	0	[illegible]	0·93	15·05
Clackmannan	175	137	123	161	28·46	24·55	25·10	29·49
Falkirk	59	22	96	60	4·58	1·89	5·94	2·60
Stirling	[illegible]	105	123	115	[illegible]	16·46	28·54	19·52
Annandale and Eskdale	0	0	17	4	0	0	4·38	1·10
Nithsdale	96	69	81	106	28·49	16·87	24·25	27·75

1982

Authority	Houses allocated to applicants under the Act: Number of houses 1982-83	1983-84	1984-85	1985-86	Percentage of houses available for letting 1982-83	1983-84	1984-85	1985-86
Stewartry	19	33	42	53	14·07	26·61	33·07	46·90
Wigtown	22	25	25	35	11·11	9·51	12·38	17·41
Dunfermline	181	181	170	269	18·58	20·54	20·53	32·73
Kirkcaldy	70	68	25	68	5·43	5·50	2·13	7·53
North East Fife	16	29	53	74	4·38	6·62	13·38	20·96
Aberdeen	48	79	150	261	2·17	3·29	6·33	10·38
Banff and Buchan	2	9	16	67	0·25	1·15	2·05	7·02
Gordon	17	26	27	41	3·84	6·44	5·53	10·88
Kincardine and Deeside	0	0	0	0	0	0	0	0
Moray	76	65	88	82	11·53	9·63	13·99	14·70
Badenoch and Strathspey	6	6	6	6	6·12	5·71	8·11	7·14
Caithness	6	2	3	4	1·57	0·76	1·11	1·61
Inverness	28	[1]	48	45	4·49	[1]—	7·41	9·13
Lochaber	21	11	12	10	8·02	4·25	7·64	9·90
Nairn	15	18	7	18	38·46	45·00	25·00	20·22
Ross and Cromarty	36	27	15	8	6·98	5·34	2·47	1·76
Skye and Lochalsh	9	20	12	11	17·31	24·39	17·65	17·46
Sutherland	0	0	0	0	0	0	0	0
East Lothian	123	99	126	152	14·87	11·62	17·40	22·93
Edinburgh	128	99	115	140	4·51	2·82	3·45	5·33
Midlothian	15	27	14	6	2·05	4·31	2·66	1·18
West Lothian	22	28	26	24	1·49	1·73	1·81	2·01
Argyl and Bute	54	37	21	31	10·78	8·92	3·58	6·15
Bearsden and Milngavie	[1]	23	25	27	[1]—	30·26	50·00	40·91
Clydebank	83	85	88	132	19·26	19·54	16·12	21·15
Clydesdale	17	12	18	31	5·01	2·42	4·47	7·81
Cumbernauld and Kilsyth	27	49	46	77	19·29	37·98	26·14	46·39
Cumnock and Doon Valley	8	13	21	15	1·98	2·81	5·10	3·68
Cunninghame	27	155	161	167	2·06	12·93	10·11	13·25
Dumbarton	42	38	58	133	6·65	5·84	9·78	26·60
East Kilbride	0	0	0	0	0	0	0	[1]—
Eastwood	15	8	11	9	10·71	6·67	8·53	5·42
Glasgow	2,295	2,712	2,644	2,709	26·75	24·93	24·28	23·98
Hamilton	104	119	103	76	8·37	14·49	7·95	9·86
Inverclyde	79	69	96	108	8·22	8·78	11·79	12·98
Kilmarnock and Loudoun	52	94	86	84	10·79	13·78	12·18	17·21
Kyle and Carrick	152	122	82	98	20·32	15·56	11·82	13·08
Monklands	21	20	25	186	2·03	2·09	2·49	19·68
Motherwell	164	[1]—	121	141	5·59	[1]—	9·44	11·98
Renfrew	477	322	404	612	13·25	17·29	31·22	31·16
Strathkelvin	95	111	93	98	18·23	35·92	24·80	25·26
Angus	16	8	12	21	2·28	1·10	1·41	2·48
Dundee	[1]—	192	407	500	[1]—	9·14	7·55	16·18
Perth and Kinross	146	208	204	205	18·39	27·44	28·06	25·63
Orkney Islands	[1]—	1	0	5	[1]—	1·32	0	4·90
Shetland Islands	26	24	39	24	13·98	9·92	17·73	9·92
Western Isles	23	11	7	2	9·66	5·29	4·79	0·81

[1] Information not recieved from the authority.

Mr. Adley asked the Secretary of State for Scotland what information he has as to those areas from which people applying for housing under the Housing (Homeless Persons) Act have emanated.

Lord James Douglas-Hamilton: Although information is available centrally on the numbers of homeless applications to individual local authorities, this information is not held on a basis which would identify the areas from which applicants have emanated.

Mr. Adley asked the Secretary of State for Scotland if he will list those local authorities in Scotland which have been required to provide homes for people who have declared themselves homeless under the Housing (Homeless Persons) Act.

Lord James Douglas-Hamilton: All districts and islands authorities in Scotland have provided housing under the Act.

Housing Waiting List

Mr. Adley asked the Secretary of State for Scotland if he will list for each local authority in Scotland the number of people on council housing waiting lists; and if he has any information to indicate how many of these people are on the waiting lists of other local authorities.

Lord James Douglas-Hamilton: Consistent reliable information on numbers of people on local authority housing waiting lists is not held centrally, nor is information on numbers applying to more than one authority.

Mr. Adley asked the Secretary of State for Scotland what information he has as to the number of applicants on local authority housing waiting lists who have made multiple applications in different local authority areas.

Lord James Douglas-Hamilton: This information is not available centrally.

Housing Costs

Mr. Adley asked the Secretary of State for Scotland if he will state *(a)* in general terms and *(b)* by individual local authority the percentage of the cost of construction of new local authority housing borne (i) by the ratepayer and (ii) by the taxpayer in Scotland for each of the last 10 years.

Lord James Douglas-Hamilton: The information requested is not available.

Housing Investment

Mr. Adley asked the Secretary of State for Scotland what financial inducements are available to private sector developers to generate housing investment in areas designated by his Department as stress areas or deprived inner-city areas.

Lord James Douglas-Hamilton: Private sector developers can apply to local authorities for improvement and repairs grants for the repair and improvement of property for subsequent sale and rent. In addition, the local enterprise grants for urban projects scheme (LEG-UP) is available to help attract private sector development, including housing, to urban areas which might not otherwise be considered for investment.

Housing Statistics

Mr. Adely asked the Secretary of State for Scotland, for each of the last 10 years in Scotland, what percentage of *(a)* newly constructed houses and *(b)* renovation of older houses has been undertaken by local authorities and what percentage by private developers.

Lord James Douglas-Hamilton: The table shows the percentage of new dwellings completed in each of the last 10 years by local authorities and by the private sector.

New dwellings completed in Scotland, per cent. of total dwellings completed in year.

Year	*Local Authority*	*Private Sector*
1977	33·4	44·4
1978	26·0	56·1
1979	20·0	63·8
1980	24·5	59·4
1981	18·8	55·1
1982	14·3	70·2
1983	12·9	73·5
1984	11·3	74·9
1985	10·8	78·6
1986	9·4	80·0

No information is available about the extent of renovation undertaken by private developers or individuals without the aid of a grant. The information available centrally about grants paid to private owners does not distinguish between owner occupiers and private developers for every year in the series.

Empty Housing

Mr. Adley asked the Secretary of State for Scotland if he will list the total number of local authority houses in each individual local authority area in Scotland making up the total number of currently empty local authority houses.

Lord James Douglas-Hamilton: The information requested is listed, showing the position at 31 March 1986

Local authority vacant stock as at 31 March 1986

Districts	*Total vacant stock*
SCOTLAND	20,584
Borders	304
Berwickshire	0
Ettrick and Lauderdale	71
Roxburgh	225
Tweeddale	8
Central	1,103
Clackmannan	165
Falkirk	642
Stirling	296
Dumfries and Galloway	239
Annandale and Eskdale	57
Nithsdale	168
Stewartry	14
Wigtown	0
Fife	798
Dunfermline	294
Kirkcaldy	365
North East Fife	139
Grampian	1,549
Aberdeen	1,047
Banff and Buchan	187
Gordon	203
Kincardine and Deeside	3
Moray	109
Highland	383
Badenoch and Strathspey	2
Caithness	97
Inverness	91
Lochaber	149
Nairn	2
Ross and Cromarty	38
Skye and Lochalsh	2
Sutherland	2
Lothian	4,477
East Lothian	130
Edinburgh	4,121
Midlothian	83
West Lothian	143
Strathclyde	10,312
Argyll and Bute	63
Bearsden and Milngavie	28
Clydebank	219
Clydesdale	13
Cumbernauld and Kilsyth	51
Cumnock and Doon Valley	135
Cunninghame	381
Dumbarton	226
East Kilbride	6
Eastwood	127
Glasgow	5,612
Hamilton	333
Inverclyde	344
Kilmarnock and Loudoun	481
Kyle and Carrick	192
Monklands	194
Motherwell	761
Renfrew	966
Strathkelvin	180
Tayside	1,270
Angus	45

Districts	*Total vacant stock*
Dundee	1,057
Perth and Kinross	168
Orkney Islands	22
Shetland Islands	72
Western Isles	55

SDA (Grant Aid)

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the total value of grants made by the Scottish Development Agency to companies or projects in Scotland in each year since 1979 in *(a)* cash terms and *(b)* real terms on 1987-88 prices.

Mr. Rifkind [*pursuant to his reply*, 6 July 1987, c. *33*]: The information is as follows:

Year	*£ million value in cash terms*	*£ million value in real terms on 1987-88 prices*
1979-80	0·1	0·17
1980-81	0·1	0·14
1981-82	0·6	0·80
1982-83	0·7	0·87
1983-84	5·5	6·50
1984-85	10·6	12·10
1985-86	10·7	11·51
1986-87	19·9	20·79

The figures contain expenditure under the agency's recognised grant schemes such as the development of rural area workshops, programme for rural initiatives and developments and the local enterprise grants for urban projects and also include development grants to, for example enterprise trusts, the training and employment grant scheme and better business services scheme.

Closures

Mr. Graham asked the Secretary of State for Scotland how many closures have been reported in Renfrew, West and Inverclyde constituency in each year since 1979; and how many jobs have been involved.

Mr. Lang [*pursuant to his reply*, 10 July 1987]: Information given to the department of Employment under the redundancy handling provisions of the Employment Protection Act are given in confidence and because of this a detailed breakdown cannot be given for the years 1979 to 1981. The details are not in precisely the form requested, but relate to the number of closures involving 10 or more workers confirmed to jobcentres covering areas wholly or partly within the constituency.

	Number of closures	*Number of redundancies*
1979	[1]	[1]
1980	22	843
1981	13	[1]
1982	16	873
1983	12	786
1984	9	314
1985	15	860
1986	14	804

[1] Figures not disclosed because of confidentiality.

Scottish Development Agency (Expenditure)

Mr. Graham asked the Secretary of State for Scotland how much has been spent by the Scottish development Agency in each year since 1979 in Renfrew, West and Inverclyde constituency; and what proportion of all spending by the agency this figure represents.

Mr. Lang [*pursuant to his reply*, 10 July 1987]: As a result of changes in constituency boundaries information is only available from 1983-84. It is as follows.

	£	*Per cent.*
1983-84	1,686,000	1·70
1984-85	2,182,000	2·23
1985-86	2,434,000	2·22
1986-87	1,344,000	1·21

These figures represent annual expenditure on investments, land and buildings, environmental development grants and development planning and projects. Agency expenditure under the following categories is not allocated on a constituency basis:

Maintenance, dilapidations, estate land maintenance, security, land marketing signs, fire and engineering insurances.

Land and building, plant and equipment, notice boards, owner controlled insurance, gas, water and electricity supplies, feasibility studies and surveys.

SOCIAL SERVICES

Midwives

Mr. Soames asked the Secretary of State for Social Services (1) what representations he has received about the number of midwives presently serving in the National Health Service; and if he will make a statement;

(2) what steps he is taking to recruit more midwives.

Mr. Newton: While we are aware of the evidence presented by the Royal College of Midwives to the pay review body, we have not received any formal representations about the number of midwives presently serving in the National Health Service. We have however received a number of letters referring to midwife recruitment difficulties in particular localities. Nationally the total number of qualified midwives employed in the NHS in England continues to increase and at September 1985 there were 18,260 whole-time equivalents, which is an increase of 14 per cent. since 1981. Although the number entering training in the year ended 31 March 1987 decreased by 6·8 per cent. to 2,759 over the previous year, the proportion passing their examinations increased from about 78 per cent. to 95 per cent.

Individual health authorities are responsible for recruiting staff. However, central initiatives intended to help with the recruitment and retention of midwives include funding in the present financial year a feasibility study into direct entry midwifery by the English National Board; a review by the management and staff sides of the nursing and midwifery staffs negotiating council of the grading structure for nursing and midwifery staff with the aim of providing a more flexible structure which can recognise individual skills and responsibility; and a joint NHS/DHSS working group on equal opportunities for women with particular reference to management of the career break.

Board and Lodging

Dr. Moonie asked the Secretary of State for Social Services whether he will consider reviewing the situation whereby a local authority cannot top up a person's board and lodging payment to a private or charitable nursing or old people's home, but must instead meet the full cost, if Department of Health and Social Security rates are insufficient.

Mr. Scott: Local authorities can already top up supplementary benefit payments for residential care for people under pension age or for older people whose payments have been topped up for two years before they reach pension age. The possibility of extending this arrangement to all elderly people in residential care, which would require primary legislation, is one of the matters considered by the joint central and local government working party on supplementary benefit and residential care, whose report will be published shortly. The findings of the working party, as well as the position of people needing care in other settings outside hospital, including nursing homes, will need to be looked at in the context of the overview of community care which Sir Roy Griffiths has been asked to carry out by the end of the year.

Dr. Moonie asked the Secretary of State for Social Services whether attendance allowance, where payable, generally is deducted from the payment made for board and lodging allowance to persons in old people's homes.

Mr. Scott: For supplementary benefit claimants in residential care and nursing homes, attendance allowance is taken into account as a resource in the calculation of their benefit. This is because supplementary benefit can be paid up to substantially higher levels than in ordinary board and lodging establishments, in recognition of the fact that care is provided. Not to take attendance allowance into account in such a system would in effect be double provision.

Mentally Ill People

Mr. Irving asked the Secretary of State for Social Services (1) what are the diagnostic and other criteria governing the admission and discharge of patients to and from mental hospitals and units in the National Health Service on which the statements in paragraph 13 of his Department's statistical bulletin 4/86 are based;

(2) whether, in the light of the reference in paragraph 29 of the Audit Commission Report, "Making a reality of Community Care", about the existence of much tighter admission criteria for long-stay patients in mental hospitals, if he will make a statement on admission criteria;

(3) what is his policy in the light of paragraph 80 (c) of the Audit Commission Report, "Making a reality of Community Care", towards setting up services for those who do not gain access to long-stay places in mental hospitals under current admission policies.

Mrs. Currie: With the exception of part II of the Mental Health Act 1983 there are no other statutory requirements relating to hospital admissions or discharges. The responsibility of the Secretary of State for such matters is delegated by him to health authorities and it is for the health authority to ensure that there is a clear local agreement on how admissions (including admissions to longer term care) and discharges are handled. Procedures will vary from hospital to hospital and from one locality to another but decisions will normally be taken by the professionals involved and will be a matter of clinical judgment in each individual case.

When the decision taken is not to admit a person to hospital, treatment can be offered instead in a day hospital, or at the person's home. Appropriate medical, nursing, social work and therapy services need to be provided locally to meet the needs of people treated in these settings.

National Health Service Planners (Seminars)

Mr. Irving asked the Secretary of State for Social Services whether the seminars for National Health Service planners about provision of hospital hostels which he intended arranging early in 1987 have now been held.

Mrs. Currie: Dates and venues have now been agreed for five seminars to spread knowledge of the best ways of providing long-term in-patient care for those people chronically disabled by mental illness, without creating the institutional environment of traditional long-stay wards. The first will be held on 16 October in Birmingham.

Schizophrenia

Mr. Irving asked the Secretary of State for Social Services whether he will arrange for the numbers of patients with a diagnosis of schizophrenia to be analysed by frequency of re-admission to hospital.

Mrs. Currie: I am sorry I cannot give my hon. Friend the information he seeks. Statistics are not collected centrally on the number of patients in hospital with a particular diagnosis, and data about admissions to hospital cannot be linked to individual people. During 1986 there were 25,046 admissions of people to NHS mental illness hospitals and units with a main diagnosis of schizophrenic psychoses, and of these 22,523 (90 per cent.) were re-admissions. Further information can be found in Statistical Bulletin 1/86 "Mental Illness Hospitals and Units In England: Schizophrenic Statistics 1981-84", a copy of which is in the Library.

NHS (Construction Projects)

Mr. Trotter asked the Secretary of State for Social Services whether he will publish a list of the new hospitals and major extensions to health service buildings now under way in each health authority and a similar list of proposed work, indicating the likely start date in each case.

Mrs. Currie: From information held centrally on health building schemes, each costing over £1 million, list 1 shows schemes currently under construction and list 2 schemes at the planning or design stage with, where available, the year in which construction is planned to start.

Schemes over £1 million which are under construction

Authority and Scheme

Northern Regional Health Authority
Blyth Community Hospital and Health Centre
Freeman Hospital
Furness General Scheme 2 Phase 1
Hartlepool DGH Scheme 3 Phase 1
Middlesbrough General Hospital
North Tyneside Scheme 2 Phase 1

South Cleveland General Scheme 2 Phase 1B
South Cleveland General Scheme 2 Phase 1C
South Shields General Scheme 3 Phase 1

Yorkshire Regional Health Authority
Bridlington New Community Hospital
Castle Hill Hospital
Goole New Community Hospital
High Royds Hospital Upgrading of Six Wards
Regional Distribution Centre
Scarborough Geriatric Day Hospital and Wards
Scunthorpe DGH Phase 3B A and E Block
Staincliffe DGH Pathology Department (Extensions and Improvements)
Staincliffe DGH Phase 1 (Nucleus)

Trent Regional Health Authority
Bassetlaw DGH Phase 2
Bolsover Community Hospital Development
Calow DGH Site Addition Laundry Facilities
Chesterfield and North Derby royal Hospital Phase 2B
Coalville Community Hospital
Derby Royal Infirmary—Phase 2 Kitchen and Dining
Doncaster Royal Infirmary Childrens Unit
Ilkeston Community Hospital
Kings Mill Phase 3 Enabling Works
Montagu Mexborough Wards and Theatres
Northern General Geriatric
Pilgrim Hospital (Boston)—Phase 3—M.I.U.
Sheffield Childrens Phase 1 Development
Victoria Mansfield—Phase 1

East Anglian Regional Health Authority
Bury St. Edmunds New Central Store
Chatterton House Kings Lynn—Phase 2
Ipswich Phase 3 Heath Road Wing (Nucleus)
North Cambridgeshire Major Development
Peterborough 2nd DGH Phase 1
Regional Blood Transfusion Centre

North West Thames Regional Health Authority
Bedford General Rehabilitation Facilities
Central Middlesex Pathology Department
Central Middlesex Psychiatric Unit
Clayponds Geriatric Unit
Ealing Maternity Unit
Edgware General Hospital
Gossoms End Day Unit
Hounslow and Spelthorne District Store
North West Herts District Office Accommodation
Paddington and North Kensington Divisional Store 6
St. Albans Redevelopment of Main Phase

North East Thames Regional Health Authority
Broomfield Ward Block
Clacton Community Hospital Phase 2
Harold Wood Hospital Phase 1
Harold Wood School of Nursing Phase 2
High Wood—Extension to Laurels
London Hospital (Mile End)
North Middlesex Boiler House and Works Department
North Middlesex Geriatric and Catering
Rochford Geriatric Wards
St. Anns M.I. Day Hospital and ESMI
St. Margarets—Epping (Mentally Handicapped)

South East Thames Regional Health Authority
Crystal Palace (Bowley Close)—N.H. Centre
Eastbourne New DGH Phase 2
Faversham Hospital, Geriatric Wards
Hastings DGH Pre-Phase Works
Isle of Thanet DGH—Margate Wing Interim Dev.
Kent and Sussex—Tunbridge Wells Phase 2
Lewisham DGH Phase 1B
Medway DGH Phase 3B
Queen Mary's Sidcup—Pathology
R.V.H. Folkestone Phase 2
Seaford Health Centre

South West Thames Regional Health Authority
Crawley Hospital Phase 4
Harrowlands—Unit for Younger Disabled
Mid Sussex Phase 1
Royal Surrey County Guildford Phase 2
St. Georges Block H Phase 2A

Wessex Regional Health Authority
Andover Community Hospital
Bournemouth DGH—Phase 1 (Nucleus)
Bournemouth DGH—Phase 1B Residential
Poole General Hospital—Maternity Extension
Royal S. Hants Southampton Phase 3
Royal United Bath—Operating Theatres
St. Andrews Redevelopment—Phase 1A
St. Mary's—Isle of Wight—Phase 3B (Nucleus)
West Dorset DGH—Phase 1

Oxford Regional Health Authority
Heatherwood MI/EMI
Horton—Geriatric (Phase 3A)
Stoke Mandeville—X-Ray
Wexham Park—MODS Pathology Pharmacy and X-Ray
Wexham Park—Rehabilitation Unit
Wexham Park—Residential

South Western Regional Health Authority
Charlton Lane Development Phase 1
Cheltenham General Phase 1B
Cirencester Memorial Replacement and ESMI Beds
Frenchay DGH Phase 1
Frenchay Hospital Boiler House
Glenside Sub-Regional Secure Unit
Gloucester Royal Phase 4B
South Molton Hospital Geriatric and GP Unit
Southmead Pathology Phase 1
Tewkesbury General Hospital
Williton New Geriatric Hospital

West Midlands Regional Health Authority
Bradwell New Geriatric Unit (Nucleus)
Bromyard Community Hospital
Burton (Outwoods) Psychiatric/Temporary Maternity
Burton on Trent DSH (Central Production Unit)
Cheadle New Geriatric Unit
City General Stoke Surgical Accomm. (Nucleus)
Edward Street—Psychiatric/Geriatric
Good Hope Phase 1
Good Hope Phase 2
Good Hope Phase 3A
Goscote (New Kitchen and Dining Room)
Queen Elizabeth Birmingham—Phase 3 Contract 1
Rubery Hill Regional Psychiatric Intensive Care Unit
Telford DGH Phase 1 (Nucleus)
Town WARF Residential Accommodation
Town WARF Residential Accommodation
Walsall Phases 4A and 4B (Nucleus)
Walsgrave Radiotherapy Treatment Unit
Warwick DGH—Phase 1 (Nucleus)
Wordsley—Obstetrics

Mersey Regional Health Authority
Alder Hey—Child Health Institute
Broadgreen Development Phase 1
Clatterbridge Medical Unit
North Sefton DGH Southport Phase 1 (Nucleus)
St. Helens Phase 2
St. Catherine's Birkenhead Redevelopment Phase 1
St. Helens Redevelopment Phase 1 Boiler House
Warrington DGH Phase B

North Western Regional Health Authority
Burnley General Reedyford—HSDU and Replace Pharmacy
Clifton Community Hospital
Fairfield Catering and HSDU
Fairfield Phase 1
Manchester Royal Infirmary Phase 2
Manchester Royal Infirmary Service Complex
Oldham DGH HSDU
Oldham DGH Phase 1

Queens Park Blackburn Phase 1 Paediatric
Tameside General Phase 2

Non Regional Health Authority
Blood Products Manufacturing Unit Elstree
Great Ormond Street—Boiler Plant Replacement
Hammersmith Hospital Redevelopment Phase 1
Maudsley Hospital Redevelopment Phase 1A
National Heart and Chest Centre Brompton Phase 1

Capital schemes over £1 million in planning with planned year of start of construction

Authority and scheme	*Year*
Northern Regional Health Authority	
Hemlinton Brokerage	—
North Tyneside Scheme 3 Phase 1	1990
Sunderland General Scheme 2 Phase 2	1989
Tynemouth Vic Jubilee Infirmary ESMI wards	1989
Yorkshire Regional Health Authority	
Bradford St. Lukes Development Phase 1 (nucleus)	1989
Brumby Geriatric Development	1988
Calderdale DGH (nucleus)	1990
Castle Hill Hospital Imps. to K and D facilities	1988
Cross Lane Hospital EPD Unit	—
Harrogate DGH MI beds and day places	1989
RHA Headquarters Building	—
Scunthorpe DGH Phase 4B(2) Boiler House	1987
Staincliffe DGH Balance of acute (nucleus)	—
Trent Regional Health Authority	
Derby City Phase 3A Mental Illness	1988
Grantham and Kesteven Phase 5B	1988
Leicester Royal Adult Acute M.I. Unit	—
North Lincolnshire ESMI Beds and day places	1987
Northern General Phase 2	1989
Notts City Replacement and extension of X-Ray Department	1988
St. Georges Services for ESMI	1988
East Anglian Regional Health Authority	
Ipswich ARW—Geriatric	1988
James Paget—Geriatric	1988
Sudbury—Hospital Services PH1	1992
North West Thames Regional Health Authority	
Wembley Community Care Centre	—
West Middlesex University Hospital	—
North East Thames Regional Health Authority	
Brentwood Blood Transfusion Centre	—
Enfield DGH (Chase Farm)	1988
Goodmayes General Hospital	1988
St. Michaels Braintree Phase 2	1989
South East Thames Regional Health Authority	
Guy's Hospital Phase 3	—
Regional Distribution Centre	—
Wessex Regional Health Authority	
Alton Community Hospital Phase 1/LMT Redevelopment	1989
Ashurst Community Hospital	—
Bournemouth General Hospital—Phase 2A	1988
Petersfield Community Hospital	—
St. Margaret Hospital—Mental Illness Unit	1989
Oxford Regional Health Authority	
Amersham Phase 1	1988
Horton Phase 3B	1988
Horton Phase 3C	1988
Royal Berkshire—Theatres	1988
Stoke Mandeville—Phase 4	1988
South Western Regional Health Authority	
Derriford DGH Phase II	1988
Southmead Hospital—Geriatric Wards (nucleus)	1987
Torbay DGH Path Lab Extension	1987

Authority and scheme	*Year*
West Midlands Regional Health Authority	
Bromsgrove Community Hospital (nucleus)	1988
East Birmingham Obstetrics	1988
George Eliot Nuneaton Phase 3 (nucleus)	1987
Kidderminster DGH Phase 6	1988
Manor Walsall (Delivery Facilities)	1987
Queen Elizabeth Birmingham—Psychiatric Services	1990
Queen Elizabeth Phase 4 Contract 2	1988
Royal Orthopaedic Woodlands	1988
Selly Oak Development Project	1990
Solihull DGH Phase 2 (nucleus)	1988
Mersey Regional Health Authority	
North Sefton Spinal Injuries Unit	—
North Western Regional Health Authority	
Blackburn District Engineering Support Services	—
Ormskirk District General Hospital Phase 1	1988
Non Regional Health Authority	
Blood Products—Warehouse etc.	—
Great Ormond Street Redevelopment	—
Hammersmith Hospital Catering Centralisation	—
Queen Charlottes Maternity Hospital	—

Capital schemes over £1 million in design with planned year of start of construction

Authority and scheme	*Year*
Northern Regional Health Authority	
Hartlepool DGH Scheme 3 Phase 2	1987
Hartlepool DGH Scheme 3 Phase 6	—
Royal Victoria Infirmary Scheme 1 Phase 5	1987
South Cleveland General Scheme 2 Phase 1A	1987
St. Georges Hospital Boilerhouse	1986
Wansbeck General Hospital Scheme 1 (Nucleus)	1988
Westmoreland DGH Scheme 1 Phase 1	—
Yorkshire Regional Health Authority	
Castle Hill Hospital Surgical Development	1987
Hull Royal Infirmary PGMEC	1987
Pontefract Day Surgical Unit	1987
Scunthorpe DGH Phase 4A(2) Four Storey Block	1987
Scunthorpe DGH Phase 4B(1) Ward Block (Nucleus)	1988
St. James University Hospital Leeds New Renal Unit	—
Staincliffe DGH Psychiatric Unit	—
Trent Regional Health Authority	
Bateman Street Hospital Derby	1987
Charles Clifford D/H New Extension	1987
Derby City Phase 2	1987
Doncaster Royal Infirmary Phase 2 Path. Lab.	1987
Glenfield DGH Phase 2	—
Hinckly Phase 1 Acute and Geriatric	1988
Kendray-Sub Phase 2B—Mental Illness Unit/ESMI	1987
Kings Mill DGH Phase 3	1987
Leicester Royal Infirmary Phase 4B	1987
Lincoln County Phase 2	1988
Long Eaton Community Hospital Phase 1	—
Loughborough Phase 1 Geriatric and ESMI Provision	1988
Louth County	1987
Northern General New Renal Unit	1987
Pilgrim Hospital (Boston) Support Services	1987
Swadlincote Community Hospital Phase 1	—
Swallownest Long Stay M.I.	1987
East Anglian Regional Health Authority	
Brookfields—2 Storey Geriatric Block	1987
London Road Kings Lynn Contract 2	1987
Northgate—Conv. of Maternity Unit to Geriatric	1987
Stamford and Rutland	1988
West Suffolk Hospital Psychiatric—Phase 2	1988
North West Thames Regional Health Authority	
Colindale Psychogeriatric Hospital	—

Authority and scheme	Year
Hemel Hempstead—A and E Conver Med Wards and CC Unit	
Hemel Hemptstead Phase 2—Unit for the Elderly	
Lister Acute Elderly Beds and Day Places	
GE 11 Reorganisation of Acute Facilities Phase 1	1987
North East Thames Regional Health Authority	
Barking Elderly Care Services Development	—
Chingford M.I. Residential and Day Unit	1987
East Ham memorial Accom. for Mentally Ill	1987
St. Anns Geriatric Unit	1987
Wanstead Mental Illness Residential and Day Unit	1987
Whipps Cross Phase 1	1987
Whittington Redevelopment Phase 1	1987
South East Thames Regional Health Authority	
Hastings DGH Main Phase	1988
Hastings DGH Psychiatric Development	1992
Hastings DGH Residence and Education	1989
Keycol EMI Unit and Day Hospital	1988
Medway DGH Phase 3C	1988
Royal Sussex County Hospital	1987
St. Thomas Hospital—South Wing	1987
South West Thames Regional Health Authority	
Bognor Community Hospital	1987
East Surrey DGH Phase 2	1987
Horsham Hospital Mental Illness Unit	1987
Kingston District General Hospital Phase 3B	1987
Regional Secure Unit Netherne Hospital	—
St. Peter's Hospital Chertsey Phase 4D and E	1988
St. Peter's Hospital Chertsey Phase 4C	1987
Wessex Regional Health Authority	
Bordon Community Hospital	1988
Christchurch Geriatric Wards and ESMI Unit	—
Odstock Hospital Salisbury—Phase 1 (Nucleus)	1987
Poole General Hosptial—ESMI Assess Unit/Day Hospital	1987
St. Ann's Canford Cliffs—Extension Contract 1	1987
St. Martins Bath Geriatric Wards	1987
St. Mary's Portsmouth	1987
St Mary's—Isle of Wight—Mental Illness Unit	1988
Oxford Regional Health Authority	
Heatherwood—Catering Pharmacy Workshops and Stores	1987
John Radcliffe—Phase 3	1987
Kettering—New Theatres and Spencer Ward	1987
Milton Keynes DGH—MI Unit	1987
Milton Keynes DGH—OPD	1987
Milton Keynes DGH—Phase 2	1987
Stoke Mandeville—Plastic Surgery and Burns Unit	1988
South Western Regional Health Authority	
Holsworthy Hospital Geriatric Unit	1988
Royal Cornwall Hospital Treliske Phase 4	1987
Royal Devon and Exeter—Priority 1 (Wonford)	1987
Torbay DGH Geriatric Wards	1987
West Midlands Regional Health Authority	
Anchor Meadow Community Hospital	1988
Bloxwich Redevelopment Phase 1	1987
Burton DHC OPD/Main Entrance	1987
Burton-on-Trent DGH Phase 2	1987
Cannock Community Hospital	1987
Good Hope Phase 3B	1987
Good Hope Phase 3C	1988
Lea Castle MH Unit	1987
Lichfield and Tamworth DGH (Nucleus)	1988
New Cross Repairs to Maternity	1988
New Cross Wolverhampton Blocks D and G replacement	1987
Queen Elizabeth Birmingham—Reg. Specialties/Labs	1987
R.J. and A.H. Orthopaedic Hospital	1987
Rowley Regis Community Hospital Sandwell	1988
Sandwell DGH Hallan Ward Upgrading	1987
St. Cross Rugby Phase 3 (Nucleus)	1987
Telford DGH Residential Accommodation	—
Walsall Manor New HSDU	—
Mersey Regional Health Authority	
Fazakerley Hospital Acute MI Unit	—
North Western Regional Health Authority	
Birch Hill DGH MIU	1987
Bolton DGH Manufacturing Pharmacy and HSDU	1987
Bolton DGH Phase 1	1989
Chorley DGH Geriatric Unit	—
Leigh Infirmary Phase 1	1989
Manchester Royal Infirmary Catering Block	1987
North Manchester Enabling for Phase 1	—
North Manchester General Boiler House	—
North Manchester General ESMI Wards	—
North Manchester General MIU	—
Peel Hall ESMI	—
Pendle Community Hospital	1987
Queens Park Blackburn Phase 2 Geriatric	—
Royal Albert Edward Infirmary Wigan Pathology	1994
Royal Preston Pathology Phase 2	1987
St. Mary's Hospital Phase 2	—
Tameside General MIU	1987
Whelley Hospital Phase 1	—
Non Regional Health Authority	
Moorfields Eye Hospital—Redevelopment Phase 2B	—

NHS (Hospitals)

Mr. Ralph Howell asked the Secretary of State for Social Services if he will list all National Health Service hospitals *(a)* of over 800 beds, and *(b)* which have been added to since 1980 to make the combined old and new building over 800 beds.

Mrs. Currie: Information available centrally shows that the acute-general hospitals listed provide over 800 beds. Of these Ipswich hospital, Addenbrookes hospital, Queens medical centre and Leicester general hospital have had phases added since 1980 to bring their total number of beds over 800.

Region and hospital

Northern
- Darlington Memorial Hospital
- Newcastle General Hospital
- North Tees General Hospital

Yorkshire
- St. James University Hospital (Leeds)
- York District Hospital

Trent
- Leicester Royal Infirmary
- Leicester General Hospital
- Queens Medical Centre (University Hospital Nottingham)
- Nottingham City Hospital
- Northern General Hospital (Sheffield)
- Doncaster Royal Infirmary

East Anglian
- Ipswich Hospital (Heath Road Wing)
- Addenbrookes Hospital (Cambridge)

North West Thames
- Northwick Park Hospital

North East Thames
- The Royal Free Hospital

South East Thames

Guys Hospital
St. Thomas' Hospital

South Western
Southampton General Hospital

West Midlands
Walsgrave General Hospital
New Cross Hospital Wolverhampton
East Birmingham General Hospital

Mersey
Fazakerley (South Sefton)
Royal Liverpool Hospital
Arrowe Park Hospital

North Western
Lancaster Moor Hospital
Victoria Hospital Blackpool
Bolton General Hospital
North Manchester General Hospital
Oldham and District General Hospital
University Hospital S. Manchester Withington

National Aids Trust

Mr. Irving asked the Secretary of State for Social Services when the National Aids Trust last met; whether a director for the National Aids Trust has been appointed; what progress or action the National Aids Trust has made or taken; whether the fund raising committee has met and what developments it made; whether the voluntary and support bodies in the field are prepared to co-operate with the National Aids Trust; and what consideration is being made to the problems in Scotland, Wales, and Northern Ireland.

Mr. Newton: I understand that those who have agreed to serve as trustees have held two meetings and that a further meeting is to be held this month. The National Aids Trust will be an independent charitable body and will shortly be advertising for a chief executive. I understand that considerable progress has been made in formulating policies and priorities and that initial discussions with others in the voluntary sector have been fruitful. There is, of course, a good deal of work still to be done.

The trust is being established as a United Kingdom body and will therefore give consideration to the problems in Scotland, Wales, Northern Ireland and England. The trust's chairman is Sir Austin Bide. He can be contacted through the Trust's offices at

Room 1403
Euston Tower
Euston Road
London NW1

HIV Infection

Mr. Irving asked the Secretary of State for Social Services what special arrangements are being made for intravenous drug users to combat the spread of HIV infection; and, in particlar, whether the needle exchange programmes have been evaluated.

Mr. Newton: We are taking the following measures designed both to reinforce our anti-drugs strategy and to curb the spread of AIDS among drug misusers and from them into the general population.

First, we are continuing to give priority to our strategy for the prevention of drug misuse, and expect to highlight the dangers of injecting in the next phase of our AIDS and drugs publicity campaigns.

Second, we are providing an extra £1 million in 1987-88 to help drug misuse services play a growing role in the fight against AIDS.

Third, we have established 15 pilot schemes in different parts of the United Kingdom where injecting drug misusers can both receive counselling and exchange used needles and syringes for sterile equipment. These schemes are being monitored and evaluated to help assess their effect on the behaviour of their users. We hope to receive a preliminary report by the end of the year.

In addition, the Advisory Council on the Misuse of Drugs has set up a working group to consider urgently what further measures could be taken.

AIDS

Mr. Irving asked the Secretary of State for Social Services if he will make additional funds available so that all those who could benefit from AZT and other drugs can be treated.

Mr. Newton: Health authorities are expected to make provision for the costs of Retrovir (AZT) and other drugs from the resources allocated to them. In recognition of the particular burden they are carrying however, we have allocated an additional £1·6 million towards the costs of treatment with Retrovir to the three Thames regions which together are caring for the majority of people with AIDS.

Mr. Strang asked the Secretary of State for Social Services on what dates the group established to co-ordinate action against AIDS by the Health Ministers of European Economic Community countries has met; and whether he will make available reports of the meetings.

Mr. Newton: The European Community ad hoc working party of officials on AIDS had its first meeting on 24 June and will next meet in the autumn. It is not the practice to make available reports of meetings of Community groups of this kind.

NHS Resources (Trent)

Mr. Allen asked the Secretary of State for Social Services if he will give, for the Trent region and each of its districts, for each year since 1979-80, its capital resources allocation working party allocation as a percentage of its weighted population share.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 14 July in respect of the Trent region.

Information on district health authorities is not held centrally. The hon. Member may therefore wish to approach the chairman of Trent regional health authority.

Waiting Lists

Mr. Burns asked the Secretary of State for Social Services how many people living within the Mid Essex health authority area are waiting for non-emergency operations and treatment; what the figures were 12 months ago and 24 months ago; and what was the average waiting time 24 months ago, 12 months ago and the latest available figures.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Mr. McCrindle asked the Secretary of State for Social Services (1) if he will enumerate those health authorities

where waiting lists for in-patient treatment exceeded 18 per thousand in 1985 and 1986; and if he will make a statement;

(2) if he will enumerate those health authorities where present waiting lists for in-patient treatment exceed 18 per thousand; and if he will make a statement.

Mr. Newton [*pursuant to his reply*, 10 July 1987 c. *312*]: I am sorry I cannot give my hon. Friend all the information he seeks. Current information is not held centrally. The available information for 1985 and 1986 is given in the table.

A significant, though varying, proportion of patients on the waiting list are referred by general practitioners in other districts. The relevant population for comparison is therefore the "catchment" population which can, and in many cases does, vary substantially from the resident population. The figures for district health authorities may therefore have little significance. Any comparisons between districts based upon these percentages could be seriously misleading.

Cases on in-patient waiting list per 1,000 population[1]

District and authority	*1985*		*1986*	
	31 March	*30 September*	*31 March*	*30 September*
Northern Regional Health Authority				
Hartlepool	18·2	19·1	15·5	16·1
South Tees	25·8	24·2	21·1	20·6
East Cumbria	15·9	16·2	17·0	18·3
Darlington	16·2	11·0	17·9	19·8
Newcastle	30·7	30·6	30·7	32·5
Yorkshire Regional Health Authority				
Hull	22·9	20·0	21·6	22·2
Scunthorpe	21·4	15·3	10·5	15·0
Bradford	16·2	17·6	19·0	20·3
Trent Regional Health Authority				
Central Nottinghamshire	21·3	19·4	19·0	20·2
Sheffield	21·6	21·0	22·3	20·6
East Anglian Regional Health Authority				
Cambridge	22·5	20·1	19·0	18·1
Peterborough	17·7	17·8	16·1	18·1
Norwich	18·9	17·2	14·9	14·9
Great Yarmouth and Waveney	15·9	15·7	18·1	17·9
North West Thames Regional Health Authority				
Hillingdon	29·6	31·2	33·0	33·6
Hounslow and Spelthorne	13·5	16·1	18·2	18·8
Paddington and North Kensington	19·9	22·6	25·8	27·3
Riverside	10·2	18·5	19·8	19·4
North East Thames Regional Health Authority				
Basildon and Thurrock	17·3	18·5	21·5	21·6
West Essex	16·9	18·5	19·8	19·2
Hampstead	21·2	21·6	19·1	24·6
Bloomsbury	105·3	97·9	110·1	112·7
City and Hackney	37·0	33·4	31·6	37·1
Tower Hamlets	41·1	43·0	44·6	46·0
Waltham Forest	18·2	19·1	20·1	19·1
South East Thames Regional Health Authority				
Hastings	13·2	14·1	15·4	18·0
Dartford and Gravesham	17·9	18·8	20·0	20·1
Tunbridge Wells	30·5	24·8	25·3	24·9
West Lambeth	31·7	33·6	39·2	47·1
Lewisham and North Southwark	20·4	22·6	26·0	26·9
Wessex Regional Health Authority				
Southampton and South West Hampshire	21·1	19·7	20·3	20·1
Salisbury	47·6	34·9	36·5	35·2
Oxford Regional Health Authority				
East Berkshire	24·1	19·8	20·7	21·2
Aylesbury Vale	32·7	28·9	26·8	24·0
South Western Regional Health Authority				
Bristol and Weston	21·3	20·7	21·8	22·8
Frenchay	23·3	20·5	16·0	15·4
West Midlands Regional Health Authority				
Herefordshire	15·2	16·3	17·3	18·8

District and authority	1985		1986	
	31 March	30 September	31 March	30 September
Shropshire	20·5	19·2	19·6	20·8
North Staffordshire	22·5	23·0	19·6	19·9
Central Birmingham	33·3	32·1	29·6	30·1
East Birmingham	18·3	18·5	16·8	16·8
South Birmingham	30·8	29·7	29·4	31·4
West Birmingham	15·6	16·6	16·5	19·4
Coventry	22·1	20·8	19·6	18·5
Wolverhampton	15·8	15·5	16·3	18·0
Mersey Regional Health Authority				
Crewe	22·3	21·4	19·0	18·6
South Sefton	24·2	21·3	20·3	19·6
North Western Regional Health Authority				
Preston	33·9	34·1	37·8	35·2
West Lancashire	16·9	16·5	18·6	20·7
North Manchester	20·6	17·0	19·0	18·0
Central Manchester	36·4	38·9	43·2	48·5
South Manchester	34·1	36·7	33·3	32·9
Oldham	20·5	20·6	19·9	21·2
Salford	18·1	17·8	17·4	18·3

[1] Mid year estimated population.

Disabled Persons

Mr. Ashley asked the Secretary of State for Social Services when sections 5 and 6 of the Disabled Persons (Services, Consultation and Representation) Act will be implemented; and what consultation has taken place with voluntary organisations over the guidelines for those sections.

Mr. Scott: My predecessor had a meeting in April about the implementation of the Act, including sections 5 and 6, with the steering group established by voluntary organisations. We have since received papers from the steering group about the implementation of sections 5 and 6 which are being studied.

On the timing of implementation of the various sections of the Act, I cannot add to my replies to the hon. Members for Caernarfon (Mr. Wigley), for Halifax (Ms. Mahon) and for Monklands, West (Mr. Clarke) on 30 June, at column *75*.

Mr. Ashley asked the Secretary of State for Social Services if he will list the voluntary organisations which have made representations to him about the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: Since 1 January 1987 representations about implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986 have been received from the steering group set up by many of the major voluntary organisations representing disabled people to monitor implementation of the Act and from the following individual organisations:—

Alzheimer's Disease Society
Arthritis Care
Association of Professions for Mentally Handicapped
Backpain Association
Batley and District Society for Mentally Handicapped Children and Adults
Bury and District Disabled Advisory Council
Barnsley Action Group for the Physically Disabled
Barnsley Metropolitan District Association for Disabled People
Central Northumberland Spastics Society
Derbyshire Coalition of Disabled People
Disabled in Camden
Epping Forest Association for Disabled People
Gosport, Fareham District Spastics Society
Harrow Association for Disability
Harrogate and District Society for Mentally Handicapped Children and Adults
Invalid Children's Aid Nationwide
Kent Association for the Disabled
Kettering District Council for the Disabled
Kingston-Upon-Thames Association for the Disabled
Lincoln MIND (National Association for Mental Health)
Maidenhead Society for Mentally Handicapped Children
Mid-Staffordshire Spastics Association
Mid-Warwickshire Society for Mentally Handicapped Children and Adults
Mold and District Spastics Society
National Autistic Society
National Federation for the Blind
National Schizophrenia Fellowship
North Dorset Society for Mentally Handicapped Children and Adults
North Hants and West Surrey Spastics Society Group
Nottingham and Nottinghamshire Society for the Deaf
Peterborough Council for the Disabled
Plymouth and South West Devon Spastics Association
Queen Elizabeth Foundation for the Disabled
Sheppey Spastics Group
Taunton MIND Association (National Association for Mental Health)
Tunbridge Wells and Tonbridge Spastics Society Group
Walsall Society for Mentally Handicapped Children
Waltham Forest Cerebral Palsy Group
Wandsworth Disablement Association
Worcester Association for the Blind
York MIND (National Association for Mental Health)

Mr. Ashley asked the Secretary of State for Social Services what consultation with the voluntary organisations is planned with regard to all sections of the Disabled Persons (Services, Consultation and Representation) Act 1986, not already implemented.

Mr. Scott: I am unable to add to my reply to the right hon. Member for Manchester, Wythenshawe (Mr. Morris) on 7 July, at column *119*.

Cervical Cancer

Mr. Matthew Taylor asked the Secretary of State for Social Services how many women in Cornwall and the

Isles of Scilly are currently waiting for a colposcopy for the treatment of cervical cancer; and if he will make a statement.

Mrs. Currie: I regret that this information is not collected centrally. The hon. Member may wish to contact the chairman of the Cornwall and Isles of Scilly district health authority.

Childminding (Exhibition)

Ms. Harman asked the Secretary of State for Social Services if his Department has considered an application for an exhibition relating to "10 Years of Childminding —Share the Care" to be displayed in the Upper Waiting Hall.

Mr. Newton: I understand that under procedures agreed by the Service Committee, arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall from 20 July 1987 until 24 July 1987.

Radon Gas

Mr. Matthew Taylor asked the Secretary of State for Social Services whether he has any proposals to conduct an epidemiological study of those people living in areas with a high radon gas presence.

Mrs. Currie: Detailed proposals for such an epidemiological study are already under consideration by the Department together with the Department of the Environment and the National Radiological Protection Board.

Overseas Voters

Mr. Kaufman asked the Secretary of State for Social Services, for each United Kingdom parliamentary constituency, how many overseas voters were registered; and how many overseas votes were cast in the general election on 11 June.

Mrs. Currie: A table showing the number of overseas electors in each constituency on the 1987 electoral register has been placed in the Library. Information on overseas votes cast is not available as such votes are not separated from other ballot papers.

Crown Immunity

Mr. Ashley asked the Secretry of State for Social Services (1) what information he has sought or been offered by health authorities regarding the effect of the lifting of Crown immunity; how many authorities have had to increase their expenditure on food hygiene and health and safety; and what requests for increased funding he has received as a consequence;

(2) if he will take steps to ensure that the accounting system for health authorities will enable identification of the extent to which the lifting of Crown immunity has increased hospital spending on food hygiene and health and safety in the first year without immunity;

(3) if he will request from regional health authorities information on the additional costs so far incurred or predicted in their regions because of the lifting of Crown immunity; and if he will seek a breakdown of the nature of the costs.

Mrs. Currie [*pursuant to her reply*, 14 July 1987]: Central guidance has, for a number of years, indicated that health authorities are expected to establish working practices as if they were not immune from legal penalty. We are aware of a number of recent instances where authorities have, following the implementation on 7 February 1987 of Sections 1 and 2 of the National Health Service (Amendment) Act 1986, decided to adjust spending priorities and alter building programmes. Health authority procedures have also changed as a result of the Crown immunity changes: circular HC(86) advises them that an annual report on environmental health officer reports on an authority's units and action taken in response, should be taken in public session. We do not believe that a special exercise into the impact of the removal of Crown immunity from the areas in question is called for.

Food (Radiation Levels)

Mr. Speller asked the Secretary of State for Social Services what testing methods are recommended or approved for importers to ensure that food imports have not been treated with ionizing radiation; and if he will make a statement.

Mrs. Currie [*pursuant to her reply*, 13 July 1987]: At present, there are no tests available to detect whether food has been irradiated. Under the Food (Control of Irradiation) Regulations 1967, it is illegal to import irradiated food. Port health authorities are watchful for any indication of irradiation as evidenced by accompanying documentation or markings on the packaging. It is hoped that research in the United Kingdom and elsewhere will lead to the development of testing methods within the next few years.

ENVIRONMENT

Rate Support Grant

16. **Mr. Corbett** asked the Secretary of State for the Environment when he proposes to give provisional details of the 1988-89 rate support grant settlement.

Mr. Chope: I hope to announce my proposals for the main elements of the 1988-89 rate support grant settlement before the House rises for the summer recess.

38. **Mr. Allan Roberts** asked the Secretary of State for the Environment how much rate support grant has been withdrawn from the councils of the Merseyside area; and by how much their housing investment programmes have been reduced since 1979.

Mr. Waldegrave: Since the introduction of block grant in 1981-82 local authorities in the area of the former Merseyside county council have received total rate support grant as follows:

	£ million
1981-82 4th SR	378·3
1982-83 3rd SR	372·1
1983-84 3rd SR	381·3
1984-85 3rd SR	371·0
1985-86 3rd SR	411·0
1986-87 2nd SR	388·0
1987-88 1st SR	418·0

Their share of the total block grant payable in England in this period has risen by 7 per cent. The system prior to 1981-82 is not comparable.

Total HIP allocations for the Merseyside authorities since the introduction of the capital control system in 1981-82 are as follows:

	£ million
1981-82	64·2
1982-83	76·2
1983-84	66·6
1984-85	65·7
1985-86	57·6
1986-87	49·0
1987-88	46·1

The system prior to 1981-82 is not comparable.

Local authorities' spending power from capital receipts, which can be used in addition to capital allocations has grown substantially in recent years. In 1986-87 the Merseyside authorities would have been able to spend a further £57·1 million of capital receipts from all services, in addition to their £49·0 million HIP allocations.

World Student Games

17. **Mr. Bill Michie** asked the Secretary of State for the Environment if he will make it his policy to promote the holding of the world student games in the United Kingdom.

Mr. Moynihan: Sheffield's bid to host the 1991 world student games has my wholehearted support. Both my predecessor and I have offered the Sheffield team every diplomatic, promotional and administrative assistance.

Inner Cities

19. **Mr. Fatchett** asked the Secretary of State for the Environment what representations he has received about his plans to improve the quality of housing in the inner cities; and if he will make a statement.

Mr. Waldegrave: I receive many representations on this subject. The Government are presently considering two proposals for improving housing in the Chapeltown area of Leeds. I am particularly encouraged at the possibility of private sector involvement in refurbishment work in the Hillcrest area.

27. **Mr. Duffy** asked the Secretary of State for the Environment if he is satisfied with the present scale and allocation of urban programme funds for inner city renewal.

Mr. Trippier: Yes. The resources are subject to the normal annual review in the public expenditure survey.

47. **Mr. Rooker** asked the Secretary of State for the Environment what action he proposes to speed up renewal of inner city housing in areas where ownership is split between occupiers, and tenants of housing associations and private landlords.

Mr. Waldegrave: The Government are taking forward a range of housing initiatives which will contribute to the renewal of inner-city housing. These include reform of the improvement grant system to target resources where the needs are greatest; a new power for local authorities to provide assistance for privately rented accommodation; deregulation of new private sector lettings so as to bring new investment into the private rented sector and more private investment into housing associations; and housing action trusts which will take responsibility for run-down housing in designated areas, improve it, and pass it on to different tenures and ownerships. The existing range of inner-city programmes will also be available to play a part in this process of renewal.

50. **Mr. Favell** asked the Secretary of State for the Environment if he will make a statement on the representations which he has received on his recent proposals for the regeneration of the inner cities.

Mr. Trippier: Our manifesto proposals have been well received.

Rating Reform

18. **Mr. McLeish** asked the Secretary of State for the Environment what consideration he has given to the funding of the administration costs of the proposed community charge.

Mr. Howard: The Green Paper "Paying for Local Government" (para 3.43) made it clear that the Government would consult the local authority associations about the new costs arising from the community charge and would take account of them in setting the level of aggregate Exchequer grant.

20. **Mr. McNamara** asked the Secretary of State for the Environment if he intends to issue a White Paper in respect of the proposed community charge.

Mr. Ridley: The Government's proposals for reforming the rating system were set out in a Green Paper published in January 1986. Consultation on the proposals ran until October of last year. On 15 December I published a further document "Paying for Local Government; the Community Charge", in which we confirmed our intention to proceed with the main elements of the Green Paper proposals and set out details of the operation of the community charge. The commitment was included in the manifesto on which the Government convincingly won the election.

21. **Mrs. Ann Taylor** asked the Secretary of State for the Environment what representations he has received on the likely level of community charge for English local authorities.

Mr. Chope: Since we first published illustrative community charge figures on 1 April last we have received 205 representations about the likely level of the community charge.

28. **Mr. Darling** asked the Secretary of State for the Environment what consideration he has given to ensuring that the register on which the proposed community charge in England and Wales is to be based is as accurate and up to date as possible.

Mr. Howard: The procedures for preparing and maintaining the register were described in some detail in the document on the operation of the community charge, which was placed in the Library on 15 December 1986. It will be the responsibility of each local authority to ensure that their register is accurate and up to date.

29. **Mr. Michael J. Martin** asked the Secretary of State for the Environment what provisions he intends to

incorporate in the legislation to introduce a poll tax in England and Wales to take account of the preparations for implementing the tax in Scotland.

Mr. Chope: It has always been the Government's intention that the Community charge systems in Scotland and in England and Wales should be broadly compatible.

34. **Mr. McFall** asked the Secretary of State for the Environment what consideration he has given to the establishment of a rebate scheme in respect of the proposed community charge.

Mr. Howard: As the Government have repeatedly made plain, rebates of up to 80 per cent. of the community charge will be available for those on low incomes.

42. **Mr. Corbyn** asked the Secretary of State for the Environment when he expects to implement plans for a poll tax.

Mr. Howard: It is intended that the community charge should be introduced in England and Wales on 1 April 1990.

43. **Mr. Rathbone** asked the Secretary of State for the Environment what representations he has received about the Government's plan for a community charge in England and Wales; and if he will make a statement.

Mr. Howard: My Department received 1,217 responses before 31 October 1986 when the consultation period on the Green Paper "Paying for Local Government" (Cmnd. 9714) ended. My right hon. Friend placed a summary of those responses in the Library on 15 December 1986. We continue to receive representations about our detailed proposals.

49. **Mr. Battle** asked the Secretary of State for the Environment what representations he has received on the estimated impact on the inhabitants of the Leeds, West constituency of the proposed community charge; and if he will make a statement.

Mr. Howard: Since we first published illustrative community charge figures on 1 April 1987, we have received three representations about the community charge from individuals residing in Leeds.

53. **Mr. Beith** asked the Secretary of State for the Environment what estimate he has made of the number of people who will be required to pay his proposed poll tax at the full rate.

Mr. Howard: I refer the hon. Member to figure J9 of the Green Paper "Paying for Local Government" (Cmnd. 9714) for an estimate of housing benefit case load associated with the new local government finance system. There will, in addition, be a number of people who will benefit from the exemptions, for the severely mentally handicapped, the elderly in residential homes and the concession for students previously announced. There will be considerable overlap between the estimate of housing benefit cases and those who will benefit from these concessions.

61. **Ms. Walley** asked the Secretary of State for the Environment if he will publish a White Paper on the proposed community charge for England and Wales.

67. **Mr. Lofthouse** asked the Secretary of State for the Environment if he will publish a White Paper on the proposed community charge for England and Wales.

Mr. Howard: I refer the hon. Member to the answer my right hon. Friend gave to the hon. Member for Kingston upon Hull, North (Mr. McNamara) earlier today.

68. **Mr. O'Brien** asked the Secretary of State for the Environment what information he has on the difference in the cost of collecting local revenues under (*a*) the existing rating system and (*b*) the proposed poll tax in west Yorkshire; and if he will make a statement.

Mr. Howard: Our preliminary estimate is that the cost of collecting the community charge may be, broadly, up to twice the cost of collecting domestic rates. However, the cost to any individual local authority will depend on the extent to which they can reduce unit costs. We estimate that almost twice as many people will pay the community charge as pay domestic rates.

74. **Mr. Teddy Taylor** asked the Secretary of State for the Environment how many letters he has received from the general public on the proposals by Her Majesty's Government to abolish domestic rates and to impose a uniform business rate; and if he will make a statement.

Mr. Howard: 479 responses were received from the general public before 31 October 1986 when the consultation period on the Green Paper "Paying for Local Government" (Cmnd. 9714) ended. Since we first published illustrative community charge figures on 1 April we have received 181 representations from members of the general public.

81. **Mr. Livsey** asked the Secretary of State for the Environment what representations he has received from organisations representing local government about the proposed community charge.

Mr. Howard: The Department received 1,217 responses before 31 October last when the consultation period on the Green Paper "Paying for Local Government" (Cmnd. 9714) closed, of which 454 were from local authorities and organisations representing local government.

Ms. Quinn asked the Secretary of State for the Environment what estimate the Government have made of the likely effect on house prices in the different regions of the United Kingdom as a result of the introduction of the community charge.

Mr. Howard: Annex E of the Green Paper "Paying for Local Government" (Cmnd. 9714), published on 28 January 1986, contained an analysis of the likely impact of the abolition of domestic rates on the housing market.

PRC Houses

22. **Mr. Madel** asked the Secretary of State for the Environment if he will state the Government's current policy on grants for PRC houses that need repairs and modernisation.

Mr. Waldegrave: The housing defects legislation provides the framework for assistance to eligible owners of designated properties; local authorities are then responsible for its administration. My Department's circular 14/86 gave general guidance on reinstatement procedures; we look to local authorities to implement the legislation in a reasonable way.

39. **Sir John Biggs-Davison** asked the Secretary of State for the Environment if he has any plans to increase

provision made for local housing authorities to enable defective PRC dwellings to be reinstated or repurchased in good time; and if he will make a statement.

Mr. Waldegrave: We generally expect local authorities to be able to meet their housing defects obligations from within their normal sources of spending power. Fourteen million pounds extra HIP resources were put aside, for 1987-88, for authorities facing particular HDA difficulties; Epping Forest was allocated an additional £350,000. We are currently discussing with the local authority associations the HIP distribution arrangements for 1987-88.

Sporting Events (Drugs)

23. **Mr. Tony Banks** asked the Secretary of State for the Environment what action he is taking to combat the taking of drugs in sport.

Mr. Moynihan: I announced on 8 July a major review of the misuse of drugs in sport. This I am undertaking personally with the assistance of Sebastian Coe, deputy chairman of the Sports Council. I am determined to see every possible step taken to stamp out drug abuse in sport and I hope the review will help in bringing this about.

66. **Mr. Livingstone** asked the Secretary of State for the Environment what estimates are available to him of the number of people taking drugs and other illegal substances in British sport.

Mr. Moynihan: No estimates are available of the number of people taking drugs and other illegal substances in British sport. Not all substances banned by the International Olympic Committee are illegal; some are available on prescription or in over-the-counter preparations. The drug control and teaching centre conducted 2545 tests in 1986; there were 28 adverse findings.

Bees

24. **Mr. Stanbrook** asked the Secretary of State for the Environment if he will make it his policy to delete bees from any list of urban pests to be contained in guidance given to local authorities following the reference given in appendix D, paragraph D23, of the Green Paper "Air Pollution Control"; and if he will make a statement.

Mr. Moynihan: We are giving very careful consideration to the representations submitted by beekeepers and beekeeping organisations, and by local authorities and other bodies, regarding the proposal in the consultation paper on air pollution control in Great Britain to extend the scope of section 74 of the Public Health Act 1961 to allow local authorities to deal with nuisance from various species, of which bees were given as an example.

Home Insulation

25. **Mr. Andrew Bowden** asked the Secretary of State for the Environment what is the number of elderly people who received a 66 per cent. grant for home insulation under the Homes Insulation Act 1978 in each year from 1978 until the last year for which figures are available.

Mr. Waldegrave: Information is not available about the number of elderly people who have received insulation grants at the rate of 66 per cent. However, 308,700 90 per cent. grants were paid to elderly people on low incomes in the period from October 1980 to June 1984, from July 1984 to December 1986 148,200 grants at 90 per cent. were paid to elderly or disabled people on low incomes, of which the majority are believed to have been to the elderly.

Sports Participation

26. **Mr. Litherland** asked the Secretary of State for the Environment if he has any plans to further promote sports participation in Great Britain.

Mr. Moynihan: I am giving high priority to the development of measures to encourage greater participation in sport and recreation, especially by those living in our inner cities. I will be working with all the agencies concerned, including the Sports Council.

Callywhite Lane Industrial Estate (Fire)

30. **Mr. Harry Barnes** asked the Secretary of State for the Environment whether he will meet a deputation drawn from firms, councils and trade unions directly affected by an underground fire burning on Callywhite Lane industrial estate in Dronfield, Derbyshire, to discuss means by which his Department can assist in overcoming this current emergency.

Mr. Trippier: I am making arrangements to meet the hon. Member and a deputation of firms, councils and trade unions to discuss the underground fire at Callywhite Lane industrial estate.

Estate Action

32. **Mrs. Mahon** asked the Secretary of State for the Environment what representations he has received about the work of estate action; and if he will make a statement.

Mr. Waldegrave: Estate action has stimulated a lot of interest in many quarters. About 100 local authorities have now suggested schemes for inclusion in the programme.

Local Authority Pension Funds

35. **Mr. Fallon** asked the Secretary of State for the Environment whether he will introduce legislation to tighten the rules on local authority pension fund investments.

Mr. Chope: My right hon. Friend is concerned about reports that some local authorities invested part of their pension funds in the paper *News on Sunday*, which they must have known was unlikely to show a profit. Their decision ignored the interests of their ratepayers, who are required to make good any deficiency in the fund caused by bad investment. My right hon. Friend is considering what steps should be taken to prevent the misuse of pension fund moneys.

Green Belt

36. **Mr. Chapman** asked the Secretary of State for the Environment if he will restate the Government's policy on the 4·5 million acres of established green belt land in England.

Mr. Waldegrave: The Government's policy on green belts remains as set out in Department of the Environment Circular 14/84. There must continue to be a general

presumption against inappropriate development within green belts. Planning guidelines have been issued in Circular 12/87 for redundant sites in green belts.

Hazardous Waste

37. **Mr. Murphy** asked the Secretary of State for the Environment what steps his Department is taking to improve the monitoring of the disposal of hazardous waste.

Mr. Moynihan: It is the responsibility of the waste disposal authorities to license and monitor the disposal of hazardous waste. The Department has no direct locus in the licensing of disposal facilities, but Her Majesty's inspectorate of pollution continues to examine the way in which WDAs perform this function. In the course of its inspectorial functions, HMIP encourages waste disposal authorities to make whatever improvements are necessary.

Local Government Finance

40. **Mr. Greg Knight** asked the Secretary of State for the Environment how many representations he has received during the last 12 months on the subject of local authority spending.

Mr. Chope: My right hon. Friend the Secretary of State received over 350 representations from local authorities and from the local authority associations. In addition, he received a number of deputations from hon. Members and local authorities.

45. **Mr. Pike** asked the Secretary of State for the Environment whether his Department intends to introduce any changes in the use of capital receipts by local authorities.

54. **Mr. Janner** asked the Secretary of State for the Environment whether he will now allow local authorities to make full use of their capital receipts.

Mr. Chope: My right hon. Friend has no immediate plans for any change. Authorities can already make full use of their receipts over time and I refer him to the answer given to my hon. Friend the Member for Romsey and Waterside (Mr. Colvin) today.

51. **Mr. Colvin** asked the Secretary of State for the Environment if he will review his ruling on the use by local housing authorities of their capital receipts from the sale of council dwellings.

Mr. Chope: My right hon. Friend has no immediate plans for any change. Authorities can use their receipts at any time to redeem debt or for non-prescribed expenditure such as capitalised repairs. They can use their receipts in full for prescribed expenditure but with the exception of certain categories of low-cost home ownership schemes there is a limit to the percentage of each receipt which can be spent in any one year.

Water Authorities (Privatisation)

41. **Mr. McCartney** asked the Secretary of State for the Environment if he proposes to issue a White Paper on the privatisation of English and Welsh water authorities.

75. **Mrs. Clwyd** asked the Secretary of State for the Environment if he will publish a further White Paper on the privatisation of English and Welsh water authorities.

Mr. Moynihan: We shall publish shortly a policy and consultation paper setting out our proposals for the restructuring and privatisation within the water industry.

44. **Mr. Morley** asked the Secretary of State for the Environment what safeguards will be incorporated in his proposals for the sale of water authority services to ensure the environmental protection of water courses and catchment areas.

Mr. Moynihan: The Government last year published a consultation paper "The Water Environment: The Next Steps" which proposed a number of measures to safeguard rivers, streams and ground water sources. Proposals to establish a national rivers authority, which will provide increased protection for the environment, will be published in the near future.

Peak Park Planning Board

46. **Mr. McLoughlin** asked the Secretary of State for the Environment if he has any plans to visit the area of the Peak park planning board.

Mr. Ridley: I have no immediate plans to do so.

Football Association

48. **Mr. Pendry** asked the Secretary of State for the Environment what plans he has to meet the chairman or secretary of the Football Association.

Mr. Moynihan: My right hon. Friend the Secreary of State has no immediate plans to meet the chairman or general secretary of the Football Association. I met them on 1 July and shall be meeting them again on 5 August.

Lead Plumbing

52. **Mr. Sean Hughes** asked the Secretary of State for the Environment what information he has as to how many dwellings in England and Wales rely on lead plumbing; and what percentage of the total this represents.

Mr. Moynihan: I refer the hon. Member to the reply given to the hon. Member for Stretford (Mr. Lloyd) today.

Basildon (Housing)

55. **Mr. Amess** asked the Secretary of State for the Environment what information he has as to how many new houses have been built by the Basildon Development Corporation New Towns Commission, and how many by Basildon council, in Basildon in each of the last five years.

Mrs. Roe: The reported numbers of dwellings completed in Basildon for the district council and for the development corporation or the New Towns Commission in 1982 and 1983 appear in issue 73 of "Local Housing Statistics", and those in 1984 in issue 77 and those in 1985 and 1986 in issue 81; copies of these volumes are available in the Library. When issue 77 was published, reports had been received from the district council only for the first seven months of 1984; subsequently returns, for the other five months have been received and the completions for the council in the full year numbered 193.

Rent Arrears

56. **Mr. Marlow** asked the Secretary of State for the Environment which local authority has the highest level of rent arrears; and what this level is in terms of the number of weeks arrears per average household and in cash terms.

Mrs. Roe: Local authorities in England reported their rent arrears as at 1 April 1986 on their housing subsidy claim forms. The highest level of arrears, in relation to annual payments due, was reported by the London borough of Brent. This authority reported a total of £10·96 million rent arrears, which was equivalent to 33 times the average weekly rent due on its council dwellings.

Rate Capping

57. **Mr. Holt** asked the Secretary of State for the Environment if he has any plans to introduce rate-capping legislation for town and parish councils; and if he will make a statement.

Mr. Chope: The Government have no plans to legislate for this purpose.

65. **Mr. Harry Greenway** asked the Secretary of State for the Environment when he will announce which councils are to be rate-capped in 1988-89; and if he will make a statement.

Mr. Howard: My right hon. Friend expects to announce his decisions on the designation of authorities for 1988-89 very shortly.

71. **Mr. Stern** asked the Secretary of State for the Environment if he will consider applying a general rate-cap for all years between 1 April 1988 and the date of full implementation of the community charge.

Mr. Howard: My right hon. Friend intends to announce his proposals for rate limitation in 1988-89 before the summer recess. As my hon. Friend is aware, a proposal to introduce general rate limitation would require consultation with the local authority associations and be subject to the approval of both Houses of Parliament.

Local Government Bill

58. **Mr. Clelland** asked the Secretary of State for the Environment what representations he has received in response to the Local Government Bill.

Mr. Howard: My right hon. Friend has received a number of representations most of which relate to dog licences. Of the rest, the majority concern part II of the Bill and welcome its provisions.

Footpath

59. **Mr. Andrew F. Bennett** asked the Secretary of State for the Environment how many extra footpaths have been designated as public rights of way since the coming into operation of the Wildlife and Countryside Act 1982; how many have been closed; and what has been the net effect on the mileage of public rights of way in England.

Mr. Moynihan: This information is not held centrally. The Ramblers' Association is notified of some, but not all proposals affecting footpaths. Information on the effect of those proposals on the mileage of rights of way in England and Wales is set out in the first report on the monitoring of the rights of way legislation in the Wildlife and Countryside Act 1981, published by the Countryside Commission in 1985. There is a copy of this in the Library of the House.

Council House Sales

62. **Mr. Knox** asked the Secretary of State for the Environment how many council houses have been sold to sitting tenants in England since May 1979.

Mr. Waldegrave: From April 1979 to March 1987, about 790,000 tenants bought their houses from English local authorities and new towns.

Gleneagles Agreement

63. **Mr. John Carlisle** asked the Secretary of State for the Environment what discussions have taken place between himself and the Test and County Cricket Board regarding the implications of the Gleneagles agreement.

Mr. Moynihan: I met representatives of the Test and County Cricket Board on 23 June.

I was subsequently informed of the outcome of the ICC meeting held on 26 June.

Thamesmead

64. **Mr. Evennett** asked the Secretary of State for the Environment if he will make a further statement regarding the transfer of Thamesmead from the London residuary body to Thamesmead town.

Mr. Chope: We shall be in a position to make a full statement by early next week.

Telford Development Corporation

69. **Mr. Grocott** asked the Secretary of State for the Environment whether he has any plans to consult the tenants of the Telford development corporation about the future ownership of their homes.

Mrs. Roe: We are considering arrangements for such consultations.

Development (Berkshire)

70. **Mr. Andrew McKay** asked the Secretary of State for the Environment what representations he has received concerning the pattern of development in Berkshire.

Mr. Trippier: My right hon. Friend has received a number of representations relating to both the scale and pattern of future development in Berkshire. There will be further opportunity for comment about this when my right hon. Friend publishes his modifications to the replacement structure plan for Berkshire.

Beaches

72. **Mr. Heathcoat-Amory** asked the Secretary of State for the Environment whether he is satisfied with the state of beaches in tourist areas.

Mr. Moynihan: My hon. Friend the Member for Bristol, West (Mr. Waldegrave) announced on 30 April (*Official Report*, column 186) the results of the 1986 survey of bathing water quality. These showed that about 62 per cent. of the 368 waters reported on met the coliform standards set out in the "Bathing Waters" directive of the European Community.

This survey is continuing, and some £70 million a year is being spent to improve coastal bathing water quality.

Housing Estates (Administration)

77. **Mr. Patrick Thompson** asked the Secretary of State for the Environment if he will make a statement on his plans for the future administration of council housing estates.

Mrs. Roe: We have plans to continue our policies of giving council tenants wider opportunities and choices. We shall legislate to give local authority tenants the right to opt for transfer to approved landlords.

We shall set up housing action trusts in designated areas to take over run-down local authority housing, renovate it and pass it on to different tenures and ownership.

We shall continue to encourage local authorities to improve the condition of council housing and to introduce more effective management and maintenance.

Gazumping

78. **Mr. McCrindle** asked the Secretary of State for the Environment what recent representations he has received on the subject of gazumping.

Mrs. Roe: I receive letters on the subject from time to time from hon. Members and members of the public; but questions on the law and practice of conveyancing are the responsibility of my noble and learned Friend the Lord Chancellor, whose predecessor established a standing committee at the Law Commission to bring forward proposals in this area.

House Building

79. **Mr. Hardy** asked the Secretary of State for the Environment if he will take immediate steps to allow local authorities in inner cities and in areas of economic need to increase house building, in particular for the accommodation of the elderly.

Mr. Waldegrave: Local housing authorities are responsible for deciding the priorities for expenditure in their own areas and, after taking full account of what can be done by the private and voluntary sectors, for targeting new provision on those in greatest housing need, such as the elderly on low incomes.

Charities

80. **Mr. Yeo** asked the Secretary of State for the Environment what representations he has received regarding the effect on charities on the Government's proposals for rate reform.

Mr. Chope: A number of voluntary and welfare organisations responded to the Green Paper "Paying for Local Government" (Cmnd. 9714).

Since the consultation period of the Green Paper ended on 31 October 1986, we have received a number of further representations.

Pesticides

Sir John Farr asked the Secretary of State for the Environment if he will make a statement on the operation of the pesticides safety precautions scheme and the Control of Pesticides Regulations 1986; and if he will give his assessment of whether the 1986 regulations are working effectively.

Mr. Donald Thompson: I have been asked to reply.

The pesticides safety precautions scheme was replaced on 6 October 1986 by the Control of Pesticides Regulations 1986. These regulations are coming into operation over several years and it will not be possible to assess their effectiveness fully until they have been in force for some time. However, I believe that there has been a high level of compliance with those regulations which are already in place, which have limited sale, supply and use of home-produced and imported pesticides to approved products, imposed new controls on aerial spraying, and led to additional information being given in advertisements for pesticides.

In addition, the Advisory Committee for Pesticides has been given statutory authority and its advisory panels opened to both sides of industry. Antifouling paints have been brought within the scope of the regulations from 1 July 1987. Companies submitting new pesticides for approval must now establish efficacy and, where appropriate, humaneness, and co-operate in the preparation of publicly available evaluations of safety and efficacy data. The existence of the regulations has also greatly facilitated recent control actions against certain pesticides which cause concern on both health and environmental grounds, and there has been an important increase in the training of pesticide operators and distributors in anticipation of the certification deadlines established under the regulations. Further regulations have been proposed to limit pesticide residues in crops, food and feedingstuffs.

Housing Corporation

Mr. Irving asked the Secretary of State for the Environment what is the average cost to the Housing Corporation of building a place in a hostel managed by a housing association.

Mr. Waldegrave: In 1986-87 the average cost was £24,060 per bedspace.

Mr. Irving asked the Secretary of State for the Environment what is the average cost to the Housing Corporation of maintaining a place in a hostel managed by a housing association.

Mr. Waldegrave: In 1986-87, £6·6 million in hostel deficit grant was paid by the Department of the Environment to 88 housing associations. The average grant per bedspace is not readily available.

Polychlorinated Biphenyls

Mr. Alan W. Williams asked the Secretary of State for the Environment if estimates are available of the amount of dioxin in parts per million formed during the high-temperature incineration of polychlorinated biphenyls.

Mr. Moynihan: Trials have demonstrated that the amount of dibenzodioxins and dibenzofurans emitted as a result of high temperature incineration of PCBs by continuous liquid feed is constistently less than one part in 10^{12} (that is one in a million million) in stack gases.

Play Areas

Dame Peggy Fenner asked the Secretary of State for the Environment if his Department issues recommendations or guidelines on safe surfaces in children's play or recreation areas; and if he will make a statement.

Mr. Moynihan: The Department issued guidance to local authorities on safety in children's playgrounds in 1978. This advice, which recommended the use of impact-absorbing surface materials under play equipment, was consolidated by British Standard 5696. A new British Standard is currently being drawn up.

Shorthold

Mr. Livingstone asked the Secretary of State for the Environment (1) what information his Department collects on a regular basis concerning the operation of the shorthold tenancy scheme;

(2) what is his Department's latest available information concerning *(a)* the proportion of shorthold tenancies with and without regulated rents and *(b)* the average rent in both categories (i) in Greater London and (ii) elsewhere in England;

(3) what is the proportion of shorthold lettings to date, which have been in property *(a)* previously vacant, *(b)* previously let under a non-shorthold regulated tenancy, and *(c)* previously let under a shorthold tenancy (i) in Greater London and (ii) elsewhere in England;

(4) what is *(a)* the proportion of shorthold lettings to date, which were initially for (i) a year, (ii) more than a year, but not more than two years, (iii) more than two years, but not more than three years, (iv) more than three years, but not more than four years, and (v) more than four years, and up to five years and *(b)* the proportion of shorthold lettings to date which have subsequently been renewed (i) in Greater London and (ii) elsewhere in England.

Mr. Waldegrave: Over 5,000 protected shorthold tenancies were created in England and Wales in 1981, the first year after shorthold was introduced. Information about shortholds created since 1 December 1981, when the compulsory rent registration requirement for new shortholds outside Greater London was lifted, has not been collected. The Office of Population Censuses and Surveys produced a report for the Department in 1986, "Recent Private Lettings 1982-84", based on a small sample of 704 occupiers and 543 landlords. This indicated that 14 per cent. of new lettings in England were shortholds; in Greater London the proportion was 8 per cent. The technical report on the survey, to be published later this year, will contain information on the rents for shorthold lettings, though not in the detail requested by the hon. Member.

Urban Development Grant

Ms. Armstrong asked the Secretary of State for the Environment what criteria are used in the provision of urban development grants.

Mr. Trippier: Urban development grant is available to support projects which will contribute to the economic and physical regeneration of inner urban areas by bringing about additional private sector capital investment in these areas but which would not be commercially viable without some assistance from the public sector. Priority is given to projects in the areas of those local authorities which have been invited to submit inner area programmes. The criteria for approval of grant, and the procedure by which applications are appraised, are set out in more detail in the Department's explanatory leaflet, a copy of which I am sending to the hon. Member.

Local Regiments (Freedom of City)

Mr. Speller asked the Secretary of State for the Environment if he will seek powers to allow district councils to grant freedom to local regiments or other armed forces units; and if he will make a statement.

Mr. Chope: Section 249(5) of the Local Government Act 1972 already provides that district councils having the status of a city, borough or royal borough may confer honorary freedom on persons of distinction and persons who have rendered eminent services to the city, borough or royal borough. I understand that some boroughs have in the past exercised the power under section 249(5) in favour of local regiments but the interpretation of the powers conferred by section 249(5) is for the courts rather than Ministers.

Housing Statistics

Mr. Adley asked the Secretary of State for the Environment for each of the last 10 years in England and Wales, what percentage of *(a)* newly constructed houses and *(b)* renovation of older houses has been undertaken by local authorities; and what percentage by private developers.

Mr. Waldegrave: Following are the percentages of new dwelling completions in England for local authorities and new towns and the percentages for private owners; while most private housebuilding is for owner occupation, this is generally carried out by private developers.

Housing and completions, England

	Local authorities and new towns	*Private sector*
		per cent. of all completions
1977	43·7	46·5
1978	38·2	52·8
1979	35·3	56·5
1980	36·5	53·8
1981	32·2	57·8
1982	21·0	71·6
1983	17·5	74·3
1984	16·5	75·7
1985	14·2	79·0
1986	11·1	82·9

Note: Other completions are for housing associations and Government Departments.

While information is available on the numbers of local authority dwellings on which improvement work is carried out each quarter, for the private sector only the number of grant-aided renovations are reported. Private developers may receive such grants if the dwellings are to be available for renting for at least five years, in which case they will be included in the reported numbers of grants paid to landlords (including housing associations) which have been about 16 per cent. of the grants paid in England in the 10-year period.

For information on housebuilding and renovations in Wales, I refer my hon. Friend to my right hon. Friend the Secretary of State for Wales.

Private Sector Housing

Mr. Adley asked the Secretary of State for the Environment what financial inducements are available to private sector developers to generate housing investment in areas designated by his Department as stress areas or deprived inner-city areas.

Mr. Waldegrave: Urban development grant is available for private sector developments which benefit run-down urban areas. Priority is given to schemes from 57 inner area programme authorities. UDG meets the difference between the cost of a scheme and its value. So far, out of a total of 247 approved UDG schemes, 73 have been housing projects, these involve grant of £33 million and private investment of £115 million.

We have also recently introduced urban regeneration grant, under which assistance can be given direct to private sector developers with proposals for the reclamation and redevelopment of large urban sites, or for the refurbishment of very large buildings or group of buildings, for housing and other purposes.

We have enabled housing associations to combine housing association grant and private finance to develop rented housing schemes; it is hoped to draw some £70 million of private investment into such activity in the current financial year, a substantial proportion of which will be spent in inner city areas. The Local Government (No. 2) Bill will give local authorities an explicit new power to provide assistance for private rented accommodation, subject to the Secretary's of State's consent.

Estate action allocates resources to improve the environment and surroundings of run down housing estates. This helps those areas attract private skills and resources in investment in new housing and refurbishment.

We have identified, and made public, details of the thousands of acres of land owned by public bodies and currently lying idle. The land registers, on which this land is entered, are a useful source of information to private developers and my right hon. Friend has invited anyone interested in bringing any of this land back into use to ask him to use the statutory powers available to direct the owner to sell the land.

Urban development corporations and the derelict land programme may also remove obstacles to the development of new housing.

Local Authority Housing

Mr. Adley asked the Secretary of State for the Environment if he will state *(a)* in general terms, and *(b)* by individual local authority, the percentage of the cost of construction of new local authority housing borne (i) by the ratepayer and (ii) by the taxpayer in England and Wales for each of the last 10 years.

Mr. Waldegrave: Local authorities finance capital expenditure primarily from capital receipts or borrowing. Loan charges on borrowing attributable to the construction of new housing are debited to an authority's housing revenue account. Payments of exchequer subsidy, and the rate fund contributions made by local authorities themselves, are both related essentially to the overall position rather than to particular items of expenditure. In 1985-86 about half the 366 local housing authorities in England made a rate fund contribution, and 99 qualified for exchequer subsidy. Under the present housing subsidy system, which came into operation in 1981-82, the calculation determining an authority's entitlement to subsidy includes 75 per cent. of the actual or notional loan charges on the admissible costs of any new construction it undertakes.

Mr. Adley asked the Secretary of State for the Environment if he will list the total number of empty local authority houses in each individual local authority area in England and Wales making up the total number of currently empty local authority houses.

Mr. Waldegrave: The latest available figures for English authorities are those for 1 April 1986 from their 1986 housing investment programme returns. The figures appear in column A81 of the "HIP1 (1986) All items print" which is in the Library. For information on Welsh authorities, I refer the hon. Member to my right hon. Friend the Secretary of State for Wales.

Housing Waiting Lists

Mr. Adley asked the Secretary of State for the Environment (1) what information he has as to the number of applicants on local authority housing waiting lists who have made multiple applications in different local authority areas;

(2) if he will list for each local authority in England and Wales the number of people on council housing waiting lists; and if he has any information to indicate how many of these people are on the waiting lists of other local authorities.

Mr. Waldegrave: The latest available information on the number of households on housing waiting lists is for April 1986 and it was provided by English local authorities in their 1986 housing investment programme returns: the figures appear in column B51 of the "HIP1 (1986) All items print" which is in the Library. Unfortunately, information is not available centrally on the number of applicants on the waiting lists of more than one authority.

For information on Welsh authorities I refer my hon. Friend to my right hon. Friend the Secretary of State for Wales.

Homeless Persons

Mr. Adley asked the Secretary of State for the Environment if he will list for each local authority area in England and Wales the number of homes made available to people under the Housing (Homeless Persons) Act for each of the last five years; and what percentage this represented of the total number of houses available for new tenants for each year.

Mr. Waldegrave: Local authorities provide information on lettings to new tenants in their annual housing investment programme returns. The table gives for each English authority for each of the five years to 1985-86, the number of dwellings let to homeless households in priority need and the percentage this represents of all dwellings let to new tenants. The figures for 1981-82 and 1982-83 are for secure new tenancies only, while the later figures include also non-secure tenancies.

In fulfilling their duties to secure accommodation for homeless households in priority need, authorities also make nominations for housing in other areas under mobility schemes and for tenancies with housing associations and new towns, and find accommodation in the private sector.

For the position in Wales, I refer my hon. Friend to my right hon. Friend the Secretary of State for Wales.

Dwellings let to homeless households: England

	Dwellings let to new secure tenants who were homeless				*Dwellings let to new tenants who were homeless*					
	1981-82		*1982-83*		*1983-84*		*1984-85*		*1985-86*	
	Number	*Per cent. of all*	*Number*	*Per cent. of all*	*Number*	*Per cent. of all*	*Number*	*Per cent. of all*	*Number*	*Per cent. of all*
Region North (excluding Cumbria)										
Tyne and Wear										
Gateshead	179	9·6	146	6·9	172	9·5	277	14·9	263	13·4
Newcastle Upon Tyne	347	11·3	297	8·2	349	8·2	426	13·7	325	8·6
North Tyneside	329	24·4	474	33·5	539	37·2	515	32·2	548	39·5
South Tyneside	132	9·0	133	9·9	127	8·3	130	9·6	165	12·5
Sunderland	246	9·9	235	9·9	358	16·1	307	14·1	294	12·3
Cleveland										
Hartlepool	75	14·7	116	18·7	103	15·2	102	14·4	98	15·9
Langbaurgh	71	6·5	90	8·2	76	8·6	70	9·4	91	11·2
Middlesbrough	164	10·8	236	16·0	230	14·8	282	16·5	236	15·1

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Stockton-on-Tees	55	6·7	59	6·6	71	6·9	119	9·3	177	11·0
Durham										
Chester-le-Street	9	3·2	10	2·4	24	5·9	15	3·8	32	7·0
Darlington	42	11·5	53	9·9	103	21·9	52	9·5	85	14·2
Derwentside	14	1·4	16	2·1	38	5·1	28	3·5	19	2·8
Durham	30	5·9	45	8·1	52	6·5	29	3·9	55	10·9
Easington	67	5·4	83	6·8	90	10·2	111	11·2	69	5·8
Sedgefield	20	1·7	42	4·6	14	1·8	58	6·0	60	5·6
Teesdale	14	16·9	4	4·0	22	28·9	9	8·1	8	15·4
Wear Valley	29	5·8	56	11·4	56	12·5	62	10·8	59	11·4
Northumberland										
Alnwick	10	8·3	20	13·7	12	6·6	7	3·7	9	5·0
Berwick-upon-Tweed	2	0·9	3	1·4	4	2·0	4	2·6	4	2·0
Blyth Valley	66	13·1	103	19·1	80	13·3	82	14·5	77	13·5
Castle Morpeth	20	8·6	10	4·0	21	12·4	28	12·0	17	9·5
Tynedale	26	9·5	47	20·7	40	14·3	42	19·3	51	20·2
Wansbeck	—	—	—	—	81	12·4	249	34·1	74	9·6
Region Yorkshire and Humberside										
South Yorkshire										
Barnsley	34	2·3	55	3·7	52	4·1	95	7·6	87	5·5
Doncaster	3	0·2	—	—	56	2·8	77	2·9	46	1·6
Rotherham	89	5·7	89	4·9	83	5·5	121	8·4	104	5·0
Sheffield	—	—	244	6·9	811	18·4	486	24·2	994	24·7
West Yorkshire										
Bradford	563	15·6	581	17·0	466	14·3	468	15·0	501	14·2
Calderdale	100	6·7	91	6·3	91	6·4	79	5·2	98	6·6
Kirklees	371	15·3	608	25·0	671	23·8	664	21·8	894	26·2
Leeds	1,005	17·3	960	16·2	1,268	21·3	1,366	21·9	1,275	22·1
Wakefield	209	8·8	243	10·8	243	9·3	283	10·9	265	8·9
Humberside										
Boothferry	15	6·9	15	7·6	38	18·1	13	5·9	30	10·9
Cleethorpes	52	21·8	55	21·7	29	12·1	28	7·1	43	16·0
East Yorkshire	10	4·0	24	9·4	16	7·7	14	5·3	10	4·3
Glanford	19	3·3	23	7·2	27	10·5	31	9·1	46	14·1
Great Grimsby	123	33·1	91	21·8	95	11·6	123	18·2	123	21·6
Holderness	15	10·3	28	12·2	37	23·4	32	18·6	32	18·5
Kingston upon Hull	248	10·0	323	13·7	304	13·9	350	15·0	573	19·8
Scunthorpe	31	4·8	27	3·1	41	4·7	62	8·6	85	11·8
The East Yorkshire Borough of Beverley	—	—	64	18·6	121	35·5	94	35·7	111	18·4
North Yorkshire										
Craven	32	20·1	47	30·7	56	31·5	30	21·0	38	27·0
Hambleton	51	25·5	84	46·2	47	17·3	55	19·9	50	20·0
Harrogate	73	19·5	64	20·1	73	22·5	72	24·3	91	25·0
Richmondshire	36	19·3	34	18·1	23	15·6	41	24·3	47	36·7
Ryedale	37	25·0	47	27·6	54	36·2	57	29·2	52	19·5
Scarborough	135	34·0	106	35·6	105	28·9	120	35·1	116	33·8
Selby	58	15·8	66	21·4	61	19·2	49	10·9	40	12·2
York	127	34·0	96	19·1	143	21·8	181	26·0	148	27·3
Region East Midlands										
Derbyshire										
Amber Valley	97	30·3	115	29·6	126	32·3	124	29·0	144	35·3
Bolsover	13	2·9	12	3·1	6	2·1	13	3·6	9	2·4
Chesterfield	30	4·3	15	2·1	38	6·3	52	7·4	65	8·4
Derbyshire Dales	31	20·0	42	25·1	51	20·8	31	15·1	34	17·8
Derby	169	12·7	194	15·3	144	10·9	205	14·9	261	17·1
Erewash	75	15·0	56	11·3	97	19·7	100	21·5	116	25·6
High Peak	42	18·8	28	11·0	32	7·8	40	10·2	46	12·5
North East Derbyshire	41	8·4	56	11·4	68	14·1	80	15·3	89	16·3
South Derbyshire	32	14·6	24	12·8	16	7·3	49	16·8	61	25·3
Leicestershire										
Blaby	19	11·8	17	9·8	37	17·1	45	22·3	43	21·9
Charnwood	89	17·7	85	15·8	75	15·5	n/a	n/a	95	19·2
Harborough	23	12·8	25	14·0	31	16·4	33	16·7	46	28·2
Hinckley and Bosworth	18	9·1	17	8·9	4	1·6	28	11·8	20	7·9

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Leicester	349	17·3	306	11·4	155	7·0	235	11·9	463	23·5
Melton	30	22·9	26	11·5	9	5·8	21	12·0	50	29·4
North West Leicestershire	33	18·8	29	11·3	29	9·7	29	9·4	53	14·0
Oadby and Wigston	—	—	72	47·1	59	58·4	67	66·3	68	50·7
Rutland	34	34·3	29	37·2	49	38·6	59	54·1	54	58·7
Lincolnshire										
Boston	16	6·2	6	2·3	12	3·7	11	3·8	13	5·0
East Lindsey	36	12·5	27	8·4	47	14·6	60	15·9	40	14·2
Lincoln	81	11·5	102	12·0	87	12·3	91	12·4	89	14·8
North Kesteven	37	13·2	36	11·8	62	20·2	53	13·5	63	18·3
South Holland	26	10·7	17	5·7	34	16·3	64	15·4	39	12·7
South Kesteven	62	13·7	65	13·7	131	20·9	130	22·5	113	20·0
West Lindsey	57	19·1	79	24·7	89	26·3	79	24·2	56	18·4
Northamptonshire										
Corby	66	6·9	62	6·7	88	12·3	123	17·2	128	21·5
Daventry	23	8·6	11	3·4	62	17·8	47	12·5	58	17·5
East Northamptonshire	46	20·5	46	15·6	46	17·7	29	9·7	50	19·1
Kettering	38	9·7	41	10·2	29	7·7	60	19·0	62	18·0
Northampton	82	11·7	85	9·1	113	13·2	143	9·2	227	14·4
South Northamptonshire	80	41·7	65	33·3	57	32·4	65	30·8	70	38·3
Wellingborough	35	6·6	30	5·1	34	5·3	47	8·3	54	10·7
Nottinghamshire										
Ashfield	41	5·9	70	9·8	68	8·9	69	9·6	116	16·0
Bassetlaw	39	7·3	22	3·2	98	15·0	96	15·8	161	23·4
Broxstowe	54	15·0	54	14·3	79	18·2	88	24·0	96	20·6
Gedling	23	11·3	35	13·0	27	8·7	42	11·7	55	24·0
Mansfield	32	3·7	44	4·6	72	7·4	74	8·1	78	9·5
Newark and Sherwood	31	5·5	39	6·4	87	11·6	45	7·3	39	7·3
Nottingham	220	7·3	232	8·1	267	8·4	273	9·4	368	13·3
Rushcliffe	26	10·8	26	10·7	21	8·2	24	13·1	32	14·2
Region Eastern										
Bedfordshire										
Luton	55	9·5	42	5·2	32	4·7	19	3·4	33	5·1
Mid Bedfordshire	26	7·9	24	6·2	50	10·5	34	10·7	40	11·4
North Bedfordshire	110	27·0	106	20·6	75	16·3	74	16·1	95	22·2
South Bedfordshire	90	24·8	61	14·4	42	12·8	58	16·9	59	18·8
Buckinghamshire										
Aylesbury Vale	140	23·7	51	11·9	165	40·0	63	16·0	83	14·9
Chiltern	45	17·9	25	13·8	39	21·2	29	16·8	17	9·7
Milton Keynes	72	18·4	79	16·5	88	17·2	50	11·0	60	12·4
South Buckinghamshire	21	13·6	31	17·7	25	18·5	16	10·9	8	6·3
Wycombe	145	31·3	158	40·4	189	44·4	148	35·3	117	37·1
Cambridgeshire										
Cambridge	71	14·2	53	9·3	74	11·0	97	18·4	129	25·3
East Cambridgeshire	21	9·5	6	2·5	15	6·6	35	15·2	37	17·8
Fenland	9	3·7	—	—	14	6·1	25	8·0	16	6·1
Huntingdonshire	82	20·1	167	35·4	144	26·4	123	25·5	187	39·1
Peterborough	—	—	—	—	42	6·5	38	6·1	91	14·3
South Cambridgeshire	16	6·1	20	5·1	69	15·1	66	17·4	55	15·3
Essex										
Basildon	57	8·1	50	10·5	105	16·4	117	23·1	97	17·0
Braintree	33	7·3	26	4·9	80	16·8	57	11·3	94	19·4
Brentwood	16	8·9	30	13·8	25	14·4	7	4·9	32	26·7
Castle Point	44	34·9	29	30·9	58	50·0	44	44·9	33	25·8
Chelmsford	48	13·5	94	22·9	87	20·0	107	17·5	163	32·5
Colchester	50	11·3	60	12·2	85	17·3	137	24·9	170	30·2
Epping Forest	17	5·5	19	6·1	17	5·8	20	8·2	28	9·1
Harlow	54	6·8	55	6·4	132	n/a	162	19·9	209	23·6
Maldon	19	27·5	36	40·0	51	41·5	50	40·0	56	39·4
Rochford	23	10·1	25	15·7	25	16·8	38	20·1	44	38·3
Southend-on-Sea	51	11·6	31	9·3	66	13·3	67	15·5	106	24·7
Tendring	58	20·1	36	12·5	54	29·5	65	28·9	67	26·7
Thurrock	209	37·7	244	38·6	175	30·8	160	28·6	166	26·1
Uttlesford	39	27·1	38	23·7	35	24·1	42	25·3	56	30·3
Hertfordshire										

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Broxbourne	61	23·2	51	21·2	67	19·3	58	20·6	84	31·3
Dacorum	120	19·2	131	22·4	145	22·6	94	15·6	99	13·6
East Hertfordshire	116	46·6	120	44·1	164	50·2	148	48·4	122	39·1
Hertsmere	56	19·5	100	34·2	111	44·9	108	36·9	131	32·5
North Hertfordshire	57	11·9	53	13·1	46	9·5	48	13·1	46	11·2
St. Albans	114	46·5	131	47·8	130	46·4	131	45·2	130	55·1
Stevenage	33	5·4	61	8·6	65	10·4	130	21·3	118	23·2
Three Rivers	36	18·5	93	36·9	91	46·2	111	60·3	92	48·4
Watford	66	19·8	49	29·5	143	58·6	124	45·3	114	30·6
Welwyn Hatfield	—	—	—	—	68	9·3	68	13·2	93	17·4
Norfolk										
Breckland	—	—	—	—	92	32·9	112	34·7	121	30·8
Broadland	3	1·7	5	3·6	23	7·3	21	11·9	49	26·8
Great Yarmouth	25	8·6	—	—	32	10·5	35	8·4	36	10·8
King's Lynn and West Norfolk	60	11·5	103	23·7	122	27·4	125	26·6	143	27·0
North Norfolk	73	27·9	82	24·0	88	33·6	88	26·3	98	27·4
Norwich	167	15·6	165	13·0	182	14·2	175	16·1	383	27·2
South Norfolk	36	13·6	32	16·1	27	10·2	60	27·6	88	27·2
Suffolk										
Babergh	43	22·4	34	17·3	69	30·3	80	38·1	150	43·5
Forest Heath	12	5·4	—	—	20	7·5	16	5·9	25	10·6
Ipswich	72	16·6	96	27·3	170	28·7	183	43·9	204	46·4
Mid Suffolk	38	14·3	15	7·5	16	10·7	19	9·0	43	16·5
St. Edmundsbury	34	7·6	20	6·2	63	17·1	75	20·9	40	16·0
Suffolk Coastal	18	6·1	12	5·2	14	6·5	19	6·1	24	10·5
Waveney	79	29·0	94	27·8	51	13·5	52	12·3	70	22·2
Region London										
Greater London										
Greater London Council	825	10·7	151	4·4	n/a	n/a	—	—	n/a	n/a
City of London	16	8·1	16	11·0	15	12·4	12	10·3	17	11·8
Camden	501	18·4	418	23·6	n/a	n/a	684	44·5	1,319	68·6
Greenwich	243	14·2	251	12·0	n/a	n/a	1,034	60·9	909	54·1
Hackney	535	42·8	1,031	57·0	810	38·0	628	40·8	628	42·5
Hammersmith and Fulham	524	53·7	505	58·6	497	42·9	499	50·6	482	61·9
Islington	476	26·7	718	44·8	n/a	n/a	711	55·5	971	61·9
Kensington and Chelsea	183	27·9	195	26·4	195	32·8	172	28·7	187	33·5
Lambeth	2,423	64·2	1,206	39·7	1,061	36·1	1,102	43·0	1,320	48·8
Lewisham	362	21·2	476	22·9	605	43·1	922	52·6	1,387	58·6
Southwark	348	8·3	409	15·2	878	35·5	n/a	n/a	1,119	50·1
Tower Hamlets	72	6·8	58	5·6	104	11·7	143	20·1	355	34·4
Wandsworth	542	30·4	397	22·7	364	31·2	583	51·3	367	51·2
Westminster, City of	476	38·5	595	55·2	484	52·2	426	40·1	474	42·7
Barking and Dagenham	133	11·0	134	10·8	202	16·9	254	21·7	n/a	n/a
Barnet	98	14·3	207	28·2	339	39·2	257	38·0	336	50·1
Bexley	142	29·5	137	28·2	152	30·3	184	32·6	211	43·5
Brent	752	58·1	533	59·6	718	62·3	653	56·9	595	58·5
Bromley	278	39·8	280	38·9	380	60·5	490	64·4	489	70·5
Croydon	522	71·8	514	76·3	492	62·8	379	61·1	418	69·3
Ealing	806	68·1	758	73·3	n/a	n/a	734	85·8	686	70·7
Enfield	182	20·7	274	30·8	376	35·8	398	36·4	350	40·5
Haringey	567	41·0	559	50·2	805	55·7	792	58·9	723	61·9
Harrow	191	46·9	190	57·2	230	52·8	181	56·6	273	61·6
Havering	116	20·8	92	16·2	149	n/a	177	22·5	296	39·9
Hillingdon	206	28·6	187	29·3	198	17·4	218	49·4	242	52·4
Hounslow	355	33·5	436	39·8	698	61·8	579	59·6	517	49·7
Kingston upon Thames	143	61·4	135	45·5	123	48·4	131	60·9	190	56·2
Merton	227	40·8	223	47·9	190	33·2	213	44·9	253	49·6
Newham	519	31·5	673	42·0	n/a	n/a	798	60·3	820	58·5
Redbridge	263	61·6	236	49·8	254	50·7	286	57·3	288	58·2
Richmond upon Thames	140	25·8	155	42·0	n/a	n/a	181	38·1	205	44·9
Sutton	144	30·4	152	34·7	217	41·6	255	46·9	267	48·8
Waltham Forest	516	51·5	708	46·9	547	43·6	527	37·3	621	45·8
Region South Eastern										
Berkshire										
Bracknell	49	7·1	51	10·4	21	3·4	36	6·6	36	7·1
Newbury	95	28·5	78	22·3	62	17·8	115	22·5	126	44·1
Reading	209	44·0	183	42·7	187	45·1	98	46·0	197	49·2
Slough	118	28·0	150	39·1	179	35·1	157	29·2	142	38·1
Windsor and Maidenhead	14	6·1	15	5·6	87	31·2	86	33·2	97	30·7

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Wokingham	47	28·0	70	32·0	55	33·5	55	25·6	54	19·1
East Sussex										
Brighton	276	65·9	211	59·6	181	51·1	192	44·5	176	43·1
Eastbourne	51	21·8	88	37·3	97	26·8	61	19·9	110	30·4
Hastings	106	31·5	156	38·3	122	36·1	118	37·0	182	48·7
Hove	126	81·8	152	71·4	98	60·5	142	59·7	127	58·3
Lewes	30	15·3	39	22·4	59	29·4	76	35·3	77	34·2
Rother	32	19·5	28	16·0	35	16·7	44	25·6	76	42·5
Wealden	73	31·3	47	25·7	84	30·3	78	27·8	112	43·6
Hampshire										
Basingstoke and Deane	29	5·4	57	8·7	74	13·2	62	14·1	94	19·0
East Hampshire	54	19·7	80	29·0	89	31·3	93	38·1	127	53·4
Eastleigh	67	45·6	84	52·2	90	36·4	77	35·6	85	31·4
Fareham	6	4·8	3	2·5	29	13·2	29	14·9	34	18·0
Gosport	106	42·4	—	—	135	44·7	147	47·7	201	58·6
Hart	39	17·1	21	15·7	34	22·5	28	11·8	35	25·5
Havant	3	1·1	50	24·4	72	25·7	23	11·9	36	12·4
New Forest	122	34·2	138	38·0	183	56·8	180	64·7	195	52·1
Portsmouth	47	4·8	63	5·2	88	5·5	135	8·6	182	22·9
Rushmoor	179	67·5	165	62·0	152	50·7	174	64·0	166	69·2
Southampton	92	9·0	111	8·9	111	9·0	130	10·9	143	13·7
Test Valley	111	39·6	112	39·3	179	44·5	137	35·3	115	27·8
Winchester	42	16·0	25	12·4	27	9·6	77	20·8	86	25·6
Isle of Wight										
Medina	98	56·3	73	45·6	187	54·7	185	60·1	131	54·8
South Wight	45	38·5	46	30·3	75	39·3	59	40·4	41	43·2
Kent										
Ashford	22	7·4	9	2·5	39	7·7	32	7·9	64	15·1
Canterbury	36	10·6	71	17·9	84	18·4	113	27·5	149	36·6
Dartford	43	20·9	51	23·1	73	29·2	87	31·9	99	43·0
Dover	29	10·2	56	17·1	62	18·5	68	15·5	89	20·2
Gillingham	79	37·4	70	26·6	73	31·6	90	35·9	121	57·9
Gravesham	62	32·8	78	28·0	96	34·5	135	47·9	170	50·1
Maidstone	154	49·4	170	51·2	173	52·3	191	56·8	195	56·4
Rochester upon Medway	74	20·9	72	14·2	27	9·5	44	19·2	43	18·2
Sevenoaks	160	55·7	171	37·2	205	56·8	219	65·8	171	51·7
Shepway	—	—	12	4·1	5	2·4	10	4·3	22	9·5
Swale	104	28·6	65	22·4	57	17·9	101	24·2	113	29·3
Thanet	90	20·8	52	9·2	56	12·6	43	9·6	38	7·5
Tonbridge and Malling	2	1·1	26	8·2	86	36·1	98	36·4	246	68·7
Tunbridge Wells	51	23·6	45	19·6	95	40·4	86	41·5	106	49·5
Oxfordshire										
Cherwell	108	26·0	94	26·9	78	20·3	148	40·0	170	38·8
Oxford	92	17·4	73	22·0	56	14·1	52	10·7	55	14·6
South Oxfordshire	32	13·1	30	11·8	44	14·8	33	11·3	30	7·4
Vale of White Horse	5	3·4	—	—	21	8·4	19	10·2	18	7·0
West Oxfordshire	24	9·2	31	16·2	54	23·2	52	19·1	48	19·8
Surrey										
Elmbridge	105	48·4	100	66·2	139	44·8	106	38·0	125	40·2
Epsom and Ewell	15	13·8	12	11·3	16	12·5	1	1·0	17	23·3
Guildford	95	41·7	64	26·1	52	20·5	88	29·1	105	28·3
Mole Valley	16	6·5	36	15·7	50	24·9	1	0·7	4	2·7
Reigate and Banstead	82	33·5	88	35·1	108	37·2	97	35·1	84	29·4
Runnymede	64	39·0	76	46·1	68	41·7	72	52·2	74	54·4
Spelthorne	46	36·2	57	20·3	51	17·2	86	39·8	48	23·6
Surrey Heath	9	7·1	11	9·4	25	19·8	21	12·4	36	22·1
Tandridge	24	16·4	11	7·0	21	14·3	33	21·3	82	31·3
Waverley	28	10·5	60	28·0	67	37·9	92	31·9	85	35·6
Woking	68	36·4	27	12·7	74	33·5	80	37·6	107	45·7
West Sussex										
Adur	75	31·5	72	43·6	53	30·5	50	34·2	72	35·3
Arun	81	27·0	49	20·1	46	13·4	32	10·4	41	14·7
Chichester	70	23·0	89	32·4	86	31·4	132	38·2	139	37·6
Crawley	75	22·7	91	22·5	109	25·8	129	24·4	200	48·2
Horsham	137	40·9	113	51·8	89	36·9	81	33·2	84	32·9
Mid Sussex	30	14·3	32	16·9	45	20·7	59	21·2	76	34·7

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Worthing	80	42·8	44	22·7	80	46·5	93	48·9	86	46·7
Region South West										
Avon										
Bath	117	27·9	130	30·7	151	39·5	174	45·7	208	56·7
Bristol	295	16·3	284	14·9	210	10·6	462	23·2	415	21·9
Kingswood	47	24·7	36	14·7	62	24·2	58	24·1	95	33·7
Northavon	22	9·5	18	7·4	51	21·5	47	18·7	57	23·6
Wansdyke	45	20·0	44	21·4	40	18·2	41	23·4	50	23·3
Woodspring	182	43·9	140	33·1	108	28·1	148	31·6	184	40·6
Cornwall										
Caradon	67	25·9	49	15·5	78	28·3	78	29·2	78	29·1
Carrick	60	39·7	49	23·1	64	31·7	47	20·2	57	27·0
Isles of Scilly	—	—	n/a	n/a	—	—	—	—	—	—
Kerrier	41	23·4	22	11·3	57	33·7	62	19·8	47	22·1
North Cornwall	52	12·9	51	15·8	79	21·4	69	22·0	82	28·5
Penwith	84	45·2	59	30·6	65	35·9	68	35·2	47	21·4
Restormel	112	48·7	85	36·2	147	44·8	99	32·6	116	40·4
Devon										
East Devon	41	13·5	68	25·6	68	27·5	66	23·6	66	25·4
Exeter	15	4·3	24	7·2	56	17·9	51	12·4	64	17·2
Mid Devon	55	29·9	45	16·4	66	25·3	45	16·5	36	21·8
North Devon	46	14·2	29	11·8	53	22·9	45	22·7	46	18·0
Plymouth	346	36·1	390	34·5	356	37·8	373	36·9	416	34·1
South Hams	59	36·4	32	23·2	60	27·0	34	12·2	34	14·7
Teignbridge	16	11·8	20	10·9	139	46·2	92	38·8	131	46·0
Torbay	90	48·1	82	40·8	101	54·3	122	54·7	105	54·4
Torridge	9	8·4	10	7·5	7	4·4	9	6·9	9	8·1
West Devon	19	16·0	21	21·6	46	48·4	40	40·8	40	50·0
Dorset										
Bournemouth	124	35·7	149	43·3	121	28·6	117	33·4	133	31·7
Christchurch	12	23·5	8	12·5	32	27·4	29	24·6	30	32·6
North Dorset	94	57·0	69	42·9	73	34·3	66	40·0	75	36·6
Poole	90	26·2	89	30·4	133	32·3	148	35·5	150	48·1
Purbeck	19	17·8	15	17·9	28	33·3	71	37·0	43	45·3
West Dorset	30	13·6	37	15·5	54	15·3	42	14·9	48	16·2
Weymouth and Portland	86	46·2	109	58·0	137	67·5	131	67·5	162	55·7
Wimborne	45	22·5	33	20·6	32	14·3	34	25·4	44	23·2
Gloucestershire										
Cheltenham	54	17·9	27	7·7	26	8·8	31	9·7	55	17·4
Cotswold	56	25·7	34	11·3	47	25·4	37	22·4	37	22·2
Forest of Dean	19	7·1	22	9·4	37	18·6	33	17·9	47	25·8
Gloucester	47	17·7	50	16·0	51	18·0	93	29·9	144	48·2
Stroud	112	40·1	115	32·6	82	27·3	106	39·4	143	49·0
Tewkesbury	42	18·3	50	22·6	52	24·6	71	35·0	72	33·6
Somerset										
Mendip	56	22·7	74	19·1	57	13·8	56	13·8	55	17·5
Sedgemoor	—	—	—	—	23	8·9	45	14·8	49	15·7
South Somerset	75	14·9	70	14·2	94	14·7	153	29·3	167	26·9
Taunton Deane	91	21·0	105	23·1	102	28·0	102	23·6	107	24·1
West Somerset	29	15·8	31	33·3	41	25·8	55	42·0	41	36·3
Wiltshire										
Kennet	45	26·9	21	9·2	73	27·4	59	21·2	133	63·3
North Wiltshire	48	15·4	86	34·3	66	27·0	126	32·7	134	41·6
Salisbury	127	39·7	136	36·0	112	36·8	97	33·6	93	31·6
Thamesdown	n/a	n/a	n/a	n/a	99	11·5	127	13·5	130	12·5
West Wiltshire	84	27·6	74	23·4	84	23·8	88	29·0	71	28·2
Region West Midlands										
West Midlands										
Birmingham	3,112	37·1	3,571	41·7	2,481	33·5	3,613	44·9	4,258	49·3
Coventry	105	5·3	114	5·3	110	4·7	128	5·7	253	11·2
Dudley	132	7·6	142	7·0	137	7·4	244	12·0	166	7·7
Sandwell	228	8·6	234	7·7	172	5·6	236	8·1	314	9·9
Solihull	219	25·6	190	21·3	283	26·1	249	25·4	325	38·3
Walsall	50	2·4	165	10·0	350	22·6	382	21·5	540	30·2
Wolverhampton	84	3·2	100	4·1	280	12·4	390	21·8	344	17·4

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Hereford and Worcester										
Bromsgrove	32	19·8	41	25·9	48	21·4	74	35·1	67	35·3
Hereford	45	19·1	47	18·7	35	14·8	44	14·1	82	34·9
Leominster	25	29·8	46	41·8	41	42·3	45	46·9	49	41·5
Malvern Hills	80	23·8	75	21·7	89	28·3	114	25·4	160	44·4
Redditch	12	5·8	14	7·6	51	18·7	37	13·4	152	22·6
South Herefordshire	27	24·3	36	29·3	29	26·6	42	37·5	49	45·8
Worcester	59	21·1	69	22·1	78	24·2	80	21·1	123	37·6
Wychavon	65	17·7	59	16·4	44	10·1	37	9·1	51	14·1
Wyre Forest	47	11·8	67	13·3	91	20·7	129	25·0	127	23·0
Shropshire										
Bridgnorth	11	6·1	15	11·7	12	9·1	26	16·6	43	21·7
North Shropshire	20	13·4	29	15·0	27	10·6	43	15·7	56	34·6
Oswestry	19	15·3	22	15·9	15	8·6	22	13·7	39	20·6
Shrewsbury and Atcham	22	6·9	10	2·6	81	15·1	46	8·8	56	13·7
South Shropshire	—	—	—	—	28	27·7	10	12·0	15	19·0
The Wrekin	34	4·3	19	2·1	26	3·2	53	8·6	126	17·4
Staffordshire										
Cannock Chase	119	38·0	182	41·6	109	28·3	106	28·4	91	26·3
East Staffordshire	43	11·7	38	11·6	53	10·3	70	12·4	69	16·5
Lichfield	104	31·6	76	22·0	81	30·0	86	34·1	96	36·5
Newcastle-under-Lyme	15	3·0	60	11·9	99	19·1	10	15·1	132	19·0
South Staffordshire	22	8·9	41	15·3	35	13·0	49	19·8	77	27·3
Stafford	65	15·0	63	14·2	72	17·4	113	27·5	142	35·0
Staffordshire Moorlands	38	20·7	51	25·0	35	22·7	40	25·5	47	26·4
Stoke-on-trent	238	23·5	236	16·2	266	23·3	484	39·0	638	46·6
Tamworth	24	5·4	34	5·9	101	16·4	95	17·5	126	24·0
Warwickshire										
North Warwickshire	14	8·7	12	6·1	17	7·6	12	5·5	52	26·0
Nuneaton and Bedworth	31	6·8	76	12·6	56	8·6	40	7·1	49	7·7
Rugby	72	23·8	49	21·2	60	15·2	29	5·6	51	11·9
Stratford-on-Avon	56	16·4	45	11·3	53	13·3	75	19·9	68	18·8
Warwick	50	19·4	57	13·5	77	23·8	68	15·6	88	26·5
Region North West (including Cumbria)										
Greater Manchester										
Bolton	248	13·1	225	12·5	277	17·6	220	14·4	744	38·1
Bury	143	19·3	117	11·3	186	17·9	273	26·5	247	26·5
Manchester	431	5·5	826	11·1	975	16·4	1,408	23·2	1,976	33·9
Oldham	124	5·4	173	7·3	184	7·9	122	5·1	111	4·8
Rochdale	29	1·6	37	1·9	35	1·6	42	1·8	58	2·6
Salford	36	1·4	207	6·9	61	2·4	151	6·5	28	1·3
Stockport	64	9·1	83	8·4	75	6·9	70	7·7	171	14·8
Tameside	130	11·1	136	9·8	191	14·9	219	13·7	273	17·4
Trafford	209	35·5	183	32·4	147	22·6	214	29·5	212	28·9
Wigan	202	8·1	261	10·4	299	12·5	267	11·2	322	12·5
Merseyside										
Knowsley	211	11·9	369	21·0	285	17·7	288	17·3	311	17·2
Liverpool	196	9·7	196	6·7	257	8·7	220	11·2	381	17·8
St. Helens	101	9·0	163	16·5	302	22·5	178	14·9	241	19·2
Sefton	95	9·1	105	9·1	n/a	n/a	90	9·4	102	8·7
Wirral	231	14·1	205	10·1	299	14·8	377	15·4	280	9·8
Cheshire										
Chester	48	10·8	39	10·3	149	23·8	148	26·2	263	44·4
Congleton	65	22·9	46	17·8	36	13·5	66	24·1	51	27·6
Crewe and Nantwich	—	—	—	—	77	17·0	86	19·6	119	23·1
Ellesmere Port and Neston	29	7·0	32	6·6	18	4·1	4	0·8	9	2·1
Halton	56	10·7	84	19·3	98	20·3	72	14·0	128	20·2
Macclesfield	53	10·6	34	7·5	40	8·7	127	27·9	153	28·8
Vale Royal	43	7·4	43	6·5	89	14·4	145	24·5	185	29·6
Warrington	20	2·3	67	6·0	114	10·6	76	7·7	70	7·7
Cumbria										
Allerdale	38	8·7	50	12·4	31	5·5	31	9·3	45	13·9
Barrow-in-Furness	9	2·5	38	10·7	45	13·0	24	7·5	14	5·0
Carlisle	47	10·1	32	4·6	58	10·6	64	9·7	71	12·7
Copeland	36	14·0	36	13·2	44	15·4	52	20·3	52	21·1

	Dwellings let to new secure tenants who were homeless				Dwellings let to new tenants who were homeless					
	1981-82		1982-83		1983-84		1984-85		1985-86	
	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all	Number	Per cent. of all
Eden	18	16·1	14	10·7	21	21·6	10	6·7	25	19·4
South Lakeland	44	15·2	58	19·5	37	19·2	38	16·1	27	10·9
Lancashire										
Blackburn	—	—	—	—	105	6·2	123	7·8	232	14·2
Blackpool	—	—	62	12·2	60	9·4	93	16·0	99	20·5
Burnley	120	17·6	138	17·4	126	15·7	86	12·3	108	14·4
Chorley	97	34·5	122	41·5	129	39·7	122	37·2	111	35·4
Fylde	16	12·7	21	15·1	12	8·7	17	12·1	22	12·6
Hyndburn	27	5·1	26	4·4	53	10·0	98	17·6	127	26·3
Lancaster	159	48·3	185	64·2	179	45·5	145	33·0	71	35·5
Pendle	31	5·0	11	1·4	13	2·0	27	3·9	38	5·1
Preston	70	10·6	74	9·2	108	10·8	124	13·0	123	13·2
Ribble Valley	7	6·4	4	3·0	8	4·8	18	15·0	19	14·7
Rossendale	36	6·0	10	1·7	33	7·4	57	12·1	63	13·3
South Ribble	52	16·9	76	31·7	40	15·1	47	19·6	60	16·3
West Lancashire	31	16·7	34	18·8	42	20·9	48	29·1	163	13·2
Wyre	49	32·9	61	30·8	64	31·4	68	31·5	98	46·4

Mr. Adley asked the Secretary of State for the Environment if he will list those local authorities in England and Wales which have been required to provide homes for people who have declared themselves homeless under the Housing (Homeless Persons) Act.

Mr. Waldegrave: Every local housing authority in England has reported accepting responsibility for securing accommodation for some households under the provisions of the Housing (Homeless Persons) Act 1977 now contained in the Housing Act 1985. For the position in Wales, I refer my hon. Friend to my right hon. Friend the Secretary of State for Wales.

Mr. Adley asked the Secretary of State for the Environment what information he has as to those areas from which people applying for housing under the Housing (Homeless Persons) Act have emanated.

Mr. Waldegrave: Local authorities provide summary information on the whereabouts one year previously of the households for which they have accepted responsibility to secure accommodation. The latest estimates are for acceptances by all English local authorities in the first quarter of 1987 and are as follows:

Whereabouts one year ago	*Per cent.*
Within Great Britain:	
same district or borough	86
different district or borough	11
Outside Great Britain	3

Derelict Local Authority Property

Mr. Adley asked the Secretary of State for the Environment if he will introduce legislation to legalise the process whereby people occupy derelict local authority property which has been empty for more than six months, provided they are willing to renovate the property themselves at their own expense.

Mr. Waldegrave: My right hon. Friend has, at present, no plans to legalise squatting.

Homesteading (Empty Housing)

Mr. Adley asked the Secretary of State for the Environment if he will introduce legislation to legalise homesteading in local authority houses which have been empty for six months or more; and if he will make a statement.

Mr. Waldegrave: "Homesteading" (selling unimproved properties for improvement by the purchaser) is already legal. My right hon. Friend has given his general consent under section 32 of the Housing Act 1985 to enable authorities to pursue homesteading policies.

Rural Areas (Services)

Mr. Key asked the Secretary of State for the Environment if he will explain the institutional and functional relationship between the Development Commission and Council for Small Industries in Rural Areas; and how this will meet the increasing demand for their services in the rural areas.

Mr. Moynihan: The Council for Small Industries in Rural Areas is a company limited by guarantee, which is wholly funded by the Development Commission. Its role is to promote the economic development of rural areas in England in accordance with the powers and policies of the Development Commission. The Development Commission proposes to merge the commission and COSIRA, to enable it to be better placed to tackle the problems of rural areas. Staff and unions have been consulted on the proposals and are being kept fully informed.

Development Commission

Mr. Key asked the Secretary of State for the Environment if he will list the number of staff employed by the Development Commission and Council for Small Industries in Rural Areas who work mainly outside London and Salisbury, in each of the past 10 years; and if he will make a statement.

Mr. Moynihan: None of the Development Commission staff have worked outside London. The numbers of COSIRA staff working mainly outside London and Salisbury in the years 1978-87 are as follows:

	Number
1978	170
1979	193
1980	203
1981	179
1982	189
1983	191
1984	183
1985	202
1986	209
1987	208

In addition, COSIRA now employs 56 part-time consultants, who work mainly outside Salisbury.

Mr. Key asked the Secretary of State for the Environment if he will list the number of employees of *(a)* the Development Commission and *(b)* the Council for Small Industries in Rural Areas in each of the past 10 years; and if he will make a statement.

Mr. Moynihan: The number of employees of the Development Commission and COSIRA in the last 10 financial years has been as follows:

Year	*Development Commission*	*COSIRA*
1978-79	38	316·5
1979-80	38	331
1980-81	35	310
1981-82	35	305
1982-83	37	303
1983-84	39	303
1984-85	44	303
1985-86	45	303
1986-87	45	308
1987-88	45	308

In addition, COSIRA now employs 56 part-time consultants on a regular basis.

Mr. Key asked the Secretary of State for the Environment what additional funds have been made available to the Development Commission and Council for Small Industries in Rural Areas under the Government's ALURE package in relation to the rural economy.

Mr. Moynihan: In the farming and rural enterprise package following ALURE the Government provided a further £1 million in 1987/88 for the Development Commission. This was in addition to the increase of £2 million for 1987/88 which had previously been announced.

London Docklands Development Corporation

Mr. Spearing asked the Secretary of State for the Environment if he will state the respective dates from which he has reappointed the chairman and five other members of the London Docklands Development Corporation until 31 October; and if he will make a statement concerning the relevant periods of reappointment.

Mr. Trippier: The chairman and four members of the London Docklands Development Corporation board were reappointed on 2 July. The chief executive was reappointed as a member on 7 July. These four-month extensions were designed to give my Department an opportunity to review the composition of the entire board.

Mr. Spearing asked the Secretary of State for the Environment if he will tabulate in the *Official Report* the parcels of land vested by Order in-Council in the London Docklands Development Corporation; and for each state the date of vesting, the area in hectares and acres, the previous owner, the principal purposes for which each is now in use; and, where this is housing, the approximate number of rented or owner-occupied dwellings.

Mr. Trippier: I shall write to the hon. Member.

Pollution

Mr. Ron Davies asked the Secretary of State for the Environment what are the current maximum levels of penalty and compensation, available in the case of pollution of natural water courses; and if he has any plans to review these levels

Mr. Moynihan: The maximum penalties which can be imposed by Magistrates for water pollution offences under the Control of Pollution Act 1974 part II, are fines not exceeding £2,000 and terms of imprisonment not exceeding three months in respect of each offence. On indictment there is no limit on the fine that may be imposed while the maximum term of imprisonment is two years. In addition, water authorities frequently incur cost in seeking to remedy the effects of pollution incidents and have powers, in these circumstances, to recover the costs from those responsible. Penalties for pollution offences are kept under regular review.

Radon Gas

Mr. Matthew Taylor asked the Secretary of State for the Environment when he proposes to complete the guidance on measures to be taken in areas where radon gas is a problem for the construction of new buildings.

Mr. Trippier: Full guidance will depend on the results of the two-year study being carried out by the Building Research Establishment. Meanwhile, my Department has held a meeting with building control officers in Devon and Cornwall. On the basis of information, they and the National House-Building Council are providing about common constructions in the region, and the best advice currently available, interim guidance will be made available in the autumn.

Bathing Water

Mr. Fearn asked the Secretary of State for the Environment if he has any plans to accept European Economic Community recommendations on standards of bathing water.

Mr. Moynihan: 391 bathing waters in the United Kingdom are accepted as being within the scope of Council directive 76/160/EEC. My hon. Friend the Member for Bristol, West (Mr. Waldegrave) announced on 30 April, at Column 186, the results for the 1986 survey of bathing waters in England, Northern Ireland and Wales. These showed that more than 60 per cent. of these waters already meet the directive's standards. Our intention is that all indentified waters should do so.

Cornwall (Beaches and Sewerage)

Mr. Matthew Taylor asked the Secretary of State for the Environment (1) how the South West water authority's

plans to clean the beaches of Cornwall will be affected by the Government's proposals for privatisation; and if he will make a statement;

(2) how the South West water authority's plans to install and update sewerage systems in Cornwall will be affected by the Government's proposals for privatisation; and if he will make a statement.

Mr. Moynihan: The Government propose that the water and sewerage functions of the water authorities will be transferred to new public limited companies, which will then be offered for sale. It will be for the companies to determine their own investment programmes, taking account of their obligations under domestic and European Community legislation and of the limits which will be placed on their permitted level of charges increases.

Planning Zones

Mr. Ian Taylor asked the Secretary of State for the Environment what progress is being made towards the introduction of simplified planning zones.

Mr. Waldegrave: I am today issuing for comment draft regulations which prescribe procedures for preparing simplified planning zones, together with a draft circular and advice note.

Simplified planning zones are based on the planning regime successfully pioneered in enterprise zones. They provide planning authorities with a new method of attracting private investment to areas in need of development or regeneration. For developers and landowners, they provide the certainty of knowing what types of development can be carried out in an area. They save the authority and developers the work and expense involved in making and processing individual planning applications. Simplified planning zones cannot be introduced in national parks, AONBs, SSSIs, conservation areas, or approved green belt. Proposals for setting up SPZs have to be advertised and those who wish to object to these proposals have the opportunity to do so. Where necessary a public local inquiry is held by an independent inspector.

The drafts are being sent to the local authority associations and others for comment by 15 September 1987. Copies of the consultation letter and the drafts are being placed in the Library.

Acid Rain

Mr. Alan W. Williams asked the Secretary of State for the Environment, in view of the recent report of the United Nations co-operation programme for the monitoring and evaluating of long-term transmission of air pollutants in Europe, whether he will conduct an urgent review of the evidence of serious damage to conifer trees in Britain by acid rain.

Mr. Moynihan: The Department already undertakes regular reviews of the state of tree health in the United Kingdom in consultation with the Forestry Commission, the Nature Conservancy Council, the Natural Environment Research Council and the Friends of the Earth.

31. **Mr. Kirkwood** asked the Secretary of State for the Environment if he will make a statement on his Department's proposals to reduce acid rain.

Mr. Moynihan: We aim to reduce emissions of sulpher dioxide (SO_2) and nitrogen oxides (NOx) by 30 per cent. on 1980 levels, by the end of the 1990s. To facilitate this, we have endorsed plans by the Central Electricity Generating Board to retrofit three major coal-fired power stations with flue gas desulphurisation equipment, and to fit all 12 coal-fired power stations with low NOx burners. All new fossil-fuel fired power stations will also be equipped with the technology to abate acid emissions.

"Paying for Local Government"

Mr. Alfred Morris asked the Secretary of State for the Environment what consideration has been given to the views of Co-operative Union Ltd. on the Green Paper "Paying for Local Government", what response was made; and if he will now make a statement about the views expressed.

Mr. Howard: We considered all the comments received in response to the proposals in the Green Paper "Paying for Local Government" (Cmnd. 9714). The Co-operative Union Ltd. was sent an official acknowledgement to that effect. The Government have responded generally to these representations by confirming their intention of proceeding with the main proposals; by changing some of the operating procedures for the community charge and by announcing transitional arrangements for the move to a national non-domestic rate poundage. We are still considering other aspects of the responses.

73. **Mr. Eastham** asked the Secretary of State for the Environment if he will now publish all the responses received by him in response to "Paying for Local Government", Cmnd. 9714.

Mr. Chope: I do not have the permission of those who submitted comments to publish their views. But my right hon. Friend placed a summary of the responses we received in the Library on 15 December 1986.

Water Supplies

Mr. Livsey asked the Secretary of State for the Environment what *(a)* grants and *(b)* loans are available from Her Majesty's Government to (i) commercial and (ii) charitable private water undertakings to bring their supplies up to EEC standards.

Mr. Moynihan: Grants are available under the Rural Water Supplies and Sewerage Acts towards the cost of first time connection to mains water supplies. These are payable to water authorities to reduce the cost to local authorities or private bodies requisitioning schemes. In some instances local authorities may be able to give home improvement grants to improve private water supplies within the curtilage of the property. Local authority assistance may also be given under the Building Act 1984 and Public Health Act 1936. Loans are not available from the Government for this purpose.

Mr. Livsey asked the Secretary of State for the Environment what *(a)* grants and *(b)* loans are available from the European Communities to private water undertakings to bring their supplies up to EEC standards.

Mr. Moynihan: Grants of up to 50 per cent. from the European regional development fund are available to statutory water companies towards cost of infrastructure projects. To be eligible for grant, projects must be located

within an assisted area, and must contribute to, or enhance the prospects for, regional development through the expansion or regeneration of industry or by encouraging tourism. Loans are not available from the EC for this purpose.

Mr. Livsey asked the Secretary of State for the Environment what consideration is being given in the preparation of legislation for the privatisation of the publicly owned water authorities to the position of communities already served by small private water undertakings.

Mr. Moynihan: The privatisation proposals for the water industry will have little effect themselves on the position of private water supplies. The regulation of such supplies, in so far as it is required under the Water Recources Act 1963, will be transferred from the present water authorities to the proposed National Rivers Authority. However, the Government intend in the privatisation Bill to strengthen the application of the EC drinking water directive to private water supplies. This was the subject of a consultation paper, which the Government published in February 1986.

33. **Mr. Chris Smith** asked the Secretary of State for the Environment what efforts the Government are making to enable the quality of the water supplied in England and Wales to comply with European Economic Community requirements with regard to nitrate levels.

Mr. Moynihan: The Government support efforts by water undertakers to keep nitrate concentrations in water supplies below the limit in the EC drinking water directive. Where supplies exceed that limit, derogations have been given provided that the supply does not exceed 80 milligrams of nitrate per litre on a three-monthly average and a maximum of 100 mg per litre. This is consistent with advice received from the Chief Medical Officer. The Government are looking carefully at the recommendations for limiting nitrate levels in drinking water which were included in the report of the nitrate co-ordination group published in December 1986.

60. **Mr. Haynes** asked the Secretary of State for the Environment what safeguards are proposed to ensure the quality of water supplied to domestic users if his proposals for the sale of water authority services in England and Wales are implemented.

Mr. Moynihan: Ensuring the quality of drinking water supplies will remain the responsibility of my right hon. Friend the Secretary of State, and of the local authorities, who will continue their monitoring role. Under the privatisation legislation, we propose to take powers to clarify and strengthen the legal basis for drinking water quality standards, including those standards required by the EC drinking water directive. This was the subject of a consultation paper which the Government published in May 1986.

76. **Mr. Ron Davies** asked the Secretary of State for the Environment if he will estimate the number of domestic users in England and Wales presently receiving water supplies with nitrate levels in excess of 50 milligrams per litre.

Mr. Moynihan: Some 950,000 people are supplied with water with nitrate levels in excess of 50 milligrams per litre.

Written Answers to Questions

Thursday 16 July 1987

PRIME MINISTER

Scottish Parliamentary Business

Q18. **Dr. Godman** asked the Prime Minister what plans she has to reconsider the present basis for treatment of Scottish business in the House.

The Lord Privy Seal: I have been asked to reply.

The arrangements for Scottish business are being handled in the usual way.

Foreign Policy (Office Staff)

Q23. **Mr. Dalyell** asked the Prime Minister how many officials in No. 10 Downing street had responsibility for foreign policy issues in *(a)* May 1979, *(b)* June 1983 and *(c)* June 1987.

The Prime Minister: On each of the dates there was one official in No. 10 Downing street with responsibility for foreign policy issues. In addition, there was one special adviser in June 1983 and June 1987 with responsibility for advising on foreign policy issues.

Isle of Thanet

Q30. **Mr. Gale** asked the Prime Minister when she expects to receive the report of the joint committee studying the economic development of the Isle of Thanet.

The Prime Minister: The joint committee is due to report by the end of September.

Scottish Devolution

Q32. **Mr. David Marshall** asked the Prime Minister if she plans to take any steps to seek to ascertain the extent of demand for devolution in Scotland.

The Prime Minister: The Government have no plans to do so.

Bradford, South

Q52. **Mr. Cryer** asked the Prime Minister when she next intends to visit Bradford, South.

The Prime Minister: I have at present no plans to do so.

Armed Forces (Pay)

Mr. Leigh asked the Prime Minister if she will make a statement about the pay of medical and dental officers in the armed forces.

The Prime Minister: The Armed Forces Pay Review Body has submitted to me a supplementary report on the pay of medical and dental officers in the armed forces. It recommends increases of between 5·5 and 7·6 per cent. according to rank with effect from 1 April 1987.

These awards are derived as usual from those to civilian doctors and dentists that I announced in the House on 23 April 1987, at column 655, and the Government have decided to accept them in full.

The report has been published as Command 176 and copies are available in the Vote Office.

Engagements

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Thursday 16 July.

Mr. Harry Greenway asked the Prime Minister if she will list her official engagements for Thursday 16 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, before departing for Washington this evening.

EDUCATION AND SCIENCE

Post-School Activity

Mr. Frank Field asked the Secretary of State for Education and Science what has been the post-school activity, by social class, in terms of full-time employment, unemployment or YTS, full-time further education and other activities by number and percentage for each social class, in the latest available year; and what were the corresponding figures for 1980.

Mr. Dunn: Information from the youth cohort study, a series of longitudinal surveys of young people aged 16 to 18, jointly sponsored by the Manpower Services Commission, the Department of Education and Science and the Department of Employment, is shown in the table. The percentages are of a sample of 14,000 young people in spring 1986 who had reached school leaving age in maintained schools in England and Wales in the academic year 1984-85.

	Social background						
	All	*Non-Manual*		*Manual*			*Unclassified*[1]
		Professional	*Other*	*Skilled*	*Semi-skilled*	*Unskilled*	
Percentage from each social background	100	15	14	41	12	3	15
Percentage within each social background who in Spring 1986 were:							
in full-time education	39	62	54	33	29	26	27
in full-time employment	22	19	18	25	24	21	20

	All	Social background					
		Non-Manual		Manual			Unclassified [1]
		Professional	Other	Skilled	Semi-skilled	Unskilled	
in YTS	28	15	21	32	33	34	33
out of work	10	3	5	9	12	15	19
other	1	1	1	2	2	3	1
TOTAL	100	100	100	100	100	100	100

[1] The unclassified category includes those reporting a miscellaneous group of occupations, and those who did not state their parental background or who gave an incomplete response.

Corresponding information of the participation of young people analysed by social class is not available for 1980. Estimates of the numbers of young people in 1986 in the categories shown above could be derived from the percentages quoted but the sampling and other errors would give rise to large margins of uncertainty.

Schools (Reorganisation)

Mr. Colvin asked the Secretary of State for Education and Science when he will publish details of the scheme for schools opting out of their local authority education system.

Mr. Dunn: The Government intend to issue shortly a consultative document which will give details of the possible shape and nature of the scheme.

Mr. Colvin asked the Secretary of State for Education and Science whether the scheme for schools to opt out of their local education authority system will be applicable to primary schools with fewer than 100 pupils.

Mr. Dunn: The Government intend that initially the scheme should apply to secondary schools and to primary schools with more than 300 pupils. We shall be prepared to consider its possible extension to smaller primary schools at a later date.

School Defects

Mr. Cryer asked the Secretary of State for Education and Science which Ministers have visited Bradford to examine school defects; if he will list the schools and the dates of the visits since 1983; whether officials have submitted reports on the state of Bradford schools; and if he will make a statement.

Mr. Dunn: The previous holder of my right hon. Friend's office visited Bradford on 20 and 21 September 1984 as part of his general programme of visits to local education authorities. In the course of that engagement he visited the following schools on 21 September 1984:

Waverley Middle School
Grange Upper School—Skills Foundation Centre
Tong and Yorkshire Martyrs comprehensive Schools—TVEI Unit
Whetley First School

In addition, I visited the following Bradford schools on 16 October 1986 at the invitation of the constituency Member:

Wellington First School
Pollard Park Middle School
Thornbury First School
Bradford Moor First School
Lapage Middle School

Records of those visits, of visits by officials and material submitted by the Bradford local education authority are available to my right hon. Friend.

Welsh Language Teaching

Dr. Marek asked the Secretary of State for Education and Science if he will place in the Library a copy of the University Grants Committee's formula and the special recognition made therein for Welsh medium teaching referred to by the Minister of State, the hon. Member for Mitcham and Morden (Mrs. Rumbold) on 30 April, *Official Report*, column 469.

Mr. Jackson: The UGC's current resources allocation process is described in circular letters of 19 November 1985 and 20 May 1986. Copies of both are in the Library. The UGC takes account of the cost of Welsh-medium teaching as a special factor but does not identify this as a separate element in the block grant for each relevant university institution. In addition, a separate block grant allocation is made for the University of Wales registry.

Merseyside

Mr. Ron Davies asked the Secretary of State for Education and Science if he will list the sums allocated under each education support grant heading to the local education authorities on Merseyside for 1986-87 and 1987-88.

Mrs. Rumbold: The information requested is given in the following tables:

Expenditure supported through Education Support Grants
(a) in 1986-87

	Knowsley (£000s)	Liverpool (£000s)	St. Helens (£000s)	Sefton (£000s)	Wirral (£000s)	Total (£000s)
Teaching of Mathematics in Schools	37·5	91·0	40·6	52·7	53·9	275·7
Teaching of Science in Primary Schools	53·2	42·2	13·1	31·0	65·7	205·2
Micros for Children with Special Needs	—	—	0·7	—	0·4	1·1
Urban Primary Schools	59·1	105·2	—	—	—	164·3
Needs of Ethnic Minorities	—	16·4	—	—	—	16·4
Updating Courses for Adults	—	—	19·0	15·7	32·0	66·7
Educational Needs of Unemployed	—	39·4	21·4	—	75·8	136·6
Midday Supervision	149·5	370·1	114·7	—	187·3	821·6

	Knowsley (£000s)	Liverpool (£000s)	St. Helens (£000s)	Sefton (£000s)	Wirral (£000s)	Total (£000s)
Information Technology in Non-Advanced FE	6·3	12·5	26·2	88·7	3·1	136·8
Data Processing Equipment in FE	—	12·5	10·5	—	—	23·0
Initial Training for School Governors	10·5	—	—	—	—	10·5
Teaching of Under 5s with Special Needs	29·3	—	—	—	—	29·3
Computers for FE Students with Special Needs	11·0	—	—	—	—	11·0
College Employer Link Projects	20·9	—	—	—	—	20·9
Action to Combat Drug Misuse	12·2	23·0	20·9	21·7	16·4	94·2
GCSE	57·2	157·6	65·0	91·6	102·7	474·1
Total	446·7	869·9	332·1	301·4	537·3	2,487·4

(b) in 1987-88

	Knowsley (£000s)	Liverpool (£000s)	St. Helens (£000s)	Sefton (£000s)	Wirral (£000s)	Total (£000s)
Teaching of Mathematics in Schools	41·1	99·8	37·5	57·8	59·1	295·3
Teaching of Science in Primary Schools	59·7	46·7	20·7	61·3	86·3	274·7
Urban Primary Schools	64·8	118·9	—	—	—	183·7
Updating Courses for Adults	25·9	23·9	7·8	13·0	21·7	92·3
Educational Needs of Unemployed	—	51·9	43·0	—	61·6	156·5
Midday Supervision	147·8	438·7	169·3	—	248·9	1,004·7
Information Technology in Non-Advanced FE	2·1	4·2	37·6	—	44·6	88·5
Initial Training for School Governors	15·7	—	—	—	—	15·7
Teaching of Under 5s with Special Needs	31·6	—	33·5	—	—	65·1
College Employer Link Projects	21·4	—	—	—	—	21·4
Action to Combat Drug Misuse	25·3	28·6	23·0	23·8	31·0	131·7
GCSE	40·6	111·9	46·1	65·0	72·8	336·4
Promoting Social Responsibility	57·8	—	—	—	—	57·8
FE Management Information Systems	—	20·0	40·0	—	—	60·0
Micros for FE Handicapped	—	—	—	—	10·4	10·4
Total	533·8	944·6	458·5	220·9	636·4	2,794·2

ATTORNEY-GENERAL

Social Security Commissioner (Wales)

Mr. Win Griffiths asked the Attorney-General when the Lord Chancellor intends to appoint a successor to Mr. Roderic Browne QC as social security commissioner for Wales.

The Attorney-General: On 22 July 1986 the Lord Chancellor announced, at columns 120-23, the closure of the Cardiff office of the social security commissioners. I understand from my noble and learned Friend that between 1 April 1986 and 31 March 1987 commissioners sat only 17 days on oral hearings of appeals in Cardiff, and that he has no plans at present to appoint a social security commissioner resident in Wales. Oral hearings will continue to take place in Cardiff.

Legal Aid

Mr. McWilliam asked the Attorney-General if he will list the total sum expended on legal aid from each of the area offices over the last five years, together with the figure this represents per 10,000 of population for each area.

The Attorney-General: The total sums expended on legal advice and assistance (the green form scheme), "Assistance by Way of Representation", criminal legal aid in the magistrates' courts, the court duty solicitor scheme and the 24-hour duty solicitor scheme are as follows, by area office, together with the figure this represents per 10,000 of the population for each area. The magistrates' court duty solicitor scheme started in October 1983 and sums expended on it are included from 1984-85 onwards. The 24-hour duty solicitor scheme started in January 1986 and sums expended on it are included from 1985-86 onwards. Information is not obtainable without disproportionate cost for civil legal aid or for criminal legal aid in the higher courts.

1982-83

Area	Total expenditure	Population 10,000's	£ per 10,000
1. London (South)	6,155,322	313	19,666
2. South Eastern	4,816,028	384	12,542
3. Southern	7,008,055	404	17,347
4. South Western	6,848,133	379	18,069
5. South Wales	5,164,321	213	24,246
6. West Midland	9,306,032	412	22,587
7. North Western	8,096,845	351	23,068
8. Northern	5,626,708	324	17,366
9. North Eastern	8,335,960	431	19,341
10. East Midland	7,548,279	414	18,233
11. Eastern	7,537,509	488	15,446
12. Chester and Wales	4,047,655	267	15,160
13. London (East)	5,448,183	172	31,675
14. London (West)	5,267,325	192	27,434
15. Merseyside	5,291,838	216	24,499

1983-84

Area	Total expenditure	Population 10,000's	£ per 10,000
1. London (South)	7,145,498	312	22,902
2. South Eastern	5,447,269	385	14,149
3. Southern	7,637,113	407	18,764
4. South Western	8,138,771	382	21,306
5. South Wales	5,259,322	213	24,692
6. West Midland	11,218,821	412	27,230
7. North Western	8,519,963	350	24,343
8. Northern	6,222,006	324	19,204
9. North Eastern	9,747,036	431	22,615
10. East Midland	9,082,353	415	21,885

Area	Total expenditure	Population 10,000's	£ per 10,000
11. Eastern	8,368,420	490	17,078
12. Chester and Wales	4,862,813	269	18,077
13. London (East)	6,135,012	172	35,669
14. London (West)	5,836,403	192	30,398
15. Merseyside	6,030,819	215	28,050

1984-85

Area	Total expenditure	Population 10,000's	£ per 10,000
1. London (South)	9,268,128	312	29,706
2. South Eastern	6,181,541	387	15,973
3. Southern	8,209,863	411	19,975
4. South Western	8,994,899	384	23,424
5. South Wales	5,788,089	213	27,174
6. West Midland	12,546,811	411	30,528
7. North Western	9,664,731	349	27,693
8. Northern	8,070,291	324	24,908
9. North Eastern	11,378,987	430	26,463
10. East Midland	11,114,030	417	26,652
11. Eastern	10,409,640	493	21,115
12. Chester and Wales	5,191,835	268	19,373
13. London (East)	6,508,194	172	37,838
14. London (West)	6,201,744	192	32,301
15. Merseyside	7,222,111	214	33,748

1985-86

Area	Total expenditure	Population 10,000's	£ per 10,000
1. London (South)	10,495,305	312	33,639
2. South Eastern	7,492,869	388	19,312
3. Southern	10,195,141	417	24,449
4. South Western	10,935,382	387	28,257
5. South Wales	7,254,871	213	34,060
6. West Midland	15,314,359	412	37,171
7. North Western	11,782,510	349	33,761
8. Northern	10,313,757	323	31,931
9. North Eastern	13,300,473	430	30,931
10. East Midland	11,104,972	419	26,504
11. Eastern	10,957,240	497	22,047
12. Chester and Wales	6,664,018	269	24,773
13. London (East)	8,565,114	173	49,509
14. London (West)	8,902,115	192	46,365
15. Merseyside	7,930,809	213	37,236

1986-87

Area	Total expenditure	Population 10,000's	£ per 10,000
1. London (South)	12,388,629	312	39,707
2. South Eastern	8,880,938	390	22,772
3. Southern	11,486,445	421	27,284
4. South Western	12,821,069	390	32,875
5. South Wales	7,941,202	214	37,108
6. West Midland	17,376,655	412	42,176
7. North Western	14,508,296	348	41,691
8. Northern	11,037,238	322	34,277
9. North Eastern	14,035,028	429	32,716
10. East Midland	14,348,671	421	34,082
11. Eastern	13,020,061	501	25,988
12. Chester and Wales	8,028,926	270	29,737
13. London (East)	8,486,941	173	49,057
14. London (West)	8,792,853	192	45,796
15. Merseyside	9,315,996	212	43,943

WALES

Museums and Libraries

Mr. Fisher asked the Secretary of State for Wales if he will list the expenditure since 1976-77 *(a)* on museums and galleries in Wales, *(b)* on the Council for Museums in Wales and *(c)* any other expenditure on museums in Wales.

Mr. Wyn Roberts: Expenditure on the Council of Museums in Wales from 1976-77 to 1986-87 was £1,403,000. Information about expenditure on museums and galleries in Wales (other than the National Museum of Wales) is not held centrally.

Mr. Fisher asked the Secretary of State for Wales what expenditure has been made since 1976-77 on *(a)* the national museum of Wales, and *(b)* the national library of Wales, in respect of capital expenditure, revenue costs and purchase grants.

Mr. Wyn Roberts: Expenditure on the National Museum of Wales and the National Library of Wales between 1976-77 and 1986-87 was as follows:

	National Museum £	National Library £
Net salaries/general administrative expenditure	44,030,000	17,000,000
Purchase grants	7,109,000	3,267,000
Capital	7,347,000	5,215,000
Total	58,486,000	25,482,000

Note:
Outturn in 1986-87 is provisional.

Higher Education

Dr. Marek asked the Secretary of State for Wales if he will list the present membership and period of office of the committee of the Welsh advisory body for local authority higher education.

Mr. Wyn Roberts: The committee of the Wales advisory body for local authority higher education consists of four members nominated by the Welsh Counties Committee and four members nominated by the Welsh joint education committee. It is chaired by myself. Members are not appointed for a specific period of office. The current membership is as follows:

Nominated by the Welsh Counties Committee:
Councillor E. Currie Jones CBE
Councillor J. Griffiths
Councillor J. A. Harries CBE
Councillor J. E. Roberts

Nominated by the Welsh Joint Education Committee:
Councillor G. Jenkins
Councillor W. A. Jones
Councillor F. J. Kingdom
Councillor P. Squire CBE

Dr. Marek asked the Secretary of State for Wales if he will list the dates for 1987 of the proposed meetings of the committee of the Welsh advisory body for local authority higher education.

Mr. Wyn Roberts: The committee is due to meet on 6 November 1987 and 11 December 1987.

Milk

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales whether he will consider exempting the first 200,000

litres per annum of themilk for milk producers in Wales from controls on production; and if he will make a statement.

Mr. Peter Walker: No. The problems of small producers have already been recognised by restoring them to their base year production levels.

SCOTLAND

Charities (Rate Relief)

Mr. Andrew Welsh asked the Secretary of State for Scotland if he will make provision for preserving the existing rate relief for charities in the form of a discount from collective community charges; what estimates he has of the effects of the community charge proposals on churches and charities in Scotland; and what representations he has received on this matter.

Mr. Lang: I refer the hon. Member to the reply given on 6 July to the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) at columns 28-29.

My right hon. and learned Friend has made no estimate of the effects of the community charge proposals on churches and charities in Scotland. He has received 32 representations from church organisations and individual churches, and some 50 further representations from other charities, about the implications for them of the community charge proposals.

Police (Lothian and Borders)

Mr. Steel asked the Secretary of State for Scotland what representations he has received from the Lothian and Borders police board on the level of the establishment of the Lothian and Borders police force.

Mr. Rifkind: The board wrote to my Department on 1 June indicating that it had in mind to submit an application for an increase in the force establishment in due course. The application has not yet been received.

Mr. Steel asked the Secretary of State for Scotland if he will make a statement on the level of establishment of the Lothian and Borders police force in each year since 1975.

Mr. Rifkind: The establishment of the Lothian and Borders police force since 1975 is as follows:

31 March	*Police Establishment*
1975[1]	2,368
1976	2,368
1977	2,368
1978	2,361
1979	2,361
1980	2,361
1981	2,362
1982	2,362
1983	2,362
1984	2,386
1985	2,395
1986	2,395
1987	2,393

[1] The 1975 figure is at 30 June, following reorganisation.

Although the police establishment has increased by only 25 officers since 1975, a civilisation programme has released a further 85 officers for operational duties.

Forestry Commission

Mr. John Mark Taylor asked the Secretary of State for Scotland when he next intends to meet the chairman of the Forestry Commission to discuss tree-planting policy.

Lord James Douglas-Hamilton: My right hon. and learned Friend meets the chairman of the Forestry Commission from time to time, but he has no plans at present to meet him to discuss this subject.

Cold Water Fibrosis

Mr. Charles Morrison asked the Secretary of State for Scotland what estimate he has made of the threat to Scottish rivers from the salmon disease cold water fibrosis in the light of damage already caused to Norwegian rivers.

Mr. Michael Forsyth: My information is that although this disease has led to mortalities in farmed salmon in Norway it has not affected wild stocks.

Although there have been two outbreaks in Scotland affecting farmed salmon the disease is very restricted and there is no immediate cause for concern to wild or farmed stocks. The marine laboratory at the Department of Agriculture and Fisheries for Scotland is continuing, however, to monitor the situation.

The Diseases of Fish Act 1937 prohibits the import into Great Britain of live salmon and trout and this safeguards against the more obvious risks of disease being introduced to native stocks.

Road Accident Statistics

Dr. Godman asked the Secretary of State for Scotland (1) what statistical information he has, on an annual basis, covering the number of drivers and passengers killed in motor vehicle accidents where consumption of alcohol by one or more of the drivers is shown to be a significant factor;

(2) what statistical information he has, on an annual basis, regarding the number of pedestrians killed or injured by motor vehicles where consumption of alcohol by a driver is shown to be a significant factor;

(3) what statistical information he has, on an annual basis, regarding the number of cyclists killed or injured by motor vehicles where consumption of alcohol by a driver is shown to be a significant factor;

(4) what information he has regarding the periods of the day in Scotland when road accidents in which alcohol is a contributory factor are most likely to occur.

Lord James Douglas-Hamilton: Statistics of road users killed or injured in accidents in which alcohol was a significant factor are not available. However, the results of breath tests which motor vehicle drivers or riders may be required to undertake after being involved in an injury road accident are included in standard statistical returns held centrally. The table shows casualties associated with accidents in which at least one driver or rider failed a breath test in 1986:

Casualties	*Severity of Injury*			
	Fatal	*Serious*	*Slight*	*Total*
Motor vehicle drivers/riders	7	250	594	851
Motor vehicle passengers	16	221	421	658

Casualties	Severity of Injury: Fatal	Serious	Slight	Total
Pedestrians	11	63	74	148
Pedal cyclists	0	1	3	4
TOTAL	34	535	1,092	1,661

The number of drivers and riders involved in injury road accidents, the number breath-tested, and the number of failures at different times of the day are given in table 15 of "Road Accidents, Scotland 1986", published today by the Government Statistical Service.

Information about the blood alcohol concentrations of a limited number of road users aged 16 or more who died within 12 hours of involvement in a road accident is also available: and inferences from these statistics as regards the numbers of deaths of car travellers and pedestrians in which alcohol was a factor are to be found in paragraphs 5.4 and 5.5 of "Road Accidents, Scotland 1986".

Labour Statistics

Dr. Godman asked the Secretary of State for Scotland if he will publish figures showing unemployment by age group in Greenock and Port Glasgow.

Mr. Lang: On 9 April 1987 (the latest date for which information is available) the number of unemployed claimants by age group in the Greenock and Port Glasgow parliamentary constituency was as shown in the table.

Age Group	Unemployed Claimants
Under 17	154
Aged 17	275
18	379
19	339
20-24	1,703
25-29	1,230
30-34	932
35-39	791
40-44	746
45-49	714
50-54	626
55-59	603
60 and over	84
TOTAL	8,567

This information is available in the Library.

Electricity Industry (Privatisation)

Mr. Salmond asked the Secretary of State for Scotland what are the reasons for the deadline for the submission of tenders from merchant banks to handle the privatisation of the Scottish electricity boards and the North of Scotland Hydro Electric Board.

Mr. Lang: In bringing forward proposals for the privatisation of the electricity supply industry in Scotland many complex issues arise on which expert financial advice is required at the earliest possible stage.

Gualin National Nature Reserve

Dr. David Clark asked the Secretary of State for Scotland what information he has as to whether the agreement between the Nature Conservancy Council and the owners of Gualin national nature reserve permits vehicular access through the reserve for the purposes of letting fishing to third parties.

Lord James Douglas-Hamilton: I understand that the agreement between the Nature Conservancy Council and the owners of Gualin national nature reserve does not expressly provide for, or on the other hand prohibit, vehicular access through the reserve for fishing purposes.

AIDS

Mr. Bill Walker asked the Secretary of State for Scotland whether the Government have any plans for the setting up of AIDS units in Scotland.

Mr. Michael Forsyth: We have decided to set aside funds within the health programme to enable hospital units to be established in Edinburgh, Glasgow and Dundee to care for AIDS patients. The health boards concerned are being asked to submit detailed plans, including costings, as soon as possible and we shall be making specific allocations to meet additional capital and running costs in 1988-89, 1989-90 and 1990-91 of 15-bed units in Edinburgh and Glasgow and a 10-bed unit in Dundee.

In reaching the view that these units should be set up, we have taken account of the recommendations of the working party under the general manager of Lothian health board which we set up last November to examine the health service implications of HIV infection in Scotland. The Government's response to the report has been placed in the Libraries of both Houses and is being sent to all health boards asking them to take account of the recommendations in their forward planning for AIDS and HIV infection.

Sheep Annual Premium

Sir Hector Monro asked the Secretary of State for Scotland whether any progress has been made in obtaining the agreement of the European Community to the payment to Scottish crofters and farmers of sheep annual premium on untupped shearlings.

Mr. Rifkind: I am pleased that the Government's persistence has been rewarded by the agreement at a recent meeting of the Council of Agriculture Ministers of the European Community that crofters and farmers who keep untupped shearlings of specified breeds in certain areas of north and north west Scotland should in future be eligible to claim sheep annual premium on these animals. This decision will come as welcome news to the producers concerned, who farm in a very harsh environment.

Scottish Development Agency (Grant Aid)

Mr. Dewar asked the Secretary of State for Scotland if he will publish a table showing the total numbers of applications for grant-aid made to the Scottish Development Agency in each year since 1979 and the number and percentage of these which were accepted in each year.

Mr. Rifkind [*pursuant to his reply*, 6 July 1987, c. *33*]: Applications for grant-aid under the development of rural area workshops, programme for rural initiatives and developments and the local enterprise grants for urban projects (the agency's current recognised schemes of grant assistance), together with development grants to, for example, enterprise trusts, the training and employment grant scheme and better business scheme, are as set out in

the table. Details of applications before 1983-84, prior to the inception of the grant schemes, are not available, but it is understood these were few in number.

Year	Applications	Approved	
		Number	per cent.
1983-84	1,169	208	17·8
1984-85	1,611	276	17·1
1985-86	7,857	2,120	27·0
1986-87	11,671	3,455	29·6

The apparent high percentage rate of applications refused is accounted for by the large number of inquiries for assistance under TEGS which do not result in formal applications because they do not meet the geographical, unemployment or age criteria. A number are also turned down because the firm is unable to provide training of the desired quality or is already in receipt of public sector assistance.

ENVIRONMENT

Local Government Finance

Mr. Evennett asked the Secretary of State for the Environment (1) what percentage of local government expenditure in England and Wales is represented by spending on education other than the payment of teachers' salaries;

(2) what percentage of local government expenditure in England and Wales is represented by the payment of teachers' salaries.

Mr. Chope: In 1985-86 local government expenditure in England and Wales on teachers' salaries amounted to 22 per cent. of local authority gross spending on the rate fund revenue account. On education other than the payment of teachers' salaries and excluding school meals and milk it amounted to 21 per cent.

Mr. Evennett asked the Secretary of State for the Environment what percentage of local government income in England and Wales comprises funds provided by central Government.

Mr. Chope: In 1985-86 Government grants and subsidies accounted for 43 per cent. of local government gross income from all accounts, in England and Wales.

Professional Boxers

Mr. Hayward asked the Secretary of State for the Environment what representations he has made to the British Boxing Board of Control regarding the board's powers over professional boxers licensed by the board.

Mr. Moynihan: I have drawn to the British Boxing Board of Control's attention my concern over apparent mismatches in bouts involving British boxers. The board shares my concern. All boxers licensed in Britain have to reach very high standards of all round fitness and their licences are subject to annual re-examination. Every effort is made by the board to ensure that opponents are fairly matched. This is a matter for constant review by the board, which is now conducting a survey of the standard of foreign boxers being allowed to compete in Britain.

British boxers must seek written permission from the board before taking part in a contest overseas. The record of the intended opponent is checked before permission is granted and a number of requests by British boxers to compete abroad have been turned down in recent months. In addition, the board has decided that if in the future it is concerned that an intended opponent for a British boxer is not of a sufficiently high standard it will convey that concern to the commission under whose jurisdiction the contest is taking place.

Every British boxer travelling abroad must have the international licence which has been developed by the World Boxing Council, largely at the instigation of the British board. I share the board's hope that this licence will become accepted worldwide and that all countries will adopt safety standards in line with those applied in Britain.

Nottingham

Mr. Allen asked the Secretary of State for the Environment if he will list by classification those projects approved and rejected for the Nottingham inner area programme for 1987-88.

Mr. Trippier: A list of newly-approved and rejected projects is as follows, classified by the four main urban programme objectives. In addition, projects deferred for further consideration are listed.

New Approved Projects
Nottingham Inner Area Programme 1987-88

Project Title	£(000)
Economic Regeneration	
CODA	23·7
Pathway Hi-Tech	23·9
Business Support Fund	75·0
Sheltered Employment Scheme	23·4
Advance Business Centre: Training Support	25·0
Community Accounting Support Unit	27·2
City House Business Bureau	23·9
Business Development Officer	5·3
Nottingham Fashion Centre	87·3
Black Business Enterprise Agency	49·5
Clothing and Textile Workshops, Phase 2	187·4
Palin Court Phase 2	158·0
Glaisdale Park Advance Factory Units, Phase 2	600·0
Environmental Improvements	
Nottingham and Beeston Canal (Extension)	20·0
Lace Market Environmentals (Extension)	10·0
Mansfield Road/North Sherwood Street (Extension)	30·0
Trent Riverside (Extension)	20·0
Forest Fields POS (Extension)	20·0
Disabled Persons Conservation Project	13·0
Inner City Conservation Project	38·0
Goosegate Environment Improvements	49·5
Berridge Road Junction Improvements	36·0
Sneinton District Plan Revised Costs	50·0
Housing Support	
Arboretum Environmental (Extension)	15·0
Lenton District Plan (Extension)	15·0
Burns Street Area (Extension)	35·0
Lenton Sands (Extension)	25·0
Retaining Walls Work	110·0
Birkin Avenue/Belper Road HAAs	25·0
Age Concern Staying Put Scheme	13·1
Women's Aid Refuge	14·6
Transferable Support Scheme	14·7
Social	
Cavaliers	34·5
Highbury Vale Community Centre	190·0
Veitnamese Community Project	53·0
Nottingham Asian Women's Support Group	16·3
Forest Fields Playcentre Project	24·0
Madni Masjid and Muslim Education Centre	10·0

Project Title	*£(000)*
Dial-A-Ride	30·1
Lenton Muslim Centre	20·0
Bestwood Estate Play Area	30·0
Radford Youth and Community Centre	83·4
Association of Musicians and Artists	8·3
Holiday Projects	20·0
Nottingham Furniture Service	30·4
New Basford Community Centre	12·3
Joint and Extended Use of Community Buildings	20·0
African Information, Cultural, Education, & Social Centre	20·0
Matsimela	5·0
Community Health Promotion Project Extension	48·4
Victoria Health Information Assistant	12·0
Sickle-Cell Anaemia Community Screening	195
South and West Mental Health Ethnic Minority Worker	10·7
Ethnic Minority Diabetic Service	9·8
Deprived Sick Children Project	13·7
Rosebery House Day Centre Alterations	18·7
Community Link Worker Interpretation Scheme	20·7
Organisation for Sickle Cell Anaemia Research	38·7
Asian Women's Interpreting Scheme	10·6
Sherwood Rise Health Centre	140·0
Inner Area Programme Management	74·7

Nottingham IAP 1987-88

DEFERRED

Economic

Black Business Enterprise Workshops
Crocus Place Industrial Units

Social

Meadows Muslim Centre
CHROMA
AIDS Information Project

REJECTED

Economic

Nottingham Outworkers Support Scheme
Basford Employment Scheme

Social

Inner City Executive
Afro Caribbean and Asian Forum
Lesbian Community Centre
Translation and Interpretation Unit
Jinnah Neighbourhood Centre
Supplementary Education

Patient Council Support Group

Mr. Allen asked the Secretary of State for the Environment what has been the rate support grant for each of the years from 1979 in constant prices for the city of Nottingham.

Mr. Chope: The figures requested are provided in the table:

	£ million
1979-80	29·157
1980-81	27·055
1981-82	14·953
1982-83	14·805
1983-84	16·018
1984-85	15·021
1985-86	16·404
1986-87	15·361
1987-88	15·852

Notes:

i. For 1979-80 and 1980-81, rate support grant comprised needs and resources elements and domestic rate relief grant, and was not paid on a basis comparable with later years.

ii. From 1981-82 onwards, rate support grant comprises block grant and domestic rate relief grant.

iii. The rate support grant figures for the years 1979-80 to 1982-83 are final entitlements. The domestic rate relief grant elements for 1983-84, 1984-85 and 1985-86 are also final entitlements; those for 1986-87 and 1987-88 are first estimates. The block grant elements for 1983-84, 1984-85 and 1985-86 are entitlements after holdback based upon provisional outturn; those for 1986-87 and 1987-88 are entitlements based on budgets.

iv. The figures are expressed in 1987-88 prices using the GDP

Beechdale Engineering, Nottingham

Mr. Allen asked the Secretary of State for the Environment what representations he has received in favour of an urban development grant to assist Beechdale Engineering, Nottingham to relocate to the Blenheim industrial estate, Bulwell.

Mr. Trippier: None.

Empty Houses (London)

Mr. John Marshall asked the Secretary of State for the Environment how many council-owned houses and flats are vacant in each of the London boroughs.

Mr. Waldegrave: The latest available information is for 1 April 1986 and was provided by London boroughs in their 1986 housing investment programme returns. The figures for each authority's vacant dwellings within its own area, including any awaiting demolition, appear in columns A99 and A97, respectively, of the "HIP1 (1986) All items print" which is in the Library.

Rent Arrears (London)

Mr. John Marshall asked the Secretary of State for the Environment what is the level of rent arrears in each of the London boroughs.

Mr. Waldegrave: The latest information available to this Department on rent arrears is for 1 April 1986 and it was supplied in local authorities housing subsidy claim forms. The figures for individual London boroughs are in the tables of "Local authority rent arrears (England) at April 1986", which were placed in the Library on 10 December 1986.

Rating Reform

Ms. Quin asked the Secretary of State for the Environment what consultations the Government have had with local authorities in England and Wales concerning the introduction of the community charge.

Mr. Howard: 454 local authorities and associated bodies in England responded to the Green Paper "Paying for Local Government" (Cmnd. 9714). There have been discussions with the local authority associations in the Consultative Council on Local Government Finance and in a working group of officials set up under the auspices of CCLGF. My Department also has frequent contacts with individual local authorities, at both ministerial and official level, about the community charge.

I understand that my right hon. Friend the Secretary of State for Wales has conducted similar consultations with Welsh local authorities.

Council House Purchase, Southwark

Mr. Gerald Bowden asked the Secretary of State for the Environment what information he has as to the reasons for

delay in the purchase by Mr. and Mrs. Hunt of their council home at 16 Harfield gardens, Grove lane, S.E.5; and when he now expects Southwark council to complete the transaction.

Mr. Waldegrave: Mr. and Mrs. Hunt's purchase was originally held up by a dispute over their discount entitlement and then was further delayed while the council obtained counsel's opinion on the terms of the lease. I understand that a completion date of 17 August is now proposed.

Local Authority Housing (Midlands)

Mr. Nellist asked the Secretary of State for the Environment if he will provide a list of the number of local authority homes in each local authority in the east and west midlands which were considered to be in need of repair in each year since 1979.

Mr. Waldegrave: Information is not available in the form requested. The numbers of local authority dwellings which are unfit, fit but lacking basic amenities, and others needing major renovation are provided by local authorities in their annual housing investment programme returns. Figures appear in columns A31, A41, and A51 of the "HIP All items print" for 1984, 1985, and 1986, which are in the Library. For earlier years the corresponding figures appear in authorities' individual HIP returns, which are also in the Library.

Water Authorities (Privatisation)

Mr. Heddle asked the Secretary of State for the Environment how the Government intend to proceed with their proposals for the restructuring and privatisation of the water authorities in England and Wales.

Mr. Ridley: I have today published, together with my right hon. Friends the Secretary of State for Wales and the Minister of Agriculture, Fisheries and Food a policy and consultation paper entitled "The National Rivers Authority — a public regulatory body in a privatised water industry." This paper sets out our revised proposals for the restructuring of the water authorities, under which their utility functions of water supply, sewerage and sewage treatment and disposal, will be transferred to public limited companies, which will be offered for sale to the public; and their regulatory and river management functions will remain in the public sector and be given to a new National Rivers Authority. We consider that creating a regulatory body responsible for these functions and answerable to the Government will provide clear and comprehensible framework for the private sector operation of the utility functions which represent by far the largest part of water authorities' business.

The proposals set out in the paper published today are the result of much careful consideration, but there are a number of aspects on which we are keen to receive comment from interested parties. These include of course the water authorities themselves, and we shall consult them closely in taking the policy forward. We intend to make rapid progress in our consultations so that we can draw up and introduce the necessary legislation as soon as practicable.

Meanwhile, we are today introducing a Bill which will clarify the powers of the water authorities to prepare for the restructuring and privatisation which we propose for the industry, and also to facilitate the carrying-out of domestic metering trials.

I have arranged for copies of the policy and consultation paper to be deposited in the Library of the House.

Live Turtles

Dr. David Clark asked the Secretary of State for the Environment, pursuant to his answer to the hon. Member for South Shields on 13 July about the implementation of CITES conferences resolution 2.12, how many live turtles have been imported into Grand Cayman from Nicaragua since 1979; and if he will make a statement.

Mr. Moynihan: I shall answer this question shortly.

TRADE AND INDUSTRY

Inner City Task Forces

Ms. Armstrong asked the Chancellor of the Duchy of Lancaster what plans he has for the future of the inner city task forces.

Mr. Kenneth Clarke: I announced an expansion of the inner cities initiative to 16 task forces on 27 April 1987, at column 31. Leaders and other staff of the task forces are now being appointed and premises found in the city areas they cover. Task forces are intended to promote local initiative and to improve the targeting of Government programmes in the chosen area. We are not committed to 16—task forces will be ended when they have completed their work, and new ones formed in areas which appear promising for this kind of pilot initiative.

Rolls-Royce and British Airports Authority

Mr. John David Taylor asked the Chancellor of the Duchy of Lancaster if he will list the titles of those newspapers in which advertisements for the offers of sale of shares in Rolls-Royce and British Airports Authority were placed.

Mr. Butcher: Public application forms for the sale of shares in Rolls-Royce plc were available in the following newspapers:

Rolls-Royce plc
Daily Mail
The Daily Telegraph
Financial Times
Guardian
The Independent
The Times
London Evening Standard
Glasgow Herald
The Scotsman
Mail on Sunday
Observer
Sunday Telegraph
The Sunday Times
Birmingham Post
Coventry Evening Telegraph
Derby Evening Telegraph
Lancashire Evening Telegraph
Leicester Mercury
Liverpool Post
Manchester Evening News
Nottingham Evening Post
Sunderland Echo
Western Daily Press
Yorkshire Post

The sale of shares in BAA plc was the responsibility of my right hon. Friend the Secretary of State for Transport.

Research Funding

Mr. Wilkinson asked the Chancellor of the Duchy of Lancaster what is the comparison of gross domestic product at 1987 prices between *(a)* the United Kingdom, *(b)* the United States of America, *(c)* Japan, *(d)* West Germany and *(e)* France, of the amount allocated by each country to military research.

Mr. Butcher: The available information relates to Government funding of research and development for defence purposes in 1985 and is given in the table. For countries other than the United Kingdom the information is obtained from the Organisation for Economic Co-operation and Development.

Government funding of R and D for defence purposes as a percentage of gross domestic product:

	Per cent.
United Kingdom	0·7
United States of America	0·9
Japan[1]	0·0
West Germany	0·1
France	0·5

[1] Less than 0·05 in 1983 the latest available year.

Mr. Wilkinson asked the Chancellor of the Duchy of Lancaster what are the comparisons, as a percentage of gross domestic product at 1987 prices between *(a)* the United Kingdom, *(b)* the United States of America, *(c)* Japan, *(d)* West Germany and *(e)* France, for research funding in academic institutions by central Government and private industry.

Mr. Butcher: The available information for countries other than the United Kingdom relates to 1983 and is obtained from the Organisation for Economic Co-operation and Development. The data are shown in the table.

Sources of funding of expenditure on research and development performed in higher education as a percentage of gross domestic product

	[1]United Kingdom	United States of America	[2]Japan	West Germany	France
Source:					
Public Finance	0·21	0·31	0·23	0·38	0·33
Business Enterprise Sector	0·01	0·01	0·01	0·02	[3]0·00

[1] Relates to 1985, excludes social science and humanities.
[2] Data adjusted by OECD.
[3] Less than 0·005.

Mr. Wilkinson asked the Chancellor of the Duchy of Lancaster what are the comparisons, as a percentage of gross domestic product by 1987 prices, between *(a)* the United Kingdom, *(b)* the United States of America, *(c)* Japan, *(d)* West Germany and *(e)* France of the total amounts spent by central Government and private industry on research funding.

Mr. Butcher: The available information relates to 1985 and is given in the table. For countries other than the United Kingdom it is obtained from the Organisation for Economic Co-operation and Development.

Sources of funding of gross expenditure on research and development as a percentage of gross domestic product

	United Kingdom	United States of America	[1]Japan	West Germany	[1]France
Sources:					
Public Sector	1·0	1·4	0·6	1·0	1·2
Business Enterprise Sector	1·1	1·3	1·7	1·6	0·9

[1] 1984.

Textiles (US Trade Bill)

Mr. Latham asked the Chancellor of the Duchy of Lancaster what representations he has made to the Department of Commerce of the United States of America regarding the threat to the United Kingdom textile industry posed by the Textile and Apparel Trade Bill, currently before the Congress; and what reply he has received.

Mr. Alan Clark: When he was in Washington in March, the previous Secretary of State for Trade and Industry made clear to the United States Administration and to Members of Congress the United Kingdom Government's strong opposition to the Textile and Apparel Trade Bill. The United States Administration are also opposed to the Bill.

Mr. Rupert Murdoch

Mr. Fisher asked the Chancellor of the Duchy of Lancaster on what occasions during the past 12 months the Secretary of State for Trade and Industry has met Mr. Rupert Murdoch.

Mr. Kenneth Clarke: My right hon. and noble Friend has met the proprietors of all the major newspaper publishing companies during the last 12 months. He last

met Mr. Murdoch on 21 May 1987 at Wapping, when he was Secretary of State for Employment. This was their only meeting during the period.

News International Ltd.

Mr. Fisher asked the Chancellor of the Duchy of Lancaster on what occasions during the past 12 months the Secretary of State for Trade and Industry has visited News International Ltd. at Wapping.

Mr. Kenneth Clarke: My right hon. and Noble Friend has visited the News International plant at Wapping on only one occasion, when he was Secretary of State for Employment. This was on 21 May 1987.

Textiles (Statistics)

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster (1) if he will publish as a table in the *Official Report* the United Kingdom imports and exports of textiles and clothing from and to *(a)* other individual European Community countries, *(b)* the rest of the world and *(c)* the European Community for each year since 1970;

(2) what are the figures for imports and exports of textiles and clothing between the United Kingdom and, separately, the European Community and the rest of the world in real terms for each year since 1975.

Mr. Alan Clark: I shall reply to the hon. Member as soon as possible.

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster (1) what information he has regarding average unit labour costs in the textile and clothing industries of each country involved in the multi-fibre arrangement;

(2) if he will publish as a table in the *Official Report* the average hourly labour costs within the textile industries of Switzerland, Sweden, Denmark, Norway, West Germany, the Netherlands, Belgium, the United States of America, Italy, Japan, France, Austria, the United Kingdom, Hong Kong, South Korea, Taiwan, China, Macao and Thailand for the latest year for which figures are available, showing the costs in £ sterling and as an index with the United Kingdom as 100.

Mr. Alan Clark: This information is not collected by the Department and I can not readily identify a published source of the information to which the hon. Gentleman could be referred.

Toxic Household Goods (Safety)

Mr. Tom Clarke asked the Chancellor of the Duchy of Lancaster what regulations control the packaging of bleaches, weedkiller, drain cleaners and other toxic household goods to ensure the safety of children.

Mr. Maude: The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984, which came into operation on 12 December 1984, set out packaging and labelling requirements for hazardous household chemicals to warn parents to keep them away from small children. The Child Resistant Packaging (Safety) Regulations 1986, which come into force on 1 December this year, prescribe child resistant packaging for the more hazardous household chemicals, including weedkiller, drain cleaner, oven cleaner, white spirit and paint stripper. Whilst ordinary household bleach is only classified as an "irritant" and child resistant containers are not therefore mandatory, I understand that many suppliers are now using them of their own volition. I welcome this responsible action.

HOUSE OF COMMONS

Facsimile Machines

Mr. Heddle asked the Lord Privy Seal if he has any plans to introduce further facsimile machines for the use of right hon. and hon. Members.

Mr. Wakeham: No. Right hon. and hon. Members may make use of the facsimile transmission machine in the Central Lobby Post Office on repayment or, alternatively, they may purchase machines for their personal use from their secretarial allowance.

Ministers' Pay

Mr. Andy Stewart asked the Lord Privy Seal, if he will make a statement about Ministers' pay.

Mr. Wakeham: The salaries of Ministers and other paid office holders were last increased from 1 January 1987 under the terms of the Ministerial and Other Salaries Order 1983, and will remain at these levels until they are superseded by a new order. The Government have considered possible changes to ministerial salaries against the background of the 21·9 per cent. increase in the salaries of Members of Parliament that will take place on 1 January 1988 if the House decides to confirm the resolution of 26 July 1983 linking the parliamentary salary to a Civil Service pay scale. The Government do not consider that a similar percentage increase in the salaries of Ministers and other office holders would be justified. Instead, they propose that all Ministers and office holders should receive the same cash increase of £4,048 as Members of Parliament are due to receive from 1 January 1988. Ministers and other office holders in the House of Commons will receive an increase of £3,036 in their parliamentary salaries from 1 January 1988 under the terms of the resolution of 26 July 1983. It is proposed to award them cash increases of £1,012 in their ministerial salaries to bring their overall increase up to £4,048. The salaries of Ministers and other office holders in the House of Lords will also be increased by £4,048. The details are set out in the table. I have today laid the draft Ministerial and Other Salaries Order 1987 to implement these changes.

Ministers and Other Paid Office Holders

Office	*Current official salary*	*January 1988 official salary*	*Percentage increase*	*Current salary (including Parliamentary salary)*	*January 1988 (including Parliamentary salary)*	*Percentage increase*
Prime Minister	44,775	45,787	2·3	58,650	62,698	6·9
Mr. Speaker	34,875	35,887	2·9	48,750	52,798	8·3
Cabinet Minister (C)	33,145	34,157	3·1	47,020	51,068	8·6
Cabinet Minister (L)	36,390	40,438	11·1			
Minister of State (C)	22,875	23,887	4·4	36,750	40,798	11·0
Minister of State (L)	30,640	34,688	13·2			
Parliamentary Secretary (C)	16,885	17,897	6·0	30,760	34,808	13·2
Parliamentary Secretary (L)	24,640	28,688	16·4			
Attorney General	35,345	36,357	2·9	49,220	53,268	8·2
Solicitor General	28,625	29,637	3·5	42,500	46,548	9·5
Lord Advocate	36,460	40,508	11·1			
Solicitor-General for Scotland	24,085	34,956	45·1			
House of Commons						
Leader of the Opposition	30,225	31,237	3·3	44,100	48,148	9·2
Chief Whip	27,255	28,267	3·7	41,130	45,178	9·8
Deputy Chief Whip	22,875	23,887	4·4	36,750	40,798	11·0
Opposition Chief Whip	22,875	23,887	4·4	36,750	40,798	11·0
Government Whip	13,815	14,827	7·3	27,690	31,738	14·6
Assistant Opposition Whip	13,815	14,827	7·3	27,690	31,738	14·6
Chairman, Ways and Means	22,875	23,887	4·4	36,750	40,798	11·0
Deputy Chairman, Ways and Means	19,865	20,877	5·1	33,740	37,788	12·0
House of Lords						
Chief Whip	30,640	34,688	13·2			
Deputy Chief Whip	24,640	28,688	16·4			
Government Whip	21,570	25,618	18·8			
Opposition Leader	24,640	28,688	16·4			
Opposition Chief Whip	21,570	25,618	18·8			
Chairman of Committees	30,640	34,688	13·2			
Principal Deputy Chairman of Committees	27,530	31,578	14·7			
Members of Parliament	18,500	22,548	21·9			

Notes:

(a) The Prime Minister has elected to receive the same salary as a Cabinet Minister in the House of Commons.

(b) The Lord Chancellor's salary is governed by the Lord Chancellor's Salary Order 1987 and is not affected by this order. (He receives £82,690 rising to £83,000 from 1 October 1987).

(c) The Solicitor-General for Scotland's salary has been adjusted because the holder of the office is no longer a Member of the House of Commons. His previous ministerial salary has been increased by the difference between the ministerial salaries of the Lord Advocate and the Solicitor-General for England and Wales. Prior to 1981 the Lord Advocate and the Solicitor-General for England and Wales received the same salary. However, from 1981 the Lord Advocate, who was no longer a Member of the Commons, benefited from the higher ministerial salary that Ministers in the Lords receive compared with their Commons counterparts. Now that the Solicitor-General for Scotland is not a Member of the House of Commons his previous ministerial salary will be increased by the differential between the ministerial salaries of the Lord Advocate and the Solicitor-General for England and Wales. If the holder of the office of Solicitor-General for Scotland were again to be a Member of the House of Commons this arrangement would lapse.

AGRICULTURE, FISHERIES AND FOOD

2,4,5-T

Mr. Alan W. Williams asked the Minister of Agriculture, Fisheries and Food what restrictions apply to use of the weedkiller 2,4,5-T in the United Kingdom.

Mr. Donald Thompson: Products containing 2,4,5-T are approved for professional use for the control of weeds in pastures, on non-edible crops, as a pre-sowing, pre-planting or post-crop emergence herbicide on any edible crop, as a control of scrub in forestry and plantations and for the control of heather and woody weeds in coniferous plantations. Only dilute formulations are approved for amateur use.

Only those products containing 2,4,5-T which have specific approval from Ministers may be used. From 1 January 1988 users must comply with the conditions of approval related to use, which are concerned with areas of use, protective clothing, application rates and precautions. These are specified on product labels.

Saithe Catch Quotas

Mr. Randall asked the Minister of Agriculture, Fisheries and Food what plans he has to compensate those companies which did not exceed the saithe catch quotas allocated to them for area six before the closure of this fishery; and what corresponding action he will take with those companies which exceeded their quotas in this area.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Common Agricultural Policy

Mr. John asked the Minister of Agriculture, Fisheries and Food (1) if he will set out the amounts of common agricultural policy surplus production held in each of the stores used for that purpose in the United Kingdom;

(2) what is the location, by town, of the stores used for the storage of common agricultural policy surpluses in the United Kingdom.

Mr. Donald Thompson [*pursuant to his reply*, 14 July 1987]: At 31 March 1987 intervention stocks at each location in the United Kingdom were:

Cereals

Location	*Tonnes*
England	
Alford	7,412
Ancaster	4,172
Avonmouth	4,141
Banbury	22,298
Bardney	16,806
Belford	6,567
Birmingham	78,378
Boston	330
Braintree	15,096
Bressingham	18,997
Bury St. Edmunds	47,338
Chipping Warden	12,273
Christchurch	14,384
Cleveland	25,754
Colnbrook	20,394
Colsterworth	9,478
Corby	94
Coventry	22,996
Dagenham	837
Diss	11,972
Doncaster	37,336
Downham Market	11,426
Driffield	6,920
Droitwich	1,945
Dudley	1,596
Ely	86,934
Elsworth	10,338
Fakenham	775
Felixstowe	41,365
Finmere	10,164
Foulsham	16,533
Fulbourn	4,223
Gainsborough	9,698
Gloucester	54,413
Grantham	57,684
Grimsby	3,142
Hadleigh	4,450
Halesworth	75,732
Haresfield	18,466
Hartlebury	48,714
Hayes	4,495
Heighington	5,119
Hemswell	74,485
Holton Le Clay	14,493
Honeybourne	22,613
Hoveringham	15,762
Hull	30,765
Huntingdon	25,216
Ipswich	35,080
Kings Lynn	59,026
Lincoln	77,192
Linton	13
Long Eaton	26
Luton	27,875
Lutterworth	27,586
Lympne	9,760
Maldon	38,074
Manby	26,809
Market Harborough	6,843
Market Rasen	10,717
Melmerby	25,912
Membury	13,531
Misson	25,610
Mistley	3,065
Newmarket	43,046
Norwich	21,233
Oldbury	13,587
Owmby	9,005
Pebmarsh	6,442
Prees Heath	35,194
Raydon	9,113
Retford	18,783
Royston	19,719
Salisbury	65,049
Sawston	14,776
Scunthorpe	57,800
Selby	7,174
Skegness	1,266
Sleaford	8,866
Snetterton	36,285
Southampton	6,672
South Wigston	1,328
Spalding	8,235
Staughton	16,237
Stoke Ferry	9,048
Stowmarket	36,370
Stretham	12,875
Sudbury	2,980
Swinderby	7,199
Swindon	21,798
Tangmere	9,641
Telford	767
Thetford	8,271
Tuxford	8,586
Uttoxeter	415
Watford	60,506
Wednesbury	17,954
Wellingborough	178
Westbury	8,517
West Hallam	27,342
Whittlesford	22,258
Wimblington	15,407
Wingham	64
Wisbech	42,161
Witney	10,067
Woodbridge	79
Wroughton	30,567
Wymeswold	18
Yatesbury	17,412
York	35,848
Scotland	
Airdrie	19,483
Duns	89,681
Dysart	35,829
Glenrothes	23,655
Granton	17
Keith	31,882
Kirkcaldy	14,408
Kirknewton	17,507
Locharbriggs	40,886
Newmarchar	4,149
Ormiston	65,241
Penicuik	9,989
Stracathro	52,596
Tranent	20,603
Turriff	41,122
Wales	
Monmouth	19,303

Skimmed Milk Powder

Location	*MT*
England	
Billingham	354
Bridgwater	83
Chard	600
Cockermouth	80
Exeter	3,333
Great Torrington	240
High Ercall	1,530

Location	MT
Knockin Heath	480
Market Drayton	280
Newcastle-upon-Tyne	240
Newton Abbot	10
Nuneaton	30
Oswestry	120
Penrith	360
Plymouth	40
Stonehouse (Gloucester)	200
Whitchurch (Shropshire)	1,200
Scotland	
Cumbernauld	321
Wales	
Grymych	1,520
Llanelli	835
St. Clease	10
Northern Ireland	
Bambridge	5,026
Coleraine	512
Moneymore	246
Strabane	1,356
Northern Ireland sub-total	7,140
GRAND TOTAL	19,006

Beef

Location	Tonnes
England	
Avonmouth (2)	463
Bishop's Stortford	7
Blackburn	1,358
Bourne	7
Bury St. Edmunds	438
Cambridge	9
Cannock	252
Colnbrook	307
Cullompton	58
Dagenham	29
Doncaster	18
Droitwich	110
Eastleigh	88
Exeter	129
Felixstowe	37
Fleetwood	81
Frome	128
Gateshead	75
Gillingham	332
Grantham (2)	4,938
Hertford	75
Hull (4)	5,341
Kings Lynn (2)	1,306
Leeds (3)	760
Leicester	33
Liverpool (4)	144
London (3)	820
Lowestoft	14
Maidstone (2)	69
Manchester	172
Northallerton	11
Northampton	88
Nottingham	56
Oswestry	25
Paddock Wood	129
Peterborough (2)	1,529
Plymouth	10
Pontefract	707
Reading	29
St. Helens	9
Salford	290
Sherborne	77
Shrewsbury	1,083
Stourport-on-Severn	40
Truro	268
Walsall	264
Warwick	64
Wigan	249
Wigston	58
Wolverhampton	507
Scotland	
Aberdeen (2)	2,005
Bellshill	29
Bridge of Allan	13
Dundee	330
Edinburgh (3)	74
Fraserburgh	197
Glasgow (2)	318
Glenrothes	1,075
Inverness	324
Peterhead	9
Wales	
Cardiff	19
Rhyl	50
Northern Ireland	
Antrim	1,801
Ballymena	840
Belfast (3)	1,389
Coleraine	872
Craigavon (3)	9,167
Dungannon	1,911
Lisburn (2)	3,490
Newry	91
Newtonabbey (2)	5,955
Omagh	2,090
Portadown	10
Strabane	236

Intervention Butter

Location	Tonnes
England	
Ashton in Makerfield	1,867
Avonmouth	990
Aylesford	90
Banbury	516
Birkenhead	1,080
Bristol	16,020
Buxton	878
Cambourne	603
Cannock	3,135
Chard	474
Cheltenham	434
Chester	1,062
Colnbrook	9,636
Cullompton	6,737
Derby	1,137
Doncaster	4,128
Droitwich	3,056
Eastleigh	815
Easton	116
Exeter	2,429
Fleetwood	1,942
Frome	2,647
Gateshead	721
Gillingham	810
Gloucester	733
Goole	445
Great Harwood	276
Grimsby	4,258
Hereford	1,142
Heywood	247
Hull	4,852
Kings Lynn	3,064
Leeds	3,064
Leek	572

Location	Tonnes
Liverpool	19,917
London	11,771
Lowestoft	2,260
Luton	912
Manchester	3,980
Marston	4,528
Milford Haven	438
Milton Keynes	319
Newcastle	1,170
Northallerton	5,687
Nottingham	342
Nuneaton	100
Oswestry	2,724
Peterborough	4,235
Plymouth	1,347
Preston	1,709
Reading	2,088
Retford	1,638
Rochdale	526
Salford	3,535
Sevenoaks	1,606
Sheffield	1,605
Sherborne	2,211
Shrewsbury	1,712
Stoke-on-Trent	470
Stourport	2,220
Taunton	3,622
Tewkesbury	2,770
Thetford	1,517
Truro	2,938
Walsall	1,885
Warrington	1,218
Warwick	1,488
Wigan	42
Wigston	1,511
Wolverhampton	6,523
Yeovil	168
Yate	629
Scotland	
Aberdeen	821
Dundee	540
Edinburgh	1,976
Glasgow	5,325
Glenrothes	4,891
Inverness	36
Wales	
Cardiff	12,263
Merthyr	560
Newport	1,243
Rhyl	1,172
Swansea	1,269
Whitland	280
Northern Ireland	
Annalong	313
Augher	814
Ballymena	133
Banbridge	3,660
Belfast	2,122
Coleraine	2,036
Dungannon	120
Eglinton	242
Lisburn	1,471
Londonderry	846
Newtownabbey	1,177
Omagh	330
Portadown	2,352
Strabane	3,206

EMPLOYMENT

Women

Ms. Richardson asked the Secretary of State for Employment whether he will list the number of women which comprise *(a)* the 139 per cent. increase in the number of women managers, *(b)* the 282 per cent. increase in women engineers and scientists, *(c)* the 134 per cent. increase of women in construction craft occupations as stated in the Home Office report "The Nairobi Forward-Looking Strategies for the Advancement of Women: A Review" and *(d)* the proportion of women within the total work force in each of these occupations since 1971.

Mr. Nicholls: The figures underlying the percentage increases quoted in the report were derived by the Institute of Employment Research at Warwick university from the results of the 1971 and 1981 censuses of population and are reproduced in the table.

Women in Employment in Selected Occupation Groups[1]

Occupation group[1]	1971		1981	
	Number (000's)[2]	Per cent	Number (000's)[2]	Per Cent
Managers and administrators	23	0·3	56	0·6
Engineers and scientists	8	0·1	32	0·4
Construction craft occupations	3	—	7	0·1
All occupation groups	8,690	100	9,134	100

Notes:

[1] The occupational classifications used are the "Warwick Occupational Categories" defined by the Institute of Employment Research at Warwick university.

[2] Estimated numbers in employment were derived from the 10 per cent. sample of census returns that were coded for occupation.

— denotes percentage less than 0·1.

Job Training Scheme

Mrs. Maureen Hicks asked the Secretary of State for Employment if he will make a statement on the job training scheme.

Mr. Cope: Over 13,000 trainees are currently participating in the scheme with the support and co-operation of rapidly increasing numbers of employers, both large and small. I regret the irresponsible attempts of trade unions to obstruct the new job training scheme, which is designed to bridge the gap between the skills that industry wants to employ and the skills that those out of work for six months or more have to offer. I am convinced that the scheme will go from strength to strength and that trade unions will fail in their attempt to prevent long-term unemployed people receiving the training they need for employment.

Growth Strategy

Ms. Quin asked the Secretary of State for Employment what discussions have taken place between the Government and trades unions, including the Trades Union Congress, concerning the commitment to implement the European Commission's co-operative strategy for more employment.

Mr. Nicholls: The draft summary and conclusions of the European Commission's Annual Economic Report",

which called on the Community to press ahead with the co-operative growth strategy, were discussed at the December 1986 meeting of the National Economic Development Council. Employment issues have also been discussed at several other NEDC meetings.

Textile and Clothing Industries

Mr. Tom Clarke asked the Secretary of State for Employment what information he has concerning the number of people employed as full-time equivalents in the textiles and clothing industries for each quarter in the last eight years.

Mr. Lee: I shall reply to the hon. Member as soon as possible.

NATIONAL FINANCE

Age Allowance

Mr. Andrew Bowden asked the Chancellor of the Exchequer if he will estimate the number of those aged 65 years or over liable to income tax who fail to claim the age allowance; and whether he will takes steps to grant the age allowance automatically to those aged 65 years or over without the obligation to claim.

Mr. Norman Lamont: No information is available on the number of those aged 65 and over who have failed to claim age allowance, but there is no evidence to suggest that the figure is substantial.

In order to give the benefit of age allowance the tax office needs to know the date of birth of the taxpayer (and his wife). A taxpayer is asked to show this information on his tax return if either he or his wife will be aged over 60 or over during the coming year. Although most taxpayers are not now regularly asked to complete tax returns, where a taxpayer retires from full-time employment he will normally be asked to make a return, and this will give him the opportunity to supply the information. If he does so he can normally expect age allowance to be given at the appropriate time without any further action on his part, provided that his income (including his wife's income) is within the appropriate limit.

If my hon. Friend has a particular case in mind I should be glad to look into it if he will let me have the necessary details.

Privatisation

Mr. John David Taylor asked the Chancellor of the Exchequer why advertisements for the offers for sale of shares in state companies are restricted to newspapers published in Great Britain; why no such advertisements are placed in newspapers published in Northern Ireland; and if he will ensure that United Kingdom citizens in Northern Ireland are given the same opportunity to apply for these shares.

Mr. Lawson: It is a matter for the Government Department responsible for each sale to decide advertising policy for that sale. It is usual practice for offer for sale advertisements to be placed in several newspapers available throughout the United Kingdom so that all United Kingdom citizens are equally well informed about application procedures for shares in privatised companies.

Departmental Staff

Mr. John Townend asked the Chancellor of the Exchequer what was the number of staff-in-post in central Government Departments at 1 April.

Mr. Major: At 1 April 1987 there were 597,814 staff in post in central Government Departments. Of these, 507,460 were non-industrials and 90,354 were industrials.

Income Tax

Mr. McCrindle asked the Chancellor of the Exchequer if he will estimate the cost of raising the income tax threshold to £4,000; how many people this would take out of tax altogether; and if he will make a statement.

Mr. Norman Lamont [*pursuant to his reply*, 14 July 1987]: The estimated full-year cost of changing all income tax thresholds to £4,000 would be just over £5½ billion at 1987-88 levels of income and 2·2 million tax units (single people and married couples) would be taken out of tax. These figures assume that the single person's allowance, the wife's earned income allowance, the married man's allowance and the age allowances are all changed to £4,000. This means that the age allowances for married couples would be lowered from their present levels and, as a consequence, 200,000 married couples aged 65 or over would be brought into tax. Overall, there would be 2 million fewer single people and married couples paying tax as a result of the measure.

TRANSPORT

Small Businesses

Mr. David Shaw asked the Secretary of State for Transport if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Channon: Achievements over the last three years are as follows:

For bus, minibus and taxi operators:

—the many more business opportunities provided in the Transport Act 1985 by the deregulation of local bus services.

For bus and lorry operators:

—an increased flexibility in drivers' hours arrangements allowed by changes successfully negotiated in EC regulations, and the removal of some controls imposed by the Transport Act 1968.

For international hauliers:

— the agreed removal of quantity restrictions on international road haulage within the EC.

For business men with roadside premises:

—a relaxation of my power to direct refusal of planning applications, and the proposed removal of local highway authorities' powers in England and Wales to block applications, for certain roadside developments.

For airline operators:

—new bilateral agreements with Belgium, Switzerland, the Netherlands, the Federal Republic of Germany and Luxembourg.

For helicopter operators:

— the scrapping by the Civil Aviation Authority of

licensing requirements for services to oil rigs outside the United Kingdom.

For shipowners:
— simpler and less costly arrangements for bringing secondhand ships onto the United Kingdom register.

For shipowners in coastal trade:
— an agreement with the West German Government, allowing United Kingdom vessels access to German coastal trades on a reciprocal basis.

For MOT garages:
—provision to allow MOT testing stations to use fewer forms.

For the supply industry:
—the British Railways Board were asked to obtain more supply and support services, including rail and station catering, from the private sector.
—the procurement organisation recently set up to direct all the Department's purchasing, will take steps to encourage the use of small firms where appropriate.

The procurement organisation is in the process of establishing suitable performance indicators to monitor the use of small firms, and the Transport and Road Research Laboratory is monitoring the effects of bus deregulation under the Transport Act 1985. The other measures do not lend themselves in the same way to the use of statistical performance indicators.

BAA (Share Offer)

Mr. John David Taylor asked the Secretary of State for Transport in which newspapers published in *(a)* Wales, *(b)* Scotland and *(c)* Northern Ireland the offer for sales of shares in the British Airports Authority was advertised.

Mr. Peter Bottomley: The BAA full and abridged prospectuses containing application forms for BAA shares were published only in national newspapers or those that enjoy a large circulation in the vicinity of BAA plc's airports. The following newspapers were used:

The Aberdeen Press and Journal
Daily Express
Daily Mail
The Daily Telegraph
Financial Times
Glasgow Herald
The Guardian
The Independent
London Daily News
The London Evening Standard
The Mail on Sunday
The Scotsman
Sunday Express
The Sunday Times
The Times

Ship Registration

Mr. Wallace asked the Secretary of State for Transport what responses were received to the consultative document on ship registration; and if he will make a statement.

Mr. David Mitchell: Some 50 responses to the March 1984 consultative document were received. The Merchant Shipping Bill to be introduced this autumn will take forward some of the proposals in the consultative document, in particular those on eligibility to register and on the categorisation of dependent territory registers.

British Rail

Dr. Marek asked the Secretary of State for Transport which parts of British Rail are currently under consideration for disposal to the private sector; for each part, how much profit or loss was made in each of the last five years; and how much was spent on infrastructure and maintenance.

Mr. David Mitchell: The Railways Board is currently considering disposal of British Transport Advertising and of Doncaster Wagon Works Ltd. BTA previously acted for the Railways Board and its other principals on a non-profit making agency basis. Doncaster Wagon Works was part of the Doncaster works of BREL until April this year, and no separate historical financial information is available.

Herald of Free Enterprise (Report)

Mr. David Shaw asked the Secretary of State for Transport when he expects to receive the report of the formal investigation into the loss of the Herald of Free Enterprise.

Mr. Channon: I understand that Mr. Justice Sheene intends to deliver his report in court on Friday 24 July.

A47 (Dual Carriageway)

Mr. Carttiss asked the Secretary of State for Transport if, in view of recent fatal accidents, he will make an early statement on the priorities he plans to give to constructing the A47 Acle to Great Yarmouth Straight to dual carriageway standards.

Mr. Peter Bottomley: There are no early plans for dualling this length. Norfolk county council, as the Department's agent, was asked in mid-May to assess the justification for its improvement. Its study will have regard to the accident record.

DEFENCE

Trident

Mr. Allen asked the Secretary of State for Defence if, pursuant to his answer of 6 July, *Official Report*, column *63*, he will publish the contractual terms of the Trident programme.

Mr. Sainsbury: It is not the practice to release details on contractual arrangements as these are commercially confidential. However, given the parliamentary interest in the break clause of the contract for the first Trident submarine, my predecessor placed a copy of this in the Library of the House on 8 May 1986 after first obtaining the agreement of the company.

Nerve Gas

Mr. Allen asked the Secretary of State for Defence if he will list the expenditure and projected expenditure on the procurement of nerve gas detection equipment for each of the years 1979 to 1995.

Mr. Sainsbury: Expenditure on procurement of nerve gas detection equipment for the years in question was as follows:

	£ million
1979-80	nil
1980-81	1·21
1981-82	0·58
1982-83	3·63
1983-84	5·95
1984-85	4·50
1985-86	4·51
1986-87	9·37

Expenditure in future years is, of course, a matter to be considered in the light of future needs and cannot be usefully speculated upon here.

Mr. Allen asked the Secretary of State for Defence who are the main suppliers of nerve gas detection equipment to his Department.

Mr. Sainsbury: The current main suppliers of nerve gas detection equipment to the Ministry of Defence are Thorn EMI Electronics Ltd. of Nottingham and Graseby Ionics Ltd. of Watford.

Mr. Key asked the Secretary of State for Defence if he will make a statement on the use of members of Her Majesty's forces in experiments at the Chemical Defence Establishment, Porton Down, near Salisbury.

Mr. O'Neill asked the Secretary of State for Defence how many service personnel have been exposed to nerve gas at Porton Down in each year since 1962; over how long a period these experiments have been conducted; how many of those exposed have subsequently left the service; how their reactions are monitored; and if he will make a statement.

Mr. Sainsbury: The Chemical Defence Establishment is responsible for research and development aimed at providing effective protection for our service personnel against chemical and biological warfare agents, should these ever be used against them. As part of this essential work, volunteers are invited from the armed services to participate in a range of studies, one element of which involves exposure to very low and medically-safe concentrations of potential chemical warfare agents in order to determine the ability of unprotected personnel to operate normally in such an environment.

Studies of this nature have been conducted ever since the CDE was established during world war 1. A precise figure for the total number of volunteers over the years is not available but since world war 2 approximately 3,500 service personnel have participated in studies involving exposure to safe concentrations of potential chemical warfare agents. A year-by-year breakdown of this figure cannot be given for security reasons—since such data could enable an informed observer to gain a useful insight into the scope and direction of our chemical defence programme. Information is not available on the number of volunteers who have since left the services.

Studies involving such exposures are permitted only after approval by both CDE medically-qualified personnel and a panel of distinguished medical authorities from outside the Ministry of Defence. Before any volunteer study is authorised, a clear need for it must be identified and fully adequate arrangements defined for the safety and welfare of volunteers. Guidelines approved by the Royal College of Physicians are observed throughout.

Volunteers are invited from all branches of the armed forces and no one is put under any pressure whatever to apply or, having applied, to continue. Indeed, it is made clear to those who come to the CDE that they are free to withdraw at any time for whatever reason and without prejudice to themselves. They are also given full information on the nature, object and duration of the tests for which they have volunteered in the presence of a service officer who is not involved in the programme and whose role it is to safeguard the interests of the volunteers.

All volunteers are given a thorough medical examination on arrival at the CDE and before their departure. Each volunteer's participation is recorded in his/her medical file. Service medical records are available, if required, to civilian medical practitioners after Service personnel have returned to civilian life.

Mr. O'Neill asked the Secretary of State for Defence what information he has as to how many members of the North Atlantic Treaty Organisation Alliance allow members of their service personnel to be exposed to nerve gases.

Mr. Sainsbury: National practice in such areas is a matter for the Governments concerned. It would not be appropriate for Her Majesty's Government to comment.

Mr. Churchill asked the Secretary of State for Defence if he will make a statement about the use of members of Her Majesty's forces in experiments involving exposure to nerve gases and other toxic chemicals; how many individuals have been so exposed in each of the past 10 years; and if they are required to sign any document that would have the effect of waiving their rights to sue for compensation under the terms of the Crown Proceedings (Armed Forces) Act 1987 in the event of injury or death.

Mr. Sainsbury: I refer my hon. Friend to my reply today to my hon. Friend the Member for Salisbury.

The repeal of section 10 of the Crown Proceedings Act 1947, which was brought about by the Crown Proceedings (Armed Forces) Act 1987 and which came into effect on 15 May 1987, gives service personnel participating in volunteer studies at the CDE and their dependants the right to sue the Ministry of Defence, its servants or agents in common law for any negligent act or omission which has resulted in personal injury, disease or death. This position is made clear to service personnel participating in volunteer studies and they are not required to sign any document which would have the effect of waiving this right.

120 mm DS/T Shot

Mr. McWilliam asked the Secretary of State for Defence when he intends to place the second part of the 1987-88 order for 120 mm DS/T shot; and if he will make a statement.

Mr. Sainsbury: Provided that satisfactory prices can be agreed, we intend to place an order for a further tranche of our 1987-88 requirement for 120 mm DS/T Shot as soon as is possible.

RAF Boulmer

Mr. Beith asked the Secretary of State for Defence how many married quarters at RAF Boulmer have been vacant for more than 12 months.

Mr. Freeman: I shall reply shortly.

FH70 Ammunition

Mr. McWilliam asked the Secretary of State for Defence if he will make a statement about the non-delivery of FH70 ammunition from Rheinmetal GMbH relating to orders placed more than two years ago.

Mr. Sainsbury: Deliveries of L15 high explosive shell under the current contract with Rheinmetal GMbH in April 1986 and have been maintained steadily since then. Ninety five per cent. of the shells due under this order have been delivered.

Service Voters

Mr. Churchill asked the Secretary of State for Defence if he is satisfied with the percentages of service personnel in each of the armed forces who are registered on the index of service voters; and what steps he proposes to take to ensure that in future nearly half the Royal Air Force, one third of the Army and one quarter of the Royal Navy, together with many of their spouses are not disfranchised in future elections.

Mr. Freeman: Responsibility for registration rests upon the individual and it is not within our power to compel service personnel to register. However, we shall continue to strive for higher numbers on the index by a constant process of encouragement. This will include: advice during training; the production of Defence Council instructions advising commanding officers of their obligation to encourage maximum registration; notice board information material; articles; broadcasts; advertisements and advisory booklets (in conjunction with the Home Office), and liaison with electoral registration offices.

End User Certificates

Mr. McWilliam asked the Secretary of State for Defence which companies from which his Department has ordered arms or equipment over the last five years have been prosecuted for illegally supplying arms or equipment with false end user certificates; and what was the result of each such prosecution.

Mr. Sainsbury: The Ministry of Defence does not hold the information in the form requested. However, I can assure the hon. Member that before any contracts are placed all the relevant circumstances relating to the award of the contract are taken into account. This would, of course, include the reputation of the suppliers in question.

Support Services, Germany (Privatisation)

Mr. Cryer asked the Secretary of State for Defence if he will place a copy of the special study on the privatisation of support services for British forces in Germany in the Library.

Mr. Sainsbury: The report is a classified document which is commercially sensitive and is, in any case, still under consideration. I will, however, arrange for the hon. Member to receive a copy of the consultative document which has been issued to work force representatives.

Mr. Cryer asked the Secretary of State for Defence whether the special study examining the scope for extending the use of contractors to provide support services for the British forces in Germany has been completed and recommendations submitted to the Commander-in-Chief; and if he will make a statement.

Mr. Sainsbury: A study into the scope for extending the use of contractors to provide supporting services to the British forces in Germany was completed in 1986. The study examined the factors surrounding the application of competitive tendering in the theatre, and put forward a strategy for efficiency and competition aimed at securing better value for money, including the formation of a joint efficiency team reporting to the Commanders-in-Chief Committee (Germany). Representatives of the civilian work force have been consulted and their views will be taken into account in reaching decisions on the implementation of the study's recommendations.

Aircraft Losses

Mr. Cryer asked the Secretary of State for Defence what is the total number of aircraft damaged beyond repair by all services in routine flying exercises since 1979; and what is the total cost of these losses in *(a)* lives lost and *(b)* cash.

Mr. Freeman: In each year's "Statement on the Defence Estimates" are set out the details of all accidents involving loss of, or serious damage to, aircraft of the three services, as well as resultant fatalities. In the time available, it has not been possible to separate out or cost the information asked for without disproportionate effort.

Exercise Purple Warrior

Mr. Wilson asked the Secretary of State for Defence if he will list the proposed locations of the amphibious landings and parachute assault landings in Galloway, Arran and Kintyre during Exercise Purple Warrior in November in the current year; how many troops will be involved in each of these landings; what type of aircraft will be involved in Exercise Purple Warrior, listing the numbers of each type; whether there will be any United States military participation in Exercise Purple Warrior; if he will provide details of the facilities being made available to Warsaw Treaty Organisation observers at Exercise Purple Warrior; what is the estimated cost of Exercise Purple Warrior; if he will list the names of all properties on and over which Exercise Purple Warrior will be conducted, indicating the owner of the land in each case; and if he will list the nature, location and extent of any planned live firing during Exercise Purple Warrior.

Mr. Stewart: I shall answer shortly.

ENERGY

Hinckley Point Power Station

Mr. Heathcoat-Amory asked the Secretary of State for Energy whether he has received a safety report on the alleged welding malpractice at Hinckley Point power station; and if he will make a statement.

Mr. Michael Spicer: The NII has investigated the alleged welding malpractice at Hinckley Point and has concluded that there is no evidence to support the allegations. A copy of the NII's report has been placed in the Library of the House.

Coal Industry Act 1987

18. **Mr. Ashby** asked the Secretary of State for Energy when he intends to lay orders under sections 6 ad 7 of the Coal Industry Act 1987.

Mr. Michael Spicer [*pursuant to his reply*, 13 July 1987]: My right hon. Friend has today laid orders under sections 6 and 7 of the Coal Industry Act 1987. The orders fulfil the Government's promise to ensure that all substantial groups of coal industry employees are represented on the management of the coal industry social welfare organisation and the mineworkers pension scheme. I hope that British Coal and all the unions concerned will now work together constructively on both sides.

OVERSEAS DEVELOPMENT

Women

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if his Department finances research on the problems of recruiting and selecting women trainees on British aid-funded scholarships; and what research has been done by his Department on how the proportion of women on the technical co-operation training programme can be increased.

Mr. Chris Patten: We intend to finance research on the constraints to increasing the proportion of women benefiting from ODA-funded training awards. Terms of reference for such a study have been prepared and we are in the process of identifying a suitably qualified researcher.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if the Overseas Development Administration provides funds to publicise issues of women and development, and to establish what proportion of the aid programme is of direct benefit to women; and if he will make a statement.

Mr. Chris Patten: The objective of our aid is to benefit the people of developing countries, including women. It is impracticable to state what proportion of the aid programme benefits women separately.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs whether all aid documents issued from his Department carry an assessment of the impact of their projects or programmes on women; and if he will make a statement.

Mr. Chris Patten: Since last year it has been standard ODA procedure for evaluations to include an assessment of the impact of the aided activity on women where this is relevant. The evaluation reports issued will include these assessments.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he will establish a cross-departmental group of Overseas Development Administration officers to develop British policy on women and development; and if he will make a statement.

Mr. Chris Patten: I am satisfied that our policy on women in development already reflects extensive consultation within the ODA.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will create a special fund to finance projects of specific interest to women giving priority to funding projects established by Third world women's organisations; and if he will make a statement;

(2) if he will increase the number of women's advisers to form a fully-funded and resourced women's unit designed to initiate policy on women and development and to oversee its implementation.

Mr. Chris Patten: Our policy is to integrate concern for women into all ODA activities. ODA officials are aware of the importance attached to taking account of the impact of our activities on women and our social development advisers provide the expertise needed. I believe that a separate women's unit or special fund would tend to "marginalise" women's interests.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if his Department consults British non-governmental organisations and women's groups on women and development policy; and if he will make a statement.

Mr. Chris Patten: We hold regular discussions with members of the women's organisations interest group of the National Council for Voluntary Organisations and other Women in Development experts.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if any major evalution has been funded to assess the impact of the aid programme on women in major recipient countries of British aid; and if issues concerning women and development are raised at aid planning meetings.

Mr. Chris Patten: In concert with other development assistance committee donors, our evaluations now include a consideration of the impact of projects on women. The DAC will be preparing a synthesis study of the results. In this way we hope to obtain in a cost-effective manner the lessons of experience for a considerable number of projects in many countries.

Women and development issues are raised at meetings of aid consortia and consultative groups and other aid planning meetings.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if the Overseas Development Administration will make representations to the International Monetary Fund and the World Bank urging them to expand their policies in relation to women and development; in the light of his Department's support for the International Monetary Fund's economic aid in Tanzania, how much of the £50 million that has been pledged to the Tanzanian Government will go to programmes involving women and development; and in what places and for which projects.

Mr. Chris Patten: The International Monetary fund agrees broad economic targets, largely related to the balance of payments, as part of its lending programmes. Longer-term domestic issues are addressed by the World Bank. I believe that the bank is already making determined efforts to integrate a concern for women into its financing activities.

The bulk of the British aid recently pledged to Tanzania will be used to finance essential imports and to support the railways sector. The remainder, about £12 million, will be used to finance specific projects and programmes, including the development of maternal and child health care and family planning in southern Tanzania.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the near future a White Paper including a plan of action on women and development policy in the aid programme.

Mr. Chris Patten: The ODA booklet "Women in development", copies of which are in the Library of the House, sets out our policy in this area. Since its issue in 1986 we have confirmed the policy and further clarified it.

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to conduct a study on the proportion of women in the Overseas Development Administration; and if he will publish in the *Official Report* the changes in that proportion in the past five years.

Mr. Chris Patten: The Overseas Development Administration already monitors the proportion of women in its employment, their access to training and relative success in career advancement. The proportion of women employed in the Overseas Development Administration on 1 April in each of the last five years and on 1 July 1987 is:

Year	*Total staff*	*Number of women*	*Percentage*
1982	2,035	771	37·89
1983	1,927	714	37·05
1984	1,753	684	39·02
1985	1,617	641	39·64
1986	1,608	635	39·49
1987	1,548	622	40·18

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if the present women's adviser post will be reformulated within the aid programme so that it is held by one woman who has no additional responsibilities.

Mr. Chris Patten: Specialist advice on women's issues is provided by the ODA's social development advisers. This ensures that our concerns for women's role in development and measures taken to enhance it are understood in a broader social context; I believe this makes our work more effective.

Mr. Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs what is the number of women, and the percentage they constitute, who obtain places on technical co-operation training courses.

Mr. Chris Patten: Women received 980 (16·8 per cent. of the total) new training awards in the year ending 31 March 1987.

Mapping

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements his Department now has, following the abolition of the Directorate of Overseas Surveys, for providing aid in mapping to developing countries; and what steps he has taken to satisfy himself that such arrangements are effective.

Mr. Chris Patten: The Directorate of Overseas Surveys was absorbed into the Ordnance Survey as its Overseas Surveys Directorate in 1984. It continues to provide a range of services to aid recipient countries. These include surveys, advice and institutional support. Under arrangements agreed between the Ordnance Survey and the Overseas Development Administration, such work is commissioned and funded on a project basis. In addition, the Overseas Development Administration provides funding for certain core services which amounted to about £1·3 million in 1986/87.

The Overseas Surveys Directorate programme and funding are reviewed at an annual meeting between the Ordnance Survey and the Overseas Development Administration.

Shelter-Related Projects

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs what percentage of his Department's budget has gone on aid to shelter-related projects in each year since 1977.

Mr. Chris Patten: Information in the form requested is not held centrally and could be provided only at disproportionate cost.

East African Army Worm (Ethiopia)

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs if he has received any request from the Government of Ethiopia for assistance in respect of combating locusts or the East African Army worm; and what information he has concerning the threat from the pests to the assistance already given by the United Kingdom to that area of Africa.

Mr. Chris Patten: We have received no such request from the Government of Ethiopia. We have received a report from the United Nations Food and Agriculture Organisation of threats to Ethiopia and neighbouring countries from swarms of desert locusts and are monitoring the situation closely.

Britain has provided over £3 million for migratory pest control in Africa over the past 12 months, including £790,000 to combat locusts and army worm in Ethiopia.

HOME DEPARTMENT

Parliamentary Boundary Commission

Mr. Madel asked the Secretary of State for the Home Department whether he expects the Parliamentary Boundary Commission to publish major proposals for changing the parliamentary boundaries of constituencies in England before 31 December 1991; and if he will make a statement.

Mr. Douglas Hogg: No. The Parliamentary Boundary Commission is required to present its reports on all the constituencies in England not less than 10 and not more than 15 years after the date of submission of its previous report. The report of the last general review of England, the third periodical report, was submitted on 1 February 1983. The Commission's fourth periodical report may therefore be submitted at any time between 1 February 1993 and 31 January 1998.

Telephone Tapping

13. **Mr. Skinner** asked the Secretary of State for the Home Department how many warrants authorising telephone taps have been issued in 1987 to the present time.

38. **Mr. Cryer** asked the Secretary of State for the Home Department how many telephone tapping warrants he has issued in 1987 to the most recent practicable date.

Mr. Hurd: The number of telecommunication warrants issued by the Home Secretary in force on 31 December 1986 was 206. The figures were given in an annex to the report of the Commissioner, the right hon. Lord Justice Lloyd, on the first year of operation of the Interception of Communications Act 1985 which was presented to Parliament in March 1987 (Cmnd 108). I do not propose to publish statistics additional to those in the Commissioner's Report.

Entry Certificates

15. **Ms. Short** asked the Secretary of State for the Home Department if he will make it his policy that no one who has already applied for an entry certificate will be subjected to the harsher tests for entry proposed in the Queen's Speech.

Mr. Renton: We will announce our detailed proposals for handling outstanding entry certificate applications once the forthcoming Bill has been published.

Metropolitan Police

16. **Mr. Jessel** asked the Secretary of State for the Home Department what further action the Government intend to take to support the work of the Metropolitan police.

Mr. Hurd: Spending on the Metropolitan police this year will be over 50 per cent. higher in real terms than in 1978-79 and the cash limit of £929 million for 1987-88 which I announced in February is 9 per cent. more than last year. I announced in May 1986 manpower increases of 1,200 in the police establishment and 600 in the civil staff ceilling over four years. So far I have approved increases of 600 policemen and 400 civilian staff; and I am prepared to approve further increases of 600 policemen and 200 civilians over the next two years subject to being satisfied that earlier increases have been effectively used and that satisfactory progress has been made with civilianisation. The programme of civilian manpower increases should release at least 400 officers for operational duty. Actual police strength has not kept pace with the establishment increases. The force is at present about 600 below the level which I have authorised.

47. **Mr. Harry Greenway** asked the Secretary of State for the Home Department what is the current strength of the Metropolitan police compared with 1979; and if he will make a statement.

Mr. Douglas Hogg: The strength of the Metropolitan police on 30 June was 27,105, an increase of some 4,800 officers over May 1979.

AIDS

18. **Mr. Cohen** asked the Secretary of State for the Home Department what steps he has taken to monitor the incidence of AIDS in prisons; and if he will make a statement.

Mr. John Patten: Since March 1985 prison medical officers have been required to report identified cases of HIV infection that is, (those in which a positive result to an HIV antibody test has been obtained) and cases of diagnosed AIDS. In June 1987 medical officers were asked to make a separate report following a diagnosis of PGL (Persistent General Lymphadenopathy) or ARC (AIDS Related Complex). A central statistical record based on the reports is maintained by the Director of Prison Medical Services.

39. **Mr. Page** asked the Secretary of State for the Home Department if he has any plans to amend the law covering the effects of activities of a known AIDS carrier towards a third party.

Mr. John Patten: We have no present plans to amend the criminal law in this respect.

Thames Valley Police

20. **Mr. Tim Smith** asked the Secretary of State for the Home Department what representations he has received about the establishment of the Thames Valley police authority.

Mr. Douglas Hogg: We have received representations from most members with constituencies in the Thames Valley police force area about the latest application by the police authority for additional police posts. The application is under consideration.

52. **Mr. Andrew MacKay** asked the Secretary of State for the Home Department if he will make a statement on police manning levels in the Thames Valley force.

Mr. Douglas Hogg: Since May 1979 the strength of the Thames Valley police has increased by 811 and its establishment by 470. I understand that the force has recruited up to its establishment. The Thames Valley police authority has applied for 200 additional police posts and this is under consideration.

33. **Mr. Watts** asked the Secretary of State for the Home Department if he will now approve a further increase in the establishment of the Thames Valley police.

Mr. Douglas Hogg: An application by the Thames Valley police authority for additional police posts is under consideration.

Commissioner of Police of the Metropolis

22. **Mr. Campbell-Savours** asked the Secretary of State for the Home Department when he last met the Commissioner of Police of the Metropolis to discuss his annual report.

Mr. Douglas Hogg: My right hon. Friend is in regular touch with the Commissioner on various matters covered by the report.

Tamils

23. **Mr. Nellist** asked the Secretary of State for the Home Department how many of the original 64 Tamils who arrived in Britain at the beginning of the year have subsequently been given temporary admission; and how many are still being detained.

Mr. Renton: As at 15 July, 39 of the group of 64 Tamils who arrived in Britain on 13 February 1987 had been granted temporary admission. Another nine had been released on bail, and bail has been granted in principle to 15 others subject to satisfactory sureties and the outcome of inquiries by the immigration service.

Crime Prevention

24. **Mrs. Virginia Bottomley** asked the Secretary of State for the Home Department if he will make a statement on the work of the ministerial group on crime prevention.

Mr. Hurd: The ministerial group on crime prevention will soon publish a report on its first year's work. The group has proved an important means of co-ordinating and stimulating crime prevention activity. Under the new chairmanship of my hon. Friend the Minister of State, the Member for Oxford, West and Abingdon (Mr. Patten) it will continue to develop this role.

37. **Mr. Soley** asked the Secretary of State for the Home Department what representations he has received making proposals for dealing with the rising crime rate.

Mr. John Patten: We receive representations from a variety of sources. Their contents cannot easily be summarised, but there is a high level of support for the Government's crime prevention initiatives.

50. **Mr. Soames** asked the Secretary of State for the Home Department what plans he has for new initiatives to promote the prevention of crime.

Mr. John Patten: In addition to a new national crime prevention publicity campaign, we plan to publish a handbook setting out a range of examples of how all those who are concerned about crime can make a positive and practical contribution to preventing it. We are working up plans for a new national crime prevention organisation which might support and encourage local crime prevention activity. Opportunities for establishing more local projects and initiatives are being explored.

Birmingham Pub Bombings

27. **Mr. Clay** asked the Secretary of State for the Home Department if the Devon and Cornwall police have completed their investigation of the claims made by former police constable Tom Clarke regarding the treatment in custody of persons held in connection with the Birmingham pub bombings; and if he will make a statement.

Mr. John Patten: We look forward to receiving the chief constable's report shortly.

Prison Statistics

28. **Mr. Knox** asked the Secretary of State for the Home Department how many people were in prison at the most recent count.

Mr. John Patten: On 10 July 1987 the total prison population in England and Wales was 50,381. This does not include 648 in police cells.

Offensive Weapons

29. **Mr. Favell** asked the Secretary of State for the Home Department if he will introduce legislation to make it a criminal offence to sell offensive weapons to people under 18 years of age.

32. **Mr. Evennett** asked the Secretary of State for the Home Department whether he intends to introduce legislation to regulate the sale and possession of knives as martial arts weapons.

46. **Mr. Simon Hughes** asked the Secretary of State for the Home Department if he has any proposals for the control of the sale of heavy duty catapults, spiked shoe straps, and other offensive weapons available by mail order; and if he will make a statement.

Mr. Douglas Hogg: We are committed to bringing forward proposals on the sale of offensive weapons which have no legitimate uses. In addition we have already set in hand a study of how the law relating to the possession of knives and other sharp bladed instruments might be reinforced and we shall be considering urgently how best to take matters forward in the light of that study.

Police Surgeons

30. **Dr. Godman** asked the Secretary of State for the Home Department how many police surgeons are employed in England and Wales; and how many are women.

Mr. Douglas Hogg: I refer the hon. Member to the reply I gave to a question from the hon. Member for Gower (Mr. Wardell) on 7 July.

Police Stations

31. **Mr. Matthew Taylor** asked the Secretary of State for the Home Department if he will make a statement as to his policy on the provision of police stations in rural towns and villages in England and Wales.

Mr. Douglas Hogg: It is for each chief constable to determine the most suitable methods of policing for his force area.

Identity Cards

34. **Sir John Biggs-Davison** asked the Secretary of State for the Home Department to what extent his refusal to introduce identity cards is based on the experience of other countries where they have been obligatory; and if he will make a statement.

Mr. Douglas Hogg: The experience of other countries is only one of the relevant factors. We are not persuaded that the balance of advantage lies in introducing identity cards in this country.

Non-metropolitan Police Forces

35. **Mr. Colin Shepherd** asked the Secretary of State for the Home Department what is the present rate of recruitment into the non-metropolitan police forces.

Mr. Douglas Hogg: About 3,700 police officers were recruited to the non metropolitan forces (that is all forces in England and Wales except the Metropolitan Police, and the City of London, Greater Manchester, Merseyside, Northumbria, South Yorkshire, West Midlands and West Yorkshire forces) in the year ended 30 June 1987. They were recruited either to replace officers who retired or resigned or to enable forces to implement increases in establishment. Between May 1979 and May 1987 strengths in these forces increased by 4,041 police officers, from 60,277 to 64,318.

Police Manpower (Norfolk)

36. **Mr. Patrick Thompson** asked the Secretary of State for the Home Department if he will give figures for the number of police in Norfolk for each of the following years: 1979, 1983 and 1987.

Mr. Douglas Hogg: The information requested is as follows:

	Authorised Establishment	*Actual Strength*
31 December 1979	1,265	1,237
31 December 1983	1,273	1,278
31 May 1987	1,318	1,318

Independent Television Network

25. **Mr. Grocott** asked the Secretary of State for the Home Department whether he has any plans to meet the chairman of the Independent Broadcasting Authority to discuss the future structure of the independent television network.

Mr. Renton: I shall be meeting the chairman of the Independent Broadcasting Authority on 22 July to discuss a number of matters of current interest.

Crime Prevention (Insurance Companies)

19. **Mr. Rowe** asked the Secretary of State for the Home Department whether he has any plans to involve insurance companies further in the fight against crime; and if he will make a statement.

Mr. John Patten: Insurance companies, either individually or through the Association of British Insurers already make a significant contribution to crime prevention. For example they have offered insurance discounts and other incentives to policyholders for taking certain security precautions; they have provided security advice through literature and videos; they have participated in crime prevention panels; they have set up a register of total loss vehicle claims; and they have given valuable support to the Home Office Standing Conference on Crime Prevention. I am shortly to meet representatives of the Association and I am confident that insurance companies will continue their active involvement in a range of crime prevention activity.

Crime (Bristol)

41. **Ms. Primarolo** asked the Secretary of State for the Home Department whether he will fund a crime survey in the Bristol area.

Mr. John Patten: The Department has recently awarded a research grant to the Avon and Somerset constabulary for this purpose.

Obscene Publications Act 1959

42. **Mr. Gerald Howarth** asked the Secretary of State for the Home Department when he expects to introduce legislation to extend to broadcasting the provisions of the Obscene Publications Act 1959.

Mr. Renton: Such a provision will be included in the Broadcasting Bill which we plan to introduce as soon as practicable.

Illicit Drugs

43. **Sir David Price** asked the Secretary of State for the Home Department what progress has been made in the Government's programme to reduce the traffic within the United Kingdom of illicit drugs.

Mr. Douglas Hogg: We are continuing to step up action on all aspects of our anti-drugs strategy. Recent developments include the allocation by my right hon. Friend the Chancellor of the Exchequer of 460 further posts for customs work, including 110 more specialist drugs investigators, support and legal staff; the establishment of 17 regional crime squad drugs wings manned by 221 additional police officers; further strengthening of the national drugs intelligence unit; and implementation of the Drug Trafficking Offences Act 1986. In 1986 customs broke up more than 80 drugs organisations, and police successes included the detection of 11 illicit amphetamine laboratories. Following last month's United Nations conference on drug abuse and illicit trafficking in Vienna, the United Kingdom is playing a leading role in current intergovernmental discussions concerning a proposed new United Nations convention on drug trafficking.

National Unity

44. **Mr. Stanbrook** asked the Secretary of State for the Home Department if, within his departmental responsibilities, he will propose further administrative and legislative action designed to promote the unity of the United Kingdom.

Mr. Hurd: Only some of my responsibilities extend to the United Kingdom as a whole; but Home Office policies, in particular for broadcasting, race relations, immigration, crime and policing in England and Wales, respect the territorial, constitutional and social unity of the United Kingdom, and are designed to operate fairly between the different parts of the country to which they apply.

London (Policing)

45. **Mr. Sedgemore** asked the Secretary of State for the Home Department whether he will make a statement on the report of the Commissioner of Police of the Metropolis on policing London.

48. **Mr. Leigh** asked the Secretary of State for the Home Department if he will make a statement on the annual report of the Commissioner of Police of the Metropolis.

Mr. Hurd: I welcome the commissioner's annual report, which gives a comprehensive account of the many ways in which his force is meeting the challenge of policing London.

Criminal Injuries (Compensation)

17. **Mr. Parry** asked the Secretary of State for the Home Department if there are any plans for the Criminal Injuries Compensation Board to recompense victims of road accidents involving stolen cars.

Mr. John Patten: Our proposals for a statutory criminal injuries compensation scheme are set out in the Criminal Justice Bill. These proposals would make no change of substance in respect of road traffic accidents.

Mothers and Children (Prisons)

49. **Miss Lestor** asked the Secretary of State for the Home Department if he will list the number and ages of children currently in prison with their mothers.

Mr. John Patten: On the 6 July, 28 babies were in prison mother and baby units at Askham Grange, Holloway and Styal.

The ages of the babies were:

Age months	Number
Aged under 1	5
Aged 1	3
Aged 2	4
Aged 3	4
Aged 4	3
Aged 7	1
Aged 8	1
Aged 9	2
Aged 10	2
Aged 13	1
Aged 15	1
Aged 16	1

Immigration

26. **Mr. Tony Lloyd** asked the Secretary of State for the Home Department if he will give details of the percentage of fiancées and spouses refused entry clearance under the primary purpose rule for the last two years.

Mr. Renton: The information requested is available only for entry clearance applications in the Indian sub-continent. In 1985 no wife or female fiancée in the sub-continent was refused solely or partly because of the primary purpose rule; in 1986 the proportions were negligible for wives and about 10 per cent for female fiancées. The proportion of husbands so refused was 25 per cent. in 1985 and 35 per cent. in 1986. The corresponding proportions for male fiancés were 45 per cent. in 1985 and 50 per cent. in 1986. These proportions take account of the outcome of appeals.

Prison (Bicester)

51. **Mr. Baldry** asked the Secretary of State for the Home Department if he will make a statement as to the timetable for the construction of the new prison near Bicester.

Mr. John Patten: Work is due to start on site in March 1988 and the prison is scheduled to be handed over to the Home Office in mid-1991.

Religious Broadcasting

21. **Dr. Michael Clark** asked the Secretary of State for the Home Department what representations he has received with regard to religious broadcasting; and if he will make a statement.

Mr. Renton: We receive representations on a wide variety of television and radio programmes, including religious programmes. Programme policy is a matter for the broadcasting authorities, not the Government.

Concessionary Television Licences

53. **Mr. Atkinson** asked the Secretary of State for the Home Department if he has any plans to change the present arrangements for eligibility for the concessionary television licence.

Mr. Renton: We have no present plans to do so, but we are keeping the operation of the concessionary scheme under review in the light of the judgment of the High Court in the case brought by Kirklees metropolitan council.

Shotguns

54. **Mr. Fallon** asked the Secretary of State for the Home Department if he has any plans to review the law regarding shotguns.

Mr. Douglas Hogg: The law on shotguns is kept under close review and we are pursuing two initiatives. By amendment to the firearms rules, we shall shortly be introducing a requirement that shotgun certificate holders should notify any change of address to the chief officer of police. Secondly, a Home Office working party, on which the police and the British Shooting Sports Council are represented, is examining what measures should be taken to improve the security of shotguns when they are not being used, including the need for a statutory safe-keeping requirement.

Neighbourhood Watch Scheme

55. **Mr. Amess** asked the Secretary of State for the Home Department if he has any plans to expand the neighbourhood watch scheme.

Mr. John Patten: There are now over 35,000 Neighbourhood Watch Schemes spread throughout the police force areas of England and Wales. We are about to begin consultations with interested parties about the formation of an organisation to stimulate and support local crime prevention activity including Neighbourhood Watch. We also propose to produce a guidance note for distribution to police forces and the public setting out good practice to help the development of effective neighbourhood watch schemes.

Crime (Clear-up Rates)

6. **Mr. Terry Lewis** asked the Secretary of State for the Home Department what new proposals he has to improve the crime clear-up rate.

Mr. Hurd: Clear-up rates for the most serious offences, including violence against the person and sexual offences, remain high at over 70 per cent.

I shall continue to encourage chief officers to target their resources on the most serious crimes which are of particular concern to the public. They must decide their own priorities and methods in the light of their appreciation of local circumstances. But the police cannot succeed in detecting or preventing crime by themselves. The whole community must be involved; and I will be looking for ways to encourage that involvement.

Crime Statistics

40. **Mr. Patrick McLoughlin** asked the Secretary of State for the Home Department what information he has

on comparative crime rates for homicide, rape, and armed robbery in England and Wales, the United States of America, the Federal Republic of Germany and France.

Mr. John Patten: International crime statistics are published periodically by Interpol. A copy of its most recent publication, "International Crime Statistics 1983-84" is in the Library. The available figures do not distinguish armed robberies from other robberies. Care is needed in using such comparisons; because of differences in legal systems there are often differences in definitions and in coverage of the figures: there may also be differences in the extent to which offences are recorded by the authorities.

Mr. Churchill asked the Secretary of State for the Home Department what were the total numbers of recorded crimes, crimes of murder, rape, violence against the person, robbery and armed robbery, respectively, in each of the past 10 years for which figures are available *(a)* in the Metropolitan police area, *(b)* in other metropolitan police areas, and *(c)* in non-metropolitan police areas.

Mr. John Patten: Numbers of homicides, other offences of violence against the person, rapes, robberies and the total of notifiable offences recorded in each police force area are published annually in "Criminal Statistics, England and Wales, Supplementary Tables, Vol. 3" (table s.3.1 for each year from 1980 to 1985); figures for earlier years were given in the annual "Criminal Statistics" Command Paper. Numbers of offences of violence against the person and robbery (whether armed or not) recorded in 1986 in each force area are published in table 6 of Home Office statistical bulletin issue 4/87. The other information available is given in the following tables. In the absence of a court decision it is not possible to distinguish murder from other types of homicide.

Table 1. Notifiable offences of homicide and rape recorded by the police

England and Wales, 1986	*Number of offences*	
Police force area	*Homicide*	*Rape*
Metropolitan Police District	210	824
Other metropolitan police forces[1]	154	494
Other police forces	298	970
Total	662	2,288

[1] Incorporates City of London, West Midlands, Merseyside, Greater Manchester, West Yorkshire, South Yorkshire and Northumbria.

Table 2. Notifiable offences of robbery recorded by the police in which firearms were reported to have been used
England and Wales, 1977-86

Number of offences

Year	*Metropolitan Police District*	*Other metropolitan police forces*[1]	*Other police forces*	*Total*
1976	746	95	235	1,076
1977	901	146	187	1,234
1978	718	111	167	996
1979	734	125	179	1,038
1980	740	169	240	1,149
1981	1,317	265	311	1,893
1982	1,756	389	415	2,560
1983	1,276	347	334	1,957
1984	1,422	377	299	2,098
1985	1,610	502	427	2,539
1986	1,549	596	506	2,651

[1] Incorporates City of London, West Midlands, Merseyside, Greater Manchester, West Yorkshire, South Yorkshire and Northumbria.

Arson

Mr. Alan W. Williams asked the Secretary of State for the Home Department how many arrests and convictions there have been in connection with the second homes arson campaign in Wales since 1978; and if he will give details.

Mr. Douglas Hogg: I understand from the chief constables concerned that the numbers of arrests and convictions in connection with the second homes arson campaign in Wales since 1978 are as follows:

Police force area	*Arrests*	*Convictions*
North Wales	19	19
Dyfed-Powys	17	0
Gwent	1	0
South Wales	0	0
TOTAL	37	19

The arrests in Dyfed-Powys and Gwent were the result of a single operation involving all police forces in Wales in 1980.

Mr. Alan W. Williams asked the Secretary of State for the Home Department (1) how many incidents there have been in the second homes arson campaign in each of the calendar years 1978 to 1987 in the following constituencies *(a)* Caernarfon, *(b)* Meirionnydd Nant Conwy, *(c)* Ynys Môn and *(d)* Carmarthen;

(2) how many incidents there have been in the second homes arson campaign in Wales in each of the calendar years 1978 to 1987.

Mr. Douglas Hogg: I understand from the chief constables of South Wales and Gwent that there have been no incidents in their police force areas during the period. I understand from the chief constables of North Wales and Dyfed-Powys that the number of incidents in their police force area were as follows:

Numbers of incidents in connection with second homes arson campaign in Wales 1979 to 1987

Year[1]	*Caernarfon*	*North Wales Meirionnydd Nant Conwy*	*Ynys Môn*	*Dyfed-Powys*[2]	*Total*
1979	2	3	0	3	8
1980	7	9	6	10	32
1981	4	0	6	8	18
1982	6	1	1	0	8
1983	3	0	2	2	7
1984	1	4	0	2	7
1985	4	1	4	3	12
1986	10	2	0	1	13
1987	3	0	0	3	6
TOTAL	40	20	19	32	111

[1] Figures for 1978 are not available.
[2] Separate figures for Carmarthen are not readily available.

Offences (Use of Firearms)

Mr. McWilliam asked the Secretary of State for the Home Department how many offences were committed in the last five years where firearms were used, broken down according to the kind of weapon involved and the category of offence, respectively.

Mr. John Patten: The available information relates to notifiable offences recorded by the police in which firearms were reported to have been used. Figures for 1976 to 1986 by offence group are published in Home Office statistical bulletin issue 16/87. The following table gives figures for 1986 by type of principal weapon involved; those for earlier years are published in "Criminal Statistics, England and Wales 1985" (Cm. 10). A full analysis of the 1986 figures will appear in chapter 3 of the command paper, to be published later this year.

Notifiable offences recorded by the police[1] *in which firearms were reported to have been used, by principal weapon*

England and Wales 1986	*Number*
Long-barrelled shotgun	600
Sawn-off shotgun	560
Pistol	1,314
Rifle	53
Imitation	252
Supposed	668
Other	30
Total excluding air weapon	3,477
Air weapon	5,886
TOTAL	9,363

[1] Includes offences of criminal damage but only where the damage was estimated at over £20.

South Africa House (Demonstrations)

Mr. Caborn asked the Secretary of State for the Home Department on what date the Commissioner of Police of the Metropolis's directions were introduced in relation to demonstrations outside South Africa House.

Mr. Douglas Hogg: I understand that the Commissioner's direction were first made in June 1986 and that they have been reviewed and renewed every month since then. The directions were implemented on 6 May 1987 following an incident in which the embassy building was attacked and damaged.

Mr. Caborn asked the Secretary of State for the Home Department whether the Metropolitan police consulted either Ministers or officials of his Department prior to the introduction of the Commissioner of Police of the Metropolis's directions in relation to demonstrations outside South Africa House; and if he will make a statement.

Mr. Douglas Hogg: No.

Mr. Caborn asked the Secretary of State for the Home Department whether he will instruct the Commissioner of Police of the Metropolis to revoke his directions in relation to demonstrations outside South Africa House.

Mr. Douglas Hogg: No. This is an operational matter for the Commissioner of Police of the Metropolis.

Police Manpower

Mr. Churchill asked the Secretary of State for the Home Department if he will list those police areas which have been granted an increase in police establishment since 1979, together with the size of increase.

Mr. Douglas Hogg: The information requested is as follows:

	Authorised Establishment 30 April 1979	*Authorised Establishment 31 May 1987*	*Increase*
Avon and Somerset	2,853	3,030	177
Bedfordshire	947	1,000	53
Cambridgeshire	1,090	1,160	70
Cheshire	1,805	1,845	40
Cleveland	1,411	1,474	63
Cumbria	1,088	1,144	56
Derbyshire	1,709	1,793	84
Devon and Cornwall	2,673	2,794	121

	Authorised Establishment 30 April 1979	Authorised Establishment 31 May 1987	Increase
Dorset	1,164	1,235	71
Durham	1,349	1,357	8
Dyfed Powys	934	935	1
Essex	2,525	2,722	197
Gloucestershire	1,116	1,164	48
Greater Manchester	6,735	6,943	208
Gwent	975	978	3
Hampshire	2,954	3,105	151
Hertfordshire	1,533	1,596	63
Humberside	1,939	1,972	33
Kent	2,820	2,911	91
Lancashire	3,118	3,158	40
Leicestershire	1,706	1,733	27
Lincolnshire	1,182	1,183	1
Merseyside	4,451	4,679	228
Norfolk	1,265	1,318	53
Northamptonshire	950	1,074	124
Northumbria	3,325	3,453	128
North Wales	1,279	1,316	37
North Yorkshire	1,328	1,368	40
Nottinghamshire	2,145	2,259	114
South Wales	3,069	3,109	40
South Yorkshire	2,752	2,931	179
Staffordshire	2,066	2,156	90
Suffolk	1,088	1,186	98
Surrey	1,599	1,639	40
Sussex	2,802	2,896	94
Thames Valley	2,977	3,467	470
Warwickshire	876	981	105
West Mercia	1,834	1,953	119
West Midlands	6,509	6,684	175
West Yorkshire	5,104	5,204	100
Wiltshire	1,022	1,074	52
City of London	1,022	798	(−224)
Metropolitan	26,589	27,815	1,226
Totals	117,698	122,592	4,894

Mr. Churchill asked the Secretary of State for the Home Department what were the authorised police manpower levels of *(a)* the Metropolitan police, *(b)* other metropolitan police forces and *(c)* the non-metropolitan police forces in each year since 1974 to date.

Mr. Douglas Hogg: The information requested is as follows:

	Authorised Establishments December													May
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Gwent	928	964	964	964	974	975	975	975	978	978	978	978	978	978
Hampshire	2,844	2,845	2,935	2,935	2,954	3,034	3,034	3,084	3,084	3,084	3,084	3,084	3,105	3,105
Hertfordshire	1,472	1,472	1,472	1,483	1,533	1,533	1,533	1,568	1,568	1,568	1,578	1,578	1,596	1,596
Humberside	1,910	1,939	1,939	1,939	1,939	1,939	1,939	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Kent	2,454	2,465	2,615	2,615	2,820	2,842	2,871	2,871	2,875	2,875	2,875	2,875	2,911	2,911
Lancashire	2,880	3,080	3,080	3,080	3,118	3,138	3,158	3,158	3,158	3,158	3,158	3,158	3,158	3,158
Leicestershire	1,603	1,705	1,705	1,705	1,706	1,706	1,727	1,727	1,733	1,733	1,733	1,733	1,733	1,733
Lincolnshire	1,174	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,183	1,183	1,183	1,183	1,183
Norfolk	1,218	1,264	1,264	1,264	1,265	1,265	1,265	1,265	1,273	1,273	1,273	1,278	1,318	1,318
Northamptonshire	844	914	950	950	950	978	978	1,006	1,006	1,018	1,025	1,031	1,054	1,074
North Wales	1,216	1,276	1,276	1,276	1,276	1,309	1,312	1,313	1,313	1,316	1,316	1,316	1,316	1,316
North Yorkshire	1,277	1,328	1,328	1,328	1,328	1,368	1,368	1,368	1,368	1,368	1,368	1,368	1,368	1,368
Nottinghamshire	2,066	2,124	2,145	2,144	2,144	2,260	2,260	2,259	2,259	2,259	2,259	2,259	2,259	2,259
South Wales	2,886	3,069	3,069	3,069	3,069	3,069	3,069	3,105	3,105	3,109	3,109	3,109	3,109	3,109
Staffordshire	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,099	2,099	2,099	2,104	2,104	2,131	2,156
Suffolk	1,077	1,085	1,086	1,086	1,088	1,123	1,123	1,124	1,124	1,136	1,136	1,136	1,186	1,186
Surrey	1,438	1,442	1,503	1,503	1,599	1,602	1,602	1,602	1,602	1,602	1,602	1,626	1,639	1,639
Sussex	2,661	2,785	2,785	2,785	2,802	2,811	2,828	2,823	2,822	2,830	2,830	2,830	2,830	2,896
Thames Valley	2,960	2,960	2,995	2,995	2,997	3,005	3,005	3,107	3,124	3,267	3,267	3,317	3,417	3,467
Warwickshire	876	876	876	876	876	876	920	920	925	925	925	925	967	981
West Mercia	1,650	1,650	1,670	1,671	1,834	1,834	1,921	1,921	1,923	1,923	1,923	1,953	1,953	1,953
Wiltshire	979	994	994	995	1,022	1,032	1,033	1,035	1,042	1,042	1,042	1,045	1,049	1,074
City of London	1,028	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	798	798	798	798	798
Metropolitan	26,628	26,628	26,628	26,628	26,589	26,589	26,577	26,577	26,615	26,915	27,115	27,165	27,515	27,815
Other Metropolitan Areas														
Greater Manchester	6,600	6,600	6,735	6,735	6,735	6,766	6,766	6,941	6,943	6,943	6,943	6,943	6,943	6,943
Merseyside	4,317	4,342	4,342	4,451	4,451	4,451	4,452	4,607	4,607	4,607	4,607	4,607	4,679	4,679

	Authorised Establishments December												May
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Northumbria	3,322	3,322	3,322	3,322	3,325	3,325	3,355	3,355	3,357	3,357	3,357	3,378	3,378	3,453
South Yorkshire	2,752	2,752	2,752	2,752	2,752	2,752	2,872	2,872	2,872	2,872	2,872	2,872	2,881	2,931
West Midlands	6,471	6,471	6,509	6,509	6,509	6,509	6,509	6,684	6,684	6,684	6,684	6,684	6,684	6,684
West Yorkshire	5,103	5,104	5,104	5,104	5,104	5,104	5,104	5,154	5,154	5,154	5,154	5,154	5,154	5,204
Non Metropolitan Police Forces														
Avon and Somerset	2,868	2,868	2,851	2,851	2,852	2,953	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,030
Bedfordshire	890	926	941	941	947	947	960	975	980	1,000	1,000	1,000	1,000	1,000
Cambridgeshire	1,023	1,061	1,090	1,090	1,090	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,160
Cheshire	1,770	1,770	1,805	1,805	1,805	1,805	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845
Cleveland	1,411	1,411	1,411	1,411	1,411	1,418	1,419	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Cumbria	1,074	1,079	1,079	1,082	1,082	1,113	1,113	1,128	1,128	1,128	1,128	1,128	1,130	1,144
Derbyshire	1,559	1,559	1,709	1,709	1,709	1,712	1,712	1,767	1,767	1,767	1,767	1,767	1,767	1,793
Devon and Cornwall	2,573	2,673	2,673	2,673	2,673	2,673	2,734	2,734	2,734	2,734	2,734	2,739	2,757	2,794
Dorset	1,089	1,108	1,108	1,108	1,164	1,164	1,164	1,176	1,176	1,183	1,183	1,203	1,211	1,235
Durham	1,371	1,373	1,373	1,349	1,349	1,349	1,349	1,355	1,355	1,357	1,357	1,357	1,357	1,357
Dyfed Powys	866	916	916	916	916	934	934	934	934	934	934	934	934	935
Essex	2,436	2,436	2,511	2,511	2,525	2,533	2,603	2,633	2,643	2,653	2,663	2,673	2,722	2,722
Gloucestershire	1,007	1,101	1,100	1,100	1,116	1,116	1,116	1,131	1,140	1,164	1,164	1,164	1,164	1,164

Michael Hickey and Others

Mr. Alton asked the Secretary of State for the Home Department if he will make a statement on the progress of inquiries into the cases of Michael Hickey and others convicted of the murder of Carl Bridgewater.

Mr. John Patten: The main report of the inquiry, which has been conducted by officers of the Warwickshire constabulary, has been received and is under consideration. Following the receipt of additional representations on behalf of the convicted men, further inquiries have been ordered and the results of these will need to be fully considered before my right hon. Friend can reach a decision on the case.

Heysel Stadium Disaster (Extraditions)

Mr. Alton asked the Secretary of State for the Home Department what factors he proposes to take into account in deciding whether to sign extradition warrants in respect of persons accused of offences in relation to the disaster at the Heysel stadium, Brussels, in May 1985; and when he expects to reach a decision.

Mr. Hurd: As in other extradition cases, I have to consider whether, having regard to all the circumstances, it would be unjust or oppressive to order surrender. Factors which I take into account in such cases include the seriousness or triviality of the alleged offence; how long ago it is alleged to have been committed; and whether the accusation is made in good faith in the interests of justice.

In reaching my decision I am willing to consider representations on such matters made by or on behalf of the person concerned, and any further evidence not available at the time of the court's decision. I shall be meeting hon. Members next week to receive representations on behalf of those accused of offences arising from the Heysel stadium disaster. The timing of my decision may depend on the nature of the representations which I have to consider.

Prison Disturbances (Report)

Mr. Soames asked the Secretary of State for the Home Department when he expects to be able to publish Her Majesty's Chief Inspector of Prisons' report on prison disturbances in 1986; and if he will make a statement.

Mr. Hurd: The report of the inquiry by Her Majesty's Chief Inspector of Prisons into the disturbances in prison service establishments in England between 29 April and 2 May 1986 is published today. This is the outcome of the inquiry which I announced to the House on 6 May 1986.

I pay tribute to Sir James Hennessy and his staff for the thoroughness of his report. It sets out in full what happened in the six establishments which were most seriously affected and, in less detail, the events in 10 other establishments. The report recounts the background to the disturbances, draws conclusions about their causes, and points up lessons for the future.

No clear pattern to the disturbances emerges. There were different circumstances in different places. The report concludes that the underlying causes were complex and of varying impact. A poor regime or overcrowding in some places may have been an underlying factor. In others the type and mix of prisoners could have been critical.

The chief inspector concludes that a number of factors, "contributed to the explosion resulting from the mixture of volatile elements in many of the establishments which suffered disturbances. But the catalyst was clearly the industrial action".

That was the overtime ban and other action imposed by the national executive committee of the Prison Officers' Association (POA NEC) on 29 April. The cause of the prisoner unrest, which in some establishments broke out into full scale disturbances, was the uncertainty and anxiety among inmates about the real or anticipated effects of the industrial action upon their lives.

In drawing conclusions from these events, the chief inspector first canvasses the possibility of a no-strike agreement in the prison service. I shall want to think carefully about this before entering into any consultation with the trade unions concerned.

On the wider issues, as the chief inspector sees, the new working and management arrangements, known as Fresh Start, are at the heart of solving some of the key problems for the prison service which he identifies in his report. In particular, fresh start will provide a more unified management and a better means of determining manning levels, of securing an agreed and standard level of regime, and of servicing the courts without damaging the internal operations of establishments. These are all points upon which the chief inspector makes recommendations.

His proposals on contingency planning against inmate disturbances are also positive and helpful. Steps were

taken immediately after the outbreak to review contingency plans at local, regional and national levels. Fresh guidance has been issued on handling major disturbances. There have been extensive discussions with the Association of Chief Police Officers, which has issued revised guidelines to the police service on the role of the police in the event of industrial action in the prison system. Contingency plans will be reviewed again in the light of the chief inspector's analysis and further action taken as necessary.

More generally, I have asked the director general of the prison service to develop a full action plan for responding to the many recommendations in the report, and he will be reporting to me personally.

The prison disturbances of April last year did great damage not only to the prison estate but also to the public's confidence in the prison service. They were a traumatic and shocking experience for the prison service itself, staff and management alike. The chief inspector's cool and analytical report will serve to set the record straight. But its greater value will be to reinforce the lessons for the future which emerged from those violent hours. I am determined that it shall.

SOCIAL SERVICES

Health Authorities (Private Treatment)

Mr. Pike asked the Secretary of State for Social Services which health authorities have contracted out to the private health sector medical treatment of patients in the last 12 months; what payment has been involved; and if he will make a statement.

Mrs. Currie: We encourage health authorities to consider entering into contractual arrangements with the private sector whenever it would be a cost-effective way of providing services. Expenditure for 1985-86 (latest available) on contractual arrangements for patient care by health authorities in England is given in the following table:

Expenditure on Contractual Arrangements for Patient Care

District Health Authorities	*1985-86* £
Northern Region	
Hartlepool	—
North Tees	—
South Tees	6,932
East Cumbria	279,450
South Cumbria	43,800
West Cumbria	—
Darlington	635,013
Durham	4,238
North West Durham	—
South West Durham	—
Northumberland	428,277
Gateshead	—
Newcastle upon Tyne	95,069
North Tyneside	—
South Tyneside	—
Sunderland	—
Total	1,492,779
Yorkshire Region	
Hull	4,593
East Yorkshire	—
Grimsby	—
Scunthorpe	151,794
Northallerton	1,359,892
York	—
Scarborough	—
Harrogate	—
Bradford	29,600
Airedale	36,112
Calderdale	56,556
Huddersfield	55,093
Dewsbury	22,711
Leeds Western	85,223
Leeds Eastern	32,846
Wakefield	—
Pontefract	—
Total	1,834,420
Trent Region	
North Derbyshire	—
South Derbyshire	—
Leicestershire	76,363
North Lincolnshire	—
South Lincolnshire	—
Bassetlaw	—
Central Nottinghamshire	52,954
Nottingham	1,500
Barnsley	64,582
Doncaster	12,350
Rotherham	47,083
Sheffield	631,671
Total	886,503
East Anglian Region	
Cambridge	1,730,046
Peterborough	24,076
West Suffolk	169,522
East Suffolk	118,757
Norwich	113,583
Great Yarmouth	—
West Norfolk and Wisbech	—
Huntingdon	25,697
Total	2,181,681
North West Thames Region	
North Bedfordshire	16,800
South Bedfordshire	40,540
North Hertfordshire	108,120
East Hertfordshire	722,376
North West Hertfordshire	24,563
South West Hertfordshire	109,338
Barnet	37,655
Harrow	2,345
Hillingdon	1,714,610
Hounslow and Spelthorne	151,744
Ealing	10,392
Brent	—
Paddington	191,725
Riverside	272,386
TOTAL	3,402,594
North East Thames Region	
Basildon and Thurrock	7,544
Mid Essex	309,666
North East Essex	587,565
West Essex	—
Southend	52,598
Barking, Havering and Brentwood	672,720
Hampstead	95,292
Bloomsbury	559,481
Islington	111,762
City and Hackney	1,529,655
Newham	128,217
Tower Hamlets	144,436
Enfield	786,603
Haringey	376,801

District Health Authorities	1985-86 £
Redbridge	133,525
Waltham Forest	134,595
TOTAL	5,630,460
South East Thames Region	
Brighton	314,161
Eastbourne	338,515
Hastings	50,302
South East Kent	55,122
Canterbury and Thanet	101,272
Dartford and Gravesham	—
Maidstone	11,799
Medway	49,025
Tunbridge Wells	168,563
Bexley	67,308
Greenwich	148,768
Bromley	499,315
West Lambeth	51,856
Camberwell	64,430
Lewisham and North Southwark	387,996
TOTAL	2,308,432
South West Thames Region	
North West Surrey	215,186
West Surrey and North East Hampshire	382,110
South West Surrey	1,012,182
Mid Surrey	190,972
East Surrey	137,968
Chichester	1,024,215
Mid Downs	490,275
Worthing	558,464
Croydon	127,360
Kingston and Esher	146,044
Richmond, Twickenham and Roehampton	704,751
Wandsworth	602,386
Merton and Sutton	371,957
Total	5,963,870
Wessex Region	
East Dorset	570,529
West Dorset	—
Portsmouth and South East Hampshire	492,296
Southampton and South West Hampshire	79,981
Winchester	143,413
Basingstoke and North Hampshire	153,468
Salisbury	37,456
Swindon	3,237
Bath	394,674
Isle of Wight	—
Total	1,875,054
Oxford Region	
East Berkshire	154,474
West Berkshire	—
Aylesbury	65,385
Wycombe	46,364
Milton Keynes	29,368
Kettering	16,213
Northampton	526,944
Oxford	249,807
Total	1,088,555
South Western Region	
Bristol and Weston	82,578
Frenchay	67,801
Southmead	30,669
Cornwall	2,201,663
Exeter	—
North Devon	2,034
Plymouth	200,363
Torbay	220,426
Cheltenham	41,884
Gloucester	109,700
Somerset	4,200
Total	2,961,318
West Midlands Region	
Bromsgrove and Redditch	—
Hereford	—
Kidderminster	22,878
Worcester	62,442
Shropshire	110,789
Mid Staffordshire	81,713
North Staffordshire	230,899
South East Staffordshire	114,827
Rugby	51,939
North Warwickshire	800,564
South Warwickshire	555,231
Central Birmingham	2,517
East Birmingham	25,000
North Birmingham	15,579
South Birmingham	—
West Birmingham	—
Coventry	119,878
Dudley	116,494
Sandwell	68,221
Solihull	—
Walsall	64,602
Wolverhampton	177,975
Total	2,621,548
Mersey Region	
Chester	—
Crewe	—
Halton	—
Macclesfield	120
Warrington	—
Liverpool	1,735,153
St. Helens and Knowsley	—
Southport and Formby	520,274
South Sefton	31,938
Wirral	—
Total	2,287,485
North Western Region	
Lancaster	312,849
Blackpool, Wyre and Fylde	588,584
Preston	1,042,094
Blackburn, Hyndburn and Ribble Valley	—
Burnley, Pendle and Rossendale	—
West Lancashire	—
Chorley and South Ribble	815,491
Bolton	—
Bury	—
North Manchester	834,359
Central Manchester	—
South Manchester	722,529
Oldham	—
Rochdale	—
Salford	513,850
Stockport	—
Tameside and Glossop	97,100
Trafford	—
Wigan	79,000
Total	5,005,856

Supplementary Benefit

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish figures showing for single non-householders in each London borough net spending power on supplementary benefit as a percentage

of net spending power earning £50, £75 and £100 a week, in 1987-88 and after introduction of the proposed community charge.

Mr. Scott: The table shows net spending power on supplementary benefit as a percentage of net spending power at a range of gross earnings, assuming no contribution is made toward domestic costs and that all entitlements are received.

Replacement rates (per cent.) for single non-householders April 1987

Weekly gross earnings £	*Aged under 25 years*	*Aged over 25 years*
50	52	61
75	39	46
100	32	37

The position after the introduction of the proposed community charge will depend on the levels of the charge in each borough and the rates of benefit which will then be provided. These are still to be decided.

Family Practitioners Committees

Ms. Richardson asked the Secretary of State for Social Services what is the number of *(a)* women members, *(b)* men members, *(c)* women chairpersons and *(d)* men chairpersons on each family practitioner committee.

Mrs. Currie: Of the 90 family practitioner committees in England, 26 chairmanships are held by women. The information requested on membership is in the following table, which includes chairmen. Vacancies exist on some committees.

Family practitioner committees membership

	Members		*Chairmen*
	(a) Women	*(b) Men*	
Avon	7	21	W
Barking and Havering	6	24	W
Barnet	10	20	M
Barnsley	9	21	M
Bedfordshire	6	24	W
Berkshire	8	22	M
Birmingham	10	19	M
Bolton	9	18	W
Bradford	5	26	M
Brent and Harrow	10	20	W
Bromley	8	23	M
Buckinghamshire	10	21	W
Bury	5	23	M
Calderdale	4	24	Vacancy
Cambridgeshire	10	20	M
Camden and Islington	11	18	M
Cheshire	6	23	M
City and East London	8	22	M
Cleveland	9	21	M
Cornwall and Isle of Scilly	10	20	M
Coventry	8	23	W
Croydon	13	17	M
Cumbria	9	22	W
Derbyshire	7	24	M
Devon	9	22	W
Doncaster	10	20	M
Dorset	9	21	M
Dudley	7	20	M
Durham	7	23	M
Ealing, Hammersmith and Hounslow	10	19	W
East Sussex	8	23	W
Enfield and Haringey	13	18	M
Essex	9	24	M
Gateshead	8	21	M
Gloucestershire	11	19	M
Greenwich and Bexley	8	21	M
Hampshire	8	25	M
Hereford and Worcester	5	23	W
Hertfordshire	8	22	W
Hillingdon	8	21	M
Humberside	8	23	Vacancy
Isle of Wight	10	20	M
Kensington, Chelsea and Westminster	12	17	M
Kent	11	20	W
Kingston and Richmond	12	16	M
Kirklees	6	25	M
Lambeth, Southwark and Lewisham	11	17	M
Lancashire	8	27	M
Leeds	6	20	W
Leicestershire	6	24	M
Lincolnshire	7	24	M
Liverpool	7	20	M
Manchester	7	24	M
Merton, Sutton and Wandsworth	13	18	W
Newcastle	6	20	M
Norfolk	10	20	M
Northamptonshire	9	22	M
North Tyneside	6	19	M
Northumberland	8	22	M
North Yorkshire	5	26	M
Nottinghamshire	8	22	M
Oldham	11	20	M
Oxfordshire	9	22	W
Redbridge and Waltham Forest	9	21	M
Rochdale	11	17	M
Rotherham	7	24	M
St. Helens and Knowsley	7	20	M
Salford	7	17	M
Sandwell	5	25	M
Sefton	6	23	M
Sheffield	7	19	M
Shropshire	8	20	M
Solihull	9	18	W
Somerset	11	18	W
South Tyneside	7	20	M
Staffordshire	6	24	M
Stockport	8	21	M
Suffolk	6	22	W
Sunderland	7	22	M
Surrey	9	25	W
Tameside	5	22	W
Trafford	6	25	M
Wakefield	8	20	M
Walsall	8	19	M
Warwickshire	10	19	W
West Sussex	11	20	W
Wigan	7	22	W
Wiltshire	8	19	W
Wirral	8	20	M
Wolverhampton	9	19	M
	742	1907	

Mentally Ill People

Mr. Irving asked the Secretary of State for Social Services whether he is satisfied that local authority community-based services for the mentally ill are expanding sufficiently rapidly to offset the rundown in National Health Service accommodation.

Mrs. Currie: The development of comprehensive, local services for mentally ill people requires the co-operation of health authorities, the voluntary sector and the private sector as well as local authorities. The rate at which services in the community are increasing is generally satisfactory, although we recognise that there are parts of the country where progress is disappointingly slow.

We are not aware of any examples of mental illness hospitals being closed and former patients failing to receive appropriate care in an alternative setting.

Juvenile Offenders

Mr. Irving asked the Secretary of State for Social Services what is the estimated average cost to his Department and local authorities of a place for a juvenile offender on an intensive intermediate treatment scheme within the Department's recent intermediate treatment initiative.

Mrs. Currie: Grants under the IT initiative were awarded on the basis that the estimated cost of providing a programme of intensive IT was £2,000 per case. This figure was fixed at the beginning of the grant period (normally two years) so that the voluntary body providing the scheme had a clear indication of the money available from central Government during the whole of the grant period.

The Department has no up-to-date information from which we could derive a current average cost of providing schemes of intensive IT. We have commissioned Dr. Martin Knapp (University of Kent) to undertake a research study to evaluate the cost effectiveness of various forms of IT compared with other court disposals, but the results of his work are not yet available.

Balderton Hospital (Eastdale Unit)

Mr. Irving asked the Secretary of State for Social Services if he will indicate *(a)* the cost of running the Eastdale unit at Balderton hospital for the last five years and *(b)* how the cost was distributed between his Department and the relevant health authority.

Mrs. Currie: Central Nottinghamshire district health authority estimates that between 1981-82 and 1985-86 (the most recent five-year period for which figures are available) the cost of running the Eastdale unit was £1,351,000. Of that sum, £496,000 (37 per cent.) was contributed directly by the Department by means of a special allocation to the Trent regional health authority.

Special Hospitals

Mr. Irving asked the Secretary of State for Social Services how many people at present detained in special hospitals are awaiting transfer to other hospitals or into the community.

Mrs. Currie: On 8 July, 117 patients had been identified by their responsible medical officers as being suitable for a move from a special hospital, either on permanent transfer or for a period of trial leave.

Community Care

Mr. Irving asked the Secretary of State for Social Services if he will make a statement on the Audit Commission's 1986 report "Making a reality of Community Care", with regard to provision for the mentally ill.

Mrs. Currie: The Government do not think that the substantial progress already made in carrying forward the policy of community care is properly reflected in the Audit Commission report; in particular, in the mental illness field, its account of existing community facilities is misleading. The report of Sir Roy Griffith's overview of community care policy due by the end of this year, however, has it available as written evidence, and we await this report with interest.

The challenge of providing a good comprehensive community-orientated modern service for mentally ill people has been patchily met by health and local authorities; and successive Governments have recognised that it will take a good deal of effort over a long period to produce the kind of service we want. But a great deal has been achieved; the Health Advisory Service, and Good Practices in Mental Health with sponsorship from the Department have helped to catalogue and spread good practice. Since 1979 gross expenditure on hospital and community health services for mentally ill people had grown by 18 per cent. in real terms by 1985 and gross expenditure on personal social services for this group by 47 per cent. (also in real terms) in the same period. A lot remains to be done; and funding for and pressure on authorities are designed to secure appropriate priority for services for mentally ill people.

Nursing Recruitment

Mr. Kirkwood asked the Secretary of State for Social Services when he expects to respond to the results of the review into nursing recruitment.

Mr. Newton: As soon as possible.

Nurses (Pay)

Mr. Kirkwood asked the Secretary of State for Social Services what is his estimate of the net cost to public funds, taking into account additional tax revenue and welfare benefit entitlement, of increasing the gross pay of all nursing grades by *(a)* 5 per cent., *(b)* 10 per cent. and *(c)* 15 per cent.

Mr. Newton: The estimated cost of increasing gross pay for all nursing and midwifery staff in the hospital and community health services in England by 5, 10 and 15 per cent. is:

Percentage increase	*£ million*
5	206
10	412
15	617

Notes:

1. Increases based on estimated paybill for 1987-88 including average 9·5 per cent. pay increase from 1 April 1987.
2. All figures inclusive of employers' national insurance and superannuation costs and agency staff.
3. Assumes employers' costs rise roughly in line with pay.

There is insufficient information on which to base an estimate of the net effect on tax revenue and benefit expenditure.

Agency Nurses

Mr. Kirkwood asked the Secretary of State for Social Services what is his latest estimate of the cost of agency nurses to the National Health Service.

Mr. Newton: The annual accounts of health authorities in England for 1985-86 record total expenditure on the employment of non-National Health Service (agency etc.) nursing staff as £51,297,230.

We collect no estimates of this expenditure but figures from the accounts for 1986-87 will be available in the autumn.

HIV Infection

Mr. Irving asked the Secretary of State for Social Services what evidence there is of HIV infection in the heterosexual population.

Mr. Newton: Twenty-six cases of clinical AIDS reported in the United Kingdom up to the end of June 1987 probably acquired the infection heterosexually. There have been 205 laboratory reports of HIV antibody positive tests in England, Wales and Northern Ireland to the end of June in persons who are thought to have acquired the infection heterosexually.

Mr. Irving asked the Secretary of State for Social Services what assessment he has made of the evidence that condoms provide adequate protection against HIV.

Mr. Newton: I am advised that the evidence for the protective effect of condoms against HIV consists, first, of results of laboratory tests which demonstrate that commercially available latex condoms are impermeable to HIV. Secondly, there are epidemiological data showing reduced rates of infection among individuals at risk of HIV who generally or habitually use condoms when compared with those who do not use condoms.

AIDS

Mr. Irving asked the Secretary of State for Social Services if he will consider, as part of his campaign against AIDS, promoting the idea of avoiding risk activities rather than just relying on condoms.

Mr. Newton: Our campaign to date has actively promoted avoidance of activities that carry a risk of HIV transmission and will continue to do so. For those who are unwilling or unable to restrict sexual contacts to a single faithful partner, condoms provide some protection. We will continue to promote this message in our compaign of AIDS public education.

Data Processing and Information Technology

Mr. Michael Marshall asked the Secretary of State for Social Services what improvements in his Department's data processing and information technology facilities are anticipated during the next six months.

Mr. Portillo: Development work will continue on the operational strategy for social security, a range of major computerisation projects which will improve service to the public, allow greater efficiency in the payment of benefits and provide better jobs for staff. Among the milestones which it is planned to reach in the next six months are provision of an on-line inquiry service for retirement pensions, completion of the installation of the terminal replacement inquiry system (TRES) in unemployment benefit offices and the development of microcomputer-based systems to support the processing of claims for income support and family credit.

NHS (Agency Staff)

Mr. Allen asked the Secretary of State for Social Services if he will list the cost to the National Health Service in the Nottingham health authority for staff who have been employed through agencies of *(a)* nurses, *(b)* operating department assistants, *(c)* ancillary and *(d)* other staff.

Mr. Newton: The 1985-86 annual accounts of the Nottingham health authority show the following expenditure for non-National Health Service (agency, etc.) staff:

	£
Professions allied to Medicine	3,507
Professional and technical	1,396
Administrative and Clerical—typing and secretarial	116,561
Administrative and Clerical—other	74,739
Ancillary	17,669
Ambulance	7,448
Total	221,320

Hospital Closures (Nottingham)

Mr. Allen asked the Secretary of State for Social Services what representations he has received concerning the possible closure of hospitals in the Nottingham health authority area.

Mrs. Currie: None.

Competitive Tendering

Mr. Allen asked the Secretary of State for Social Services how much has been saved in cleaning, laundry and catering by competitive tendering in the Nottingham health authority since the programme began.

Mr. Newton: The information available centrally relates to total annual savings generated by competitive tendering exercises for catering, domestic (cleaning) and laundry services. As at 31 March 1987, Nottingham health authority had reported total annual savings generated of £1·4 million.

Mr. Allen asked the Secretary of State for Social Services if he is satisfied with the progress of his competitive tendering policy.

Mr. Newton: In general, yes. I refer the hon. Member to my reply to my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) on 14 July which sets out the good progress made by health authorities in England in putting their domestic (cleaning) catering and laundry services out to tender. As at 31 March 1987, this has resulted in annual savings generated of £93·3 million.

City Hospital, Nottingham

Mr. Allen asked the Secretary of State for Social Services what steps will be taken to maintain services if the proposed privatisation of the Nottingham city hospital campus is implemented; and if he will make a statement.

Mr. Newton: I assume the hon. Member is referring to the process whereby health authorities put their cleaning, catering and laundry services to competitive tender. I understand that this exercise has been completed for both catering and cleaning services (with the contracts awarded in-house) and that tenders will be invited in the autumn for the laundry service. These processes are fully compatible with the maintenance of services needed to run the hospital.

Geriatric and Psychogeriatric Beds

Mr. McWilliam asked the Secretary of State for Social Services what was the total provision of geriatric and psychogeriatric beds in the Gateshead health authority area in each of the last five years; and what was the provision in all other health authorities per 10,000 population.

Mrs. Currie: The available information is given in the table.

Average daily number of available beds for geriatric and psychogeriatric specialties

	1982	*1983*	*1984*	*1985*	*[1]1986*
Gateshead District Health Authority	234·4	228·6	229·4	238·1	234·4
England	61,858·9	62,818·5	63,774·3	65,911·8	64,986·5
Average daily number of available beds in England per 10,000 population	13·2	13·4	13·6	14·0	13·8

[1] Provisional figures.

Statistics

Mr. Frank Field asked the Secretary of State for Social Services if he will place in the Library the information contained in the fuller reply he promised to the hon. Member for Dagenham (Mr. Gould) on changes in the collection and publication of information by his Department since 1979 in his answer of 3 December 1986, *Official Report*, column *698*.

Mrs. Currie: The fuller reply to the hon. Member for Dagenham (Mr. Gould) was published in the *Official Report* of 12 January 1987 at columns *129-32*.

Social Fund

Mr. Janner asked the Secretary of State for Social Services if the amount of money available for the social fund will take account of the time taken for pre-1988 single payments to pass through the administrative process.

Mr. Scott: Awards of single payments made under the former legislation but payable after the introduction of the social fund will not be payments from the fund. They will not affect social fund budgets.

Hospitals (Norwich)

Mrs. Gillian Shepherd asked the Secretary of State for Social Services what assessment he has made of the effect of the outcome of the public inquiry into the Norwich southern bypass on the reappraisal of the siting of the second Norwich district general hospital; and in particular the time scale of that reappraisal.

Mrs. Currie: The health authority's further work on this option appraisal, which should take about three months, should include examination of all the relevant factors, including an assessment of the outcome of the inquiry into the Norwich southern bypass.

Mr. Patrick Thompson asked the Secretary of State for Social Services if he will make a statement about future plans for the St. Andrews, Hellesdon and the David Rice hospitals in Norwich.

Mrs. Currie: The East Anglian regional health authority's current proposals for health service provision for the district include plans for a new district general hospital in Norwich, the first phase of which is to be an acute mental illness unit. If Hellesdon is eventually chosen as the site for the new hospital, the existing mental illness hospital there would close after the construction of the first phase of the new hospital. Both the David Rice and St. Andrews hospitals would be retained in the short term until the reprovision of the mental illness services in the district is completed.

Mrs. Gillian Shepherd asked the Secretary of State for Social Services how long the reappraisal of sites for the second Norwich district general hospital will take.

Mr. Patrick Thompson asked the Secretary of State for Social Services what time is being allowed for the latest appraisal of sites for the new district general hospital in Norwich.

Mrs. Currie: We expect the health authority to be able to complete the further work on the option appraisal in about three months.

NHS (Pay)

Mr. Bermingham asked the Secretary of State for Social Services if he will list for each regional and district health authority the difference between money allocated for nurses' pay in 1987-88 and what steps he is taking to make up the shortfall.

Mr. Newton: The cost of the review body awards for doctors, dentists, nurses, midwives and the professions allied to medicine in England will be £488 million in 1987-88. The Government have provided an additional £264 million towards that cost. Of the remainder, £200 million was covered in authorities' initial allocations for 1987-88 and £24 million will be met from their cost improvement programmes. The increased funding has not been apportioned between individual staff groups.

The additional £264 million has been allocated as follows:

	£ million
Regional Health Authorities:	
Northern	16·8
Yorkshire	18·8
Trent	23·2
East Anglian	9·9

	£ million
North West Thames	18·8
North East Thames	23·8
South East Thames	20·9
South West Thames	17·0
Wessex	13·9
Oxford	10·9
South Western	16·5
West Midlands	26·7
Mersey	13·5
North Western	23·0
Regional Health Authorities total	253·7
Special Health Authorities and others	10·3
	264·0

Allocations to district health authorities are a matter for regions.

Mr. Bermingham asked the Secretary of State for Social Services what steps he intends to take to assist health authorities to meet the cost of the ancillary workers' pay award.

Mr. Newton: Negotiations are continuing in the ancillary staffs Whitley council. Health authorities will be expected to meet the cost of any award from the allocations made to them by the Government, which of course include an allowance for inflation, and from their cost improvement programmes.

Hospitals (Shared Bedrooms)

Ms. Gordon asked the Secretary of State for Social Services how many patients on *(a)* general, *(b)* geriatric, *(c)* psychiatric and *(d)* mental handicap wards share bedrooms; if he will draw the attention of district health authorities to the disapproval of this practice expressed by his Department in 1980; and if he will make a statement.

Mrs. Currie: Information on numbers of patients in wards accommodating both sexes is not collected centrally. The guidance given to health authority chairmen in 1980 still stands.

Mrs. G. L. Rowbottom

Mr. Heddle asked the Secretary of State for Social Services if he will investigate the reason why Mrs. G. L. Rowbottom of April Cottage, 26 Old road, Stone, Staffordshire, allowance number YP533478D has not received the renewal of her family income supplement allowance book following her application in April in advance of the expiry date of 26 May last.

Mr. Portillo: Yes. I am writing today to my hon. Friend setting out the position.

Mrs. Gladys Upton

Mrs. Dunwoody asked the Secretary of State for Social Services when he intends to reply to the hon. Member for Crewe and Nantwich with a statement about the case of Mrs. Gladys Upton, owed benefit by his Department after loss of her insurance stamps.

Mr. Portillo: I hope to be able to reply shortly to the hon. Member's letter which was received on 2 July 1987.

Tobacco (Under-age Purchase)

Mr. Speller asked the Secretary of State for Social Services if he has any plans to seek to increase the penalties available under law for those persons over 16 years of age who purchase cigarettes or tobacco specifically for children under 16 years of age; and if he will make a statement.

Mrs. Currie: It is not a criminal offence for persons aged over 16 to purchase tobacco products. Their sale to children under 16 is illegal under the Protection of Children (Tobacco) Act 1986, and the fine on conviction is up to level 3 on the standard scale (£400). The rate of level 3 can be increased by order to reflect inflation.

Income Levels

Mr. Tom Clarke asked the Secretary of State for Social Services (1) if he will publish a table in the *Official Report* showing the number of retirement pensioners and the percentage they constitute of the retirement pensioners' population who live on between 100 per cent. and 140 per cent. of the supplementary benefit level for each year since 1979 in Scotland;

(2) for each year since 1979, what percentage of Scottish retirement pensioners lived below the supplementary benefit level;

(3) for each year since 1979, what percentage of Scottish retirement pensioners lived on or below supplementary benefit levels;

(4) if he will publish as a table in the *Official Report* the number of Scottish sick and disabled people living on between 100 per cent. and 140 per cent. of the supplementary benefit level and the percentage they constitute of the sick and disabled for each year since 1979;

(5) for each year since 1979, what number of Scottish retirement pensioners lived on or below supplementary benefit levels;

(6) what number of Scottish retirement pensioners lived below supplementary benefit levels for each year since 1979;

(7) for each year since 1979, what number and percentage of sick and disabled people in Scotland lived: *(a)* on or below supplementary benefit levels and *(b)* below supplementary benefit levels.

Mr. Portillo: I have asked officials to consider both whether it is possible to produce statistically valid figures and whether each reply can be prepared without incurring disproportionate cost. I shall let the hon. Member have replies as soon as possible.

Pharmacists

Mr. Teddy Taylor asked the Secretary of State for Social Services what arrangements are being made for payments to pharmacists who withdraw from their National Health Service contracts; and if he will make a statement.

Mr. Newton: Provision for compensation payments to certain pharmacists in Great Britain who withdraw from their NHS contracts was included in the overall provision for the family practitioner services for 1987-88. However the votes do not include subheads under which payments can be made and Parliamentary approval to new subheads in Class XIV Vote 2, Class XVI Vote 17 and Class XVII Vote 7 will be sought in Supplementary Supply Estimates.

Pending that approval, urgent expenditure estimated at £3 million will be met by repayable advances from the Contingencies Fund.

Hospitals (Liverpool)

Mr. Parry asked the Secretary of State for Social Services (1) how many beds will be provided at the Royal Liverpool Infirmary following the relocation of services from St. Paul's eye hospital and The Seamen's dispensary;

(2) how many hospital beds there are at present in St. Paul's eye hospital and The Seamen's dispensary, Liverpool.

Mrs. Currie [*pursuant to her reply*, 10 July 1987, c. *311*]: I am sorry I cannot give the hon. Member the information he seeks in precisely the form requested. The latest information available centrally is given in the table. For current information the hon. Member may wish to write to the chairman of the Liverpool health authority.

Average daily number of available beds and occupied beds during 1986

(provisional figures)

Hospital Clinic	*Available beds*	*Occupied beds*[1]
St. Paul's Eye	51·7	33·1
Seamen's Dispensary	[2]nil	[2]nil
Liverpool Maternity	154·5	101·8
Mill Road Maternity	134·0	82·4
Liverpool Women's	59·0	43·4

[1] Bed occupancy figures are based on a midnight count and do not therefore reflect the use of beds by patients who do not stay overnight.
[2] Out-patient facilities only.

Unemployment Benefit

Mr. Dobson asked the Secretary of State for Social Services how many unemployed people have been disqualified from unemployment benefit on grounds of voluntary unemployment at each unemployment benefit office in Greater London since the new rules came into operation in October 1986; in how many cases the disqualification was for the maximum period; and what were the comparable figures for a similar period in 1983.

Mr. Portillo [*pursuant to his reply*, 13 July 1987]: I regret that the information is not available in the precise form requested. However the following table shows the number of disqualifications from unemployment benefit imposed under section 20(1) of the Social Security Act 1975 at each adjudication office in the Department of Employment which deals, wholly or partly, with cases from the Greater London area. Later figures are not yet available. Information is not collected on the length of disqualifications and it could be obtained only at disproportionate cost.

Adjudication office	*1 October 1983 to 31 March 1984*[2]	*1 October 1986 to 31 March 1987*[2]
Barking	2,933	2,672
Borough	2,372	2,144
Croydon	2,225	4,088
Ealing	3,734	1,926
Finchley	2,575	2,550
Hammersmith Hounslow	4,414	3,005
Hornsey (Kings Cross)[1]		1,802
Leyton	1,603	1,913
Stepney	1,698	1,508
Westminster[1]		1,488
Wimbledon	2,557	2,730
Woolwich	2,370	2,510
Total	26,481	28,336

[1] Opened after March 1984
[2] Figures collected on a quarterly basis

FOREIGN AND COMMONWEALTH AFFAIRS

Small Businesses

Mr. David Shaw asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Eggar: Orders are placed with small businesses which are able to satisfy the Foreign and Commonwealth Office's value-for-money requirements. The value of such procurement since 1984 was:

	£ million
1984-85	1·766
1985-86	4·180
1986-87	6·695

One third of Foreign and Commonwealth Office procurement is from the central agencies. No data are available on how much of this business is with small firms.

Commercial departments of Diplomatic Service posts give a wide range of help to British exporters, including small firms.

For example, in 1984, 1985 an 1986 they assisted 74,598, 77,325 and 76,942 British business visitors and handled 58,491, 60,485 and 65,473 market information inquiries, respectively. Posts do not keep separate statistics showing the help given to small firms but these represent a significant proportion of the overall work load.

Visas

Mr. Jacques Arnold asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with the handling of visitor's visas at the high commission in New Delhi; what proportion of visa applications is granted; and what delay is involved between applications for and the granting of visas.

Mr. Eggar: The visit-visa operation continues to operate smoothly at posts in the sub-continent, including New Delhi where around 300 applications per day are currently being handled. Nearly 90 per cent. of applications are granted. The vast majority of visas are issued within 24 hours.

Plutonium

Mr. Frank Cook asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to ensure that plutonium exported to France is covered by peaceful end use safeguards restrictions; and what current plans there are to export plutonium to France and in what quantities.

Mr. Michael Spicer: I have been asked to reply.

Exports of plutonium to France, like those to other member states of the European Community, are covered by the standard format set out in the reply given by my hon. Friend the Member for Enfield, North (Mr. Eggar) on 18 December 1986 at columns *611-12*.

Information on exports to individual countries was and remains confidential for both commercial and security reasons.

Nuclear Weapons

Mr. Frank Cook asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will examine during his next meeting with the Foreign Minister of the Federal Republic of Germany the implications for current European nuclear disarmament negotiations of the forward basing of French intermediate range nuclear weapons on the territory of the Federal Republic of Germany;

(2) what discussions he has had with his counterpart in the Federal Republic of Germany on the implications for the nuclear non-proliferation treaty of French plans to make available to the Federal Republic of Germany dual key control on forward-based French intermediate range nuclear weapons deployed on West German territory.

Mr. Mellor: We know of no French plans to deploy French intermediate-range nuclear weapons on the territory of the Federal Republic of Germany. The French Prime Minister said in a newspaper interview at the end of June that there is no question of deploying French nuclear weapons outside French territory.

Mr. Frank Cook asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will raise the implications for nuclear arms control in Europe of the planned deployment of neutron weapons by France when he next attends *(a)* the Western European Union and *(b)* the North Atlantic Treaty Organisation Foreign Ministers Group;

(2) if he will direct the United Kingdom ambassador to the United Nations committee on disarmament to initiate discussions on the prospects of nuclear arms control in the light of French plans to deploy neutron weapons in Europe.

Mr. Mellor: We know of no French plans to deploy neutron weapons in Europe.

Agreements and Treaties

Mr. Thomas asked the Secretary of State for Foreign and Commonwealth Affairs if he will list those international agreements and treaties to which Her Majesty's Government are a signatory.

Mr. Eggar: The texts of all treaties to which we are signatory or a party are laid before Parliament and are published as Command Papers. Those which are in force for the United Kingdom are published in the treaty series of Command Papers which has an annual index.

The most comprehensive list of treaties entered into by the United Kingdom is "Parry's Index of British Treaties 1101-1968", a copy of which is in the Library of the House.

El Salvador

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the Government's policy towards the recent [illegible]point peace plan for El Salvador.

Mr. Eggar: Our policy in El Salvador is to support President Duarte's efforts to consolidate democratic institutions and the rule of law, and to end insurgency and terrorism. We welcome his efforts to promote regional reconciliation and were disappointed that the FMLN failed to attend the most recent meeting last September called by President Duarte for that purpose.

Soviet Foreign Minister (Statement)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if, pursuant to his answer of 13 July, he will publish in the *Official Report* an account of the statement mady by the Soviet Foreign Minister to Her Majesty's ambassador in Moscow; and what response has now been made by Her Majesty's Government.

Mr. Eggar: I refer the hon. Member to the reply that I gave to him on 13 July.

EC Foreign Ministers (Copenhagen Meeting)

Mr. Rhodes James asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the meeting of European Community Foreign Minsters in Copenhagen on 13 July.

Sir Geoffrey Howe: I attended a meeting with other Foreign Ministers of the Twelve on 13 July in the framework of European political co-operation. We adopted statements on East-West relations, the middle east and Afghanistan. Copies have been placed in the Library of the House.

The discussion of East-West relations covered recent developments in the Soviet Union, the prospects for current arms control negotiations, and the CSCE follow-up meeting in Vienna.

We reaffirmed our support for an international conference on the middle east, recalled our commitment to respect for human rights in the occupied territories, and agreed that the Twelve should continue to contribute to economic and social development in the territories.

We agreed that the Twelve should pursue their contacts with all the interested parties in the middle east.

We noted the action taken by Syria against the Abu Nidal organisation, following the firm stand taken last year by the Twelve and other members of the international community in response to Syrian involvement in terrorism. We agreed that the Twelve would lift their ban on high-level contacts with Syria, but leave their other measures against Syria in place.

We also discussed South Africa, and asked officials to study the implementation of the measures agreed by the Twelve last September.

NORTHERN IRELAND

Life-sentence Prisoners

Ms. Short asked the Secretary of State for Northern Ireland how many prisoners, who have received sentences

of life imprisonment in the non-jury Diplock courts where the trial judge has made a minimum term recommendation, have been released on licence or otherwise, before the expiry of the recommendation, in the last 15 years.

Mr. Stanley: One - on medical grounds.

Draft Matrimonial and Family Proceedings (Northern Ireland) Order

Mr. Archer asked the Secretary of State for Northern Ireland which organisations and individuals made representations or submissions concerning the draft Matrimonial and Family Proceedings (NI) Order; and of these which opposed and which supported provisions in the order relating to financial relief.

Mr. Stanley: I shall reply to the right hon. and learned Member shortly.

Flooding (Castlereagh)

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has received any representations about flooding in the vicinity of 79 to 106 Newtownbredas road in the borough to Castlereagh on 10 July; if there has been any previous concern expressed about the inadequacy of the storm drainage in the roadway at this location; and if he has any proposals to improve the existing drainage system.

Mr. Needham: I shall reply to the right hon. Gentleman as soon as possible.

Written Answers to Questions

Friday 17 July 1987

WALES

Farm Rents

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what was the average rise in farm rents per hectare, for farms which experienced, a rent change, for Welsh tenants during the last full year for which figures are available.

Mr. Peter Walker: The latest information available is for the period mid-October 1985 to mid-October 1986 and shows that for the 30 per cent. of farms which had a rent change, the average rent per hectare rose from £40·12 to £48·43, an increase of 20·7 per cent.

Agricultural Land

Mr. Ieuan Wyn Jones asked the Secretary of State for Wales what proportion of the agricultural land which became vacant in 1986 in the tenanted sector was subsequently lost to that sector.

Mr. Peter Walker: Figures are not available separately for Wales. However, based on the results of the annual rent inquiry published by the Ministry of Agriculture, Fisheries and Food, some 48·4 per cent. of the total area of agricultural land which fell vacant in 1986 in the tenanted sector of England and Wales was not subsequently relet.

Housing (Planning Appeals)

Mr. Thomas asked the Secretary of State for Wales what information he has on the occasions on which planning permission has been granted for residential housing developments on appeal to his Department since 1979.

Mr. Grist: Welsh Office records of planning permissions granted for residential housing development on appeal show the name of the developer, the site, and the district in which the site lies. They also give a brief description of the development but not the number of dwellings unless this has been specified in the planning application.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Wales what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Peter Walker: The total expenditure on press and public relations in 1986-87 was £969,057. This figure includes expenditure on salaries and accommodation for all the information grades and support staff, based on the ready reckoner figures for 1986-87.

Estimated expenditure for the current year is £598,500 —a budget figure only—as the ready reckoner tables for 1987-88 are not yet available.

Mr. Dobson asked the Secretary of State for Wales what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Peter Walker: The total spending in 1986-87 on television, radio, newspaper and promotional literature amounted to £406,965.

The estimated spend for the current year for newspaper, television and radio advertising, together with other promotional literature, is £598,500.

Pensioners

Mr. Thomas asked the Secretary of State for Wales how many people of pensionable age there are at present in Wales; what proportion of the population they represent; and what were the corresponding figures for 1957, 1967 and 1987.

Mr. Grist: The information requested is given in the following table. Data for 1987 are not yet available.

Number of Persons of Pensionable Age[1] in Wales

	In thousands	*As a percentage of total population*
1986	542.4	19.2
1977	504.7	18.0
1967	434.7	16.0
1957	373.0	14.3

Source: Office of Population Censuses and Surveys

[1] Pensionable age is taken as 65 years and over for males 60 years and over for females.

Mortgage Repossessions

Mr. Thomas asked the Secretary of State for Wales how many mortgage repossessions occurred in Wales in each year since 1979.

Mr. Grist: This information is not collected centrally.

Rent Arrears

Mr. Thomas asked the Secretary of State for Wales how many of the tenants of each local housing authority in Wales are behind with their rent payments; and in each case what proportion of the total number of tenants they represent.

Mr. Grist: The information is not collected centrally.

EMPLOYMENT

Labour Statistics

Mr. Tim Smith asked the Secretary of State for Employment what is the current level of unemployment.

Mr. Canavan asked the Secretary of State for Employment what is the total number of unemployed people in the United Kingdom.

Mr. Lee: The following information is in the Library. On 11 June 1987 the number of unemployed claimants in the United Kingdom was 2,905,325.

Industrial Accidents

Mr. John Evans asked the Secretary of State for Employment what have been the numbers of accidents in manufacturing industry and the building industry for each of the last five years.

Mr. Nicholls: The table gives the available information. Data collected under the new reporting regulations, which came into force in April 1986 are not yet available.

Reported Occupational Fatal and Major[1] Injuries in Manufacturing and Construction, Great Britain

	1981	*1982*	*1983*	*1984*	*1985*
Manufacturing					
employees	4,218	4,193	4,349	4,774	4,932
self employed	14	23	28	35	17
non-employed	26	44	68	60	49
Total	4,258	4,260	4,445	4,869	4,998
of which fatal	119	133	129	132	111
Construction					
employees	1,796	2,050	2,294	2,388	2,351
self employed	51	69	77	87	135
non-employed	48	46	77	82	92
Total	1,895	2,165	2,448	2,557	2,578
of which fatal	129	131	149	124	143

[1] As defined in the Notification of Accidents and Dangerous Occurrences Regulations and reported to relevant enforcing authorities.

Area Manpower Boards

Ms. Armstrong asked the Secretary of State for Employment if he will outline his plans for area manpower boards; and if he will make a statement.

Mr. Fowler: I have written to the chairman of the Manpower Services Commission asking for the commission's proposals for establishing a degree of employer representation on area manpower boards which reflects the increased employer representation which is to be introduced for the commission.

Benefits

Mr. Pike asked the Secretary of State for Employment what is the number of people in receipt of unemployment benefit in the constituencies of *(a)* Burnley, *(b)* Pendle, *(c)* Hyndburn and *(d)* Rossendale and Darwen.

Mr. Lee: The following information is in the Library.

Unemployed claimants of benefits—11 June 1987

	Number
Burnley constituency	4,943
Pendle constituency	3,722
Hyndburn constituency	3,235
Rossendale and Darwen constituency	3,735

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Employment (1) what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year;

(2) what was the total spending by the Manpower Services Commission on press and public relations in 1986-87; and what is the estimated expenditure for the current year;

(3) what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year;

(4) what was the total spending by the Manpower Services Commission on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year;

(5) what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Fowler: I shall reply to the hon. Member as soon as possible.

Departmental Cash Limits

Mr. Thurnham asked the Secretary of State for Employment if any changes will be made to the cash limits on his Department's Votes for 1987-88.

Mr. Fowler: The cash limit on class VII, Vote 2, relating to administrative expenditure by the Department of employment will be reduced by £1,769,000 from £63,860,000 to £62,091,000. This is to compensate for an overspend of £1,769,000 in 1986-87 and follows the standard practice whereby the cash limit for this financial year is reduced by the amount of the previous year's overspend.

The running costs control limit for 1987-88 will also be reduced by £2,337,000 from £402,435,000 to £400,098,000.

The Department is reviewing its monitoring procedures for payments in order to improve its cash-limit control.

Textiles and Clothing Industries

Mr. Tom Clarke asked the Secretary of State for Employment what information he has concerning the

number of people employed as full-time equivalents in the textiles and clothing industries for each quarter in the last eight years.

Mr. Lee [*pursuant to his reply*, Thursday 16 July 1987]: There is insufficient detail in the quarterly employment estimates to form the basis of a calculation of a full-time equivalent series. Estimates of total employees and, where available, part-time employees are shown in the table.

Employees in Employment in the Textile and Clothing Industries in Great Britain

Thousands

	[1] *Textiles*				[1] *Clothing*		
	[2] *Males All*	*Part-time*	*Females All*	*Part-time*	[2] *Males All*	*Females All*	*Part-time*
1979							
March	196·8	..	179·3	39·0	67·5	255·8	50·8
June	192·8	..	178·9	37·0	68·6	257·7	51·1
September	188·9	..	176·1	37·2	67·6	257·3	48·7
December	182·3	..	171·4	35·4	66·4	252·5	49·8
1980							
March	174·1	..	163·8	32·8	64·0	243·8	50·1
June	166·3	..	158·4	31·4	62·7	233·1	45·4
September	155·8	..	149·1	29·8	60·6	225·0	44·0
December	150·1	..	142·3	28·1	58·2	211·8	40·3
1981							
March	144·9	..	137·2	26·0	57·0	202·8	38·8
June	140·7	..	132·3	25·9	56·7	198·9	41·1
September	139·8	*3·5	132·3	25·5	[3]56·1	195·7	35·3
December	136·7	..	130·3	24·9	54·6	193·5	33·9
1982							
March	134·3	..	128·1	24·3	53·6	190·4	32·9
June	130·9	..	125·2	23·9	54·2	187·6	33·3
September	128·0	..	122·6	23·3	53·4	187·8	32·8
December	125·2	..	120·5	21·7	52·9	185·3	32·0
1983							
March	124·0	..	117·6	20·4	52·0	182·5	30·8
June	122·7	..	116·1	20·1	51·4	183·1	30·2
September	123·0	..	117·3	21·1	51·7	185·5	29·2
December	121·1	..	116·8	20·3	51·7	187·1	30·1
1984							
March	119·0	..	114·2	20·0	51·8	188·8	29·8
June	119·5	..	114·0	19·4	51·1	187·8	26·7
September	120·6	2·1	114·3	19·9	[3]51·4	188·0	27·7
December	120·4	2·1	114·5	19·0	51·4	189·6	27·7
1985							
March	118·7	2·0	112·8	19·1	51·3	189·4	27·7
June	118·9	2·1	113·9	19·6	52·2	190·7	28·0
September	120·7	2·3	115·9	19·2	53·5	194·2	27·7
December	121·4	2·2	115·5	18·7	53·2	192·7	25·1
1986							
March	120·5	2·3	114·6	18·9	53·6	191·7	26·2
June	119·9	2·4	114·3	19·1	53·6	189·5	24·1
September	117·2	2·2	112·0	17·8	53·3	186·6	22·9
December	118·1	2·2	113·9	18·0	53·8	184·7	22·1
1987							
March	115·1	2·0	107·8	15·5	52·5	183·0	24·0

[1] Textiles are defined as SIC Class 43 and clothing as SIC Class 45 excluding footwear.
[2] Estimates of the number of part-time male employees are available for all industries at census of employment dates with quarterly estimates from September 1984 for those industries where the sample is large enough to give reasonable estimates, including textiles but not clothing.
[3] Includes 3,600 part-time males at September 1981 and 2,200 at September 1984.

FOREIGN AND COMMONWEALTH AFFAIRS

Irish Ex-Service Men

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs if, following the enactment of the Irish Soldiers and Sailors Land Trust Act 1987, he will give particulars of any Irish ex-Service men of the first world war on the waiting list of the Northern Ireland Housing Executive; and if he will give particulars of any such Irish ex-Service men drawing war pensions from the Department of Health and Social Security who have not received help from the Irish Soldiers and Sailors Land Trust.

Mrs. Chalker: There are two Irish ex-service men to the first world war on the waiting list of the Northern Ireland

Housing Executive. As the Irish Sailors and Soldiers Land Trust does not have records of former tenants, it is not possible to answer the second part of the question.

Overseas Staff (Pay)

Mr. Madden asked the Secretary of State for Foreign and Commonwealth Affairs what is the pay scale for *(a)* clerical support staff and *(b)* locally engaged staff employed at British posts in (i) India, (ii) Pakistan, (iii) Bangladesh, (iv) Ghana and (v) Nigeria.

Mr. Eggar: The pay scales are as follows:

(a) United Kingdom-based clerical support staff (Diplomatic Service grade 10) are on the same basic salary scale worldwide:
Minimum £7,542—Maximum £8,712 per annum.
As for all United Kingdom-based staff, these pay scales are supplemented by foreign allowances which differ from post to post.

(b) Locally-engaged staff pay scales are:

	Minimum £	*Maximum* £
India	781	4,798
Pakistan	588	6,370
Bangladesh	491	6,967
Ghana	153	6,900
Nigeria	310	8,255

All the pay scales are expressed on an annual basis in rounded sterling amounts and converted at the latest available exchange rates.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Foreign and Commonwealth Affairs what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Eggar: Total expenditure on press and public relations was as follows:

£ million

	1986-87	*1987-88 Estimate*
Payment to Central Office of Information for overseas information material and related activities	18·7	19·6
Other Information Services	0·7	0·9
Running costs of Diplomatic Wing Information/News Department	[1]1·9	2·0
Running costs of ODA Wing Information Department	0·2	0·2
Costs of Information Staff at overseas posts	[1]14·6	15·9
Total	[1]36·1	38·6

[1] Indicates provisional figures.

Most of this expenditure is incurred in carrying out the Foreign and Commonwealth Office's responsibilities for the projection of Britain's image and Her Majesty's Government's policies overseas.

Mr. Frank Dobson asked the Secretary of State for Foreign and Commonwealth Affairs what what the total spending by his Department on television radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Eggar: Foreign and Commonwealth Office expenditure on advertising and other promotional literature in 1986-87 was:

	FCO Diplomatic Wing £	*FCO ODA Wing* £
1986-87	335,754	228,347
Estimates for 1987-88 are	198,000	240,000

This expenditure relates mainly to advertising for recruitment; advertising relating to the Anglo-Soviet agreement on the settlement of claims (1986-87 only); publicity to promote the new entitlement of certain British residents overseas to vote in British and European Parliament elections; and promotional literature in the United Kingdom. A breakdown of these figures to identify the medium used is not available.

Kuwaiti Oil Tankers

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs what is the current policy of Her Majesty's Government in respect of reflagging Kuwaiti oil tankers operating in the Gulf.

Mr. Mellor: The reflagging of merchant shipping is a commercial and administrative matter. It does not require our approval but does require applicants to satisfy certain requirements imposed by the Department of Transport. These requirements apply to all applicants wherever they originate.

Syria

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's relations with Syria.

Mr. Mellor: We have no plans for high level bilateral contacts or for resuming diplomatic relations with Syria. We note the Syrian action against Abu Nidal but look for further convincing evidence of a sustained change in Syrian policy on terrorism.

ENERGY

Nuclear Installations

Mr. Flynn asked the Secretary of State for Energy when he expects to make a response to the recent report by the advisory committee for the safety of nuclear installations.

Mr. Michael Spicer: The recent report of the independent Advisory Committee on the Safety of Nuclear Installations does not require an immediate response from my right hon. Friend the Secretary of State. I note, however, that in his foreword to the report, the chairman welcomed the Government's recent decision to increase salary scales for the NII.

Mr. Flynn asked the Secretary of State for Energy whether he will make it his policy to invite safety inspectors from the International Atomic Energy operational safety review team to assist the nuclear installations inspectorate until such time as the latter has fulfilled its full desired complement of inspectors.

Mr. Michael Spicer: The NII of the HSE is able to carry out all its essential statutory functions with its existing complement of staff. The operational safety review teams of the IAEA were never intended to perform the role of the national regulatory authorities of member countries.

Nuclear Safety (Report)

Mr. Flynn asked the Secretary of State for Energy what response he has made to the Organisation for Economic Co-operation and Development's nuclear energy agency report, "Electricity, Nuclear Power and Full Cycle Data in Organisation for Economic Co-operation and Development Countries"; and if he will reappraise his nuclear safety programme in the light of the report.

Mr. Michael Spicer: As this report is of a purely statistical nature, compiled from data supplied by each member country, no response is called for.

Publicity (Departmental Expenditure)

Mr. Frank Dobson asked the Secretary of State for Energy what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Parkinson: The provisional figure for expenditure by my Department on press and public relations in 1986-87 is £13,876,852. Estimated expenditure for the current year is £9,287,647.

The bulk of the programme costs are in respect of the energy efficiency campaign. Special effort was put into the campaign during Energy Efficiency year 1986.

Notes:

The figures (in cash prices) include:

(i) programme expenditure on information and publicity material including advertising, displays, exhibitions, films, promotions, publications, research, seminars, theatre groups and the press office;

(ii) staff costs (salaries, accommodation and common services) for all permanent information service and support staff in post on 1 April each year based upon ready reckoner figures.

Mr. Dobson asked the Secretary of State for Energy, what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Parkinson: The provisional figures for expenditure by my Department on television, radio and newspaper advertising and other promotional literature in 1986-87 was £7,060,000. The bulk of this expenditure was related to the special effort put into the energy efficiency campaign during Energy Efficiency Year. This figure excludes costs included in gas privatisation. Estimated expenditure for the current year is £2,520,000.

ESCOM (South Africa)

Mr. Boateng asked the Secretary of State for Energy (1) what information he has concerning the loan of United Kingdom electricity supply industry staff to ESCOM in South Africa;

(2) whether all uranium imported into the United Kingdom from *(a)* South Africa and *(b)* Namibia is treated as covered by the International Atomic Energy or Euratom safeguards;

(3) whether there has been any withdrawal of uranium of South African or Namibian origin from international safeguards for national security reasons *(a)* before May 1979 and *(b)* since May 1979;

(4) what proportion of the total uranium stockpile held in the United Kingdom is under International Atomic Energy Authority or Euratom safeguards;

(5) whether he will place in the Library any correspondence between *(a)* Her Majesty's Government and the European Commissioners and *(b)* between Her Majesty's Government and the Australian and Canadian attachés to the European Community on the matter of the application of nuclear safeguards to uranium imports to the EEC for use in the United Kingdom, in each case since May 1979.

Mr. Michael Spicer: I shall reply to the hon. Member as soon as possible.

Mr. Boateng asked the Secretary of State for Energy what proportion of the uranium stocks held by *(a)* British Nuclear Fuels Limited, *(b)* the Central Electricity Generating Board, *(c)* the South of Scotland Electricity Board and *(d)* the United Kingdom Atomic Energy Authority is of (i) South African and (ii) Namibian origin.

Mr. Michael Spicer: This is a matter for the industries and I have asked the chairmen of BNFL, the CEGB and the UKAEA to write to the hon. Member. The SSEB is the responsibility of my right hon. and learned Friend the Secretary of State for Scotland.

Gas and Electricity Disconnections

Mr. Thomas asked the Secretary of State for Energy how many people in Wales were disconnected from their *(a)* gas, and *(b)* electricity supplies during the last year for which figures are available.

Mr. Peter Morrison: This is a matter for the industries themselves. I have asked the chairmen of the Electricity Council and British Gas plc to write to the hon. Member with the information requested.

SCOTLAND

Foula Pier

Mr. Wallace asked the Secretary of State for Scotland what progress has been made in discussions between his Department and Shetlands Islands council towards final approval of the Foula pier improvement scheme; and if he will make a statement.

Lord James Douglas-Hamilton: We are now considering the proposal for pier improvements at Foula in the light of the discussions between the Scottish Development Department and Shetland Islands council. We hope to reach a decision shortly.

Clydesdale Bank

Mr. Salmond asked the Secretary of State for Scotland what aspects of the sale of the Clydesdale bank he discussed at his recent meeting with representatives of the National Australia bank; on what date the meeting took place; when he first learned about the proposed sale; and if he will make a statement.

Mr. Lang: My right hon. and learned Friend met representatives of the National Australia bank at their

request on 6 July. The purpose of that meeting was for the National Australia bank representatives to give my right hon. and learned Friend prior notice of their intentions in relation to the Clydesdale bank, as subsequently announced publicly on 7 July. My right hon. and learned Friend had been alerted to the proposed sale on 2 July.

National Australia Bank

Mr. Salmond asked the Secretary of State for Scotland what assessment he has made of the implications for the Scottish economy of the proposed purchase by the National Australia bank of the Clydesdale bank; and if he will make a statement.

Mr. Lang: The question of any statutory intervention, of course, falls to the consideration of my right hon. and noble Friend the Secretary of State for Trade and Industry.

My right hon. and learned Friend the Secretary of State for Scotland, however, in terms of his responsibilities for the Scottish economy, has noted with interest the statement by the National Australia bank management that they intend that the Clydesdale bank will have a greater degree of autonomy than it has enjoyed in the recent past, and that they see Clydesdale as a springboard for further expansion in the United Kingdom and Europe.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Scotland what was the total expenditure by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Rifkind: The running costs of the Scottish Information Office in 1986-87, including the cost of paid publicity, were £1·5 million. The costs for 1987-88 are estimated at £1·7 million.

Mr. Dobson asked the Secretary of State for Scotland what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Rifkind: The total expenditure by my Department on television, radio and newspaper advertising and other promotional literature in 1986-87 was £926,000. Estimated expenditure for the current financial year is £1·2 million.

TRADE AND INDUSTRY

Small Businesses

Mr. David Shaw asked the Chancellor of the Duchy of Lancaster if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. Kenneth Clarke: My Department operates a wide range of measures, designed to improve the performance and competitiveness of businesses, large and small. Over the past three years, the measures taken by the Government to reduce burdens on business, some of which have particular application to small firms, have been set out in the White Paper "Building Businesses . . . Not Barriers" (Cmnd. 9794) published in May 1986, and in the progress report "Encouraging Enterprise" published in May this year.

As these documents show, work is continuing in the company law field. In particular, the procedures introduced by the companies registration offices (CROs) for reminding companies of their filing obligations have proved of real value to small business men. Since the introduction of the reminder procedure for filing annual returns and accounts at the CRO, compliance rates have risen from around 60 per cent. to approximately 80 per cent.

Consultative documents have been issued inviting views on accounting and audit requirements for small companies, procedures for filing annual accounts and returns at the CROs and abolition of the ultra vires rule with a view to action in the next Companies Bill. That Bill is also likely to include further measures designed to simplify company law requirements and, where possible, remove them altogether, especially where small business men are concerned. In addition, we currently await comments on the consultative document published jointly with the Inland Revenue earlier this month on possible changes in tax and company law aimed at making it easier for small companies to disincorporate.

The new regional development grant scheme for development areas introduced in November 1984 was designed to be particularly favourable to firms with up to 200 employees. The main indicator of success in meeting this objective is that 83 per cent. of all grants made by the Department since the beginning of the scheme has gone to firms of this size. This represents an amount of grant of £78 million, which has been paid towards projects involving the creation of some 27,000 jobs. Comparable figures for the proportion of grants under the old regional development grant scheme going to small firms are not available but there is no doubt that the proportion was much lower.

On 17 February 1987 the Minister of State announced simplified arrangements for regional selective assistance offers of up to £25,000. Some indication of the impact of these new arrangements will be given by the trends in the number and value of offers of this size but it is too early to draw any conclusions from the information available so far. Twenty per cent. by value of DTI offers of RSA in the last three years have been made to firms with fewer than 200 employees; this amounts to over £80 million in grant offered.

The business improvement services scheme (BIS), a package of measures specifically tailored to the needs of small firms, was introduced in November 1984 in areas of England which have suffered a decline in the steel, shipbuilding and textiles industries. The scheme was extended in March 1986 to certain similarly affected fisheries areas and again in July 1986 to west Cornwall to provide support for small firms in that area, following the closure of the Geevor tin mine. At 3 May 1987 almost 6,000 offers had been made with a value of £45 million. It is too early to make an assessment of the performance of BIS but it has been a popular scheme. Initial reactions by the business community have been favourable.

The exchange risk guarantee scheme (ERGS) has operated since 1978; following its most recent review in July 1985, it was decided that the resources available should be concentrated on small firms. The scheme enables firms to take advantage of low-interest foreign

currency loans from the European Coal and Steel Community. These loans can also attract a subsidy linked to the number of jobs created.

The period of loan for which ERGS cover is provided is, typically, seven to 10 years. The fluctuation in exchange rates over the period of time will ultimately determine the cost of providing such cover and, therefore, the precise cost will not be known until the expiry of the loan period. In these circumstances specific performance indicators are not considered appropriate. However, the operation of the scheme is kept under regular review.

Under the support for innovation scheme there is a minimum of £100,000 eligible costs below which applications are only considered from small firms. Such applications are subject to a simplified appraisal process and the criteria are applied less stringently. Since April 1985, 352 small firms have been offered assistance involving expenditure of £6 million on total project costs of £24 million. Projects from small firms with costs in excess of £100,000 are not given favourable treatment.

Over the last three years about 15,000 firms with up to 500 employees have received subsidised consultancy through the various elements of the business and technical advisory services (BTAS) aimed at improving marketing, design and management. About 90 per cent. of those assisted had fewer than 200 employees; more than half had fewer than 50 employees. Individual BTAS projects are monitored in the short term to ensure that firms get value for money and benefit from the experience. In the longer term, the Department, as part of its overall evaluation of expenditure, regularly carries out assessments of the benefits of funding support for business. A report on the SFI scheme, covering SFI support for all sizes of business, will be published this autumn.

The British Overseas Trade Board provides a wide range of services to exporters. Although not available exclusively for small businesses, these are designed with the needs of such firms particularly in mind. Small firms account for over 70 per cent. of the board's contact with industry, and continued attention will be given to encouraging and enabling these firms to develop their potential for breaking successfully into overseas markets.

The board attempts as rigorous an assessment as possible of the value of its expenditure on the services it provides. These assessments can never be wholly accurate but indicate that the BOTB services examined are linked to around £2 billion of exports which would not otherwise have been won. This produces a ratio of exports to expenditure of about 50:1.

Mock Auctions

Mr. Waller asked the Chancellor of the Duchy of Lancaster if he will seek to amend the Mock Auctions Act 1961 in order to strengthen the powers of enforcement officers.

Mr. Maude: There are no plans at present to amend the Mock Auctions Act 1961.

Mr. Waller asked the Chancellor of the Duchy of Lancaster how many successful prosecutions took place in each of the last five years for offences under the provisions of the Mock Auctions Act 1961.

Mr. Maude: The number of successful prosecutions under the provisions of the Mock Auctions Act 1961 in each of the years 1982, 1983, 1984 and 1985 were as follows:

	Number
1982	90
1983	33
1984	24
1985	7

Figures for 1986 are not yet available but are expected to be published in September this year.

Turtle Products

Mr. Tony Banks asked the Chancellor of the Duchy of Lancaster if he will give details of the importation of turtle products by *(a)* description, *(b)* weight and *(c)* value in each of the past five years.

Mr. Alan Clark: Turtle products are not separately identified in the *UK Overseas Trade Statistics*. However, import permits for turtle products are granted by the Department of the Environment in accordance with European Council regulation 3626/82, which implements the convention on international trade in endangered species of wild fauna and flora within the European Community, from which the following information has been obtained.

Figures are not yet available for 1986. Information on the value of turtle products is not available; with the exception of meat and calipee (for which weight is available), the only information relates to the number of items.

United Kingdom imports of Turtle products 1982-85

Quantity

Product	*1982*	*1983*	*1984*	*1985*
Handbags	11	164	—	—
Bodies	3	112	—	1
Shoes	634	414	—	—
Shells	6	328	9	21
Shell:				
carvings	64	—	7	16
boxes	3	—	—	—
pieces	—	—	14	—
cabinet	1	—	—	—
Scales	6	—	—	—
Belts	10	27	—	—
Wallets	—	140	—	—
Skin pieces	—	—	20	—
Eggs	—	—	—	150
Meat (kg)	—	1,000	6,902	—
Calipee (kg)	—	—	545	—

Notes:
(1) Shoes are counted in pairs.
(2) Skin pieces counted in sets.
Source: Annual Reports on the Implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

British Telecom

Mr. Clay asked the Chancellor of the Duchy of Lancaster whether he will set out the latest information regarding shareholding in British Telecom using the same format as that given in his reply to the hon. Member for Coventry, South-East (Mr. Nellist) on 20 January 1986.

Mr. Butcher: As my previous answer to the hon. Member for Coventry South-East (Mr. Nellist) made

clear, this is properly a matter for British Telecom. Its 1987 annual report gives the most recent available figures on categories of shareholdings. A copy of this is available in the Library of the House.

Clydesdale Bank

Mr. Salmond asked the Chancellor of the Duchy of Lancaster, pursuant to the answer of 13 July, when he expects to be in a position to announce his decision on the possible reference to the Monopolies and Mergers Commission of the proposed purchase by the National Australia bank of the Clydesdale bank.

Mr. Maude: My right hon. and noble Friend the Secretary of State for Trade and Industry will be in a position to make a decision on the possible reference of this proposal when he has received the advice of the Director General of Fair Trading. The Director General will submit his advice as soon as is reasonably practicable.

British Shipbuilders (Ferry Order)

Mr. Clay asked the Chancellor of the Duchy of Lancaster on what date his Department first knew of the potential PZ order for ferries from British Shipbuilders.

Mr. Atkins: My Department was first approached in February 1986 about a possible order for a series of ferry hulls. British Shipbuilders became involved in March 1986 in discussions about building a series of complete ships.

Mr. Clay asked the Chancellor of the Duchy of Lancaster what assistance was provided by his Department in the successful tender for the PZ order to British Shipbuilders.

Mr. Atkins: Considerable assistance was provided for this order from the shipbuilding intervention fund under the rules of the EC fifth directive on aid to shipbuilding. The tender also took into account the benefit of export credit provided on OECD understanding terms.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Chancellor of the Duchy of Lancaster what was the total spending by the Department of Trade and Industry on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

Mr. Dobson asked the Chancellor of the Duchy of Lancaster what was the total spending by the Department of Trade and Industry on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Butcher: Information is not readily available to distinguish between expenditure on advertising in newspapers and that in the press generally. Nor is it readily available for amounts spent other than centrally by my Department.

The figures which are readily available are:

Advertising

	TV	*Radio*	*Newspapers (Press)*	*Promotional Literature*
	£	£	£	£
1986-87	—	2,921	986,798	1,007,569
1987-88	16,000	15,500	1,648,000	1,491,500

EDUCATION AND SCIENCE

Teachers (Pay)

Mr. Redwood asked the Secretary of State for Education and Science if, when reviewing teachers' pay, he will consider extending the boundaries of outer London weighting to include teachers working in Berkshire.

Mrs. Rumbold: My right hon. Friend has it in mind to refer the question of London weighting allowances to the interim advisory committee.

Research

Mr. Wilkinson asked the Secretary of State for Education and Science what proportion of Science and Engineering Research Council/Medical Research Council funds are spent on fundamental research compared with industrially relevant development work.

Mr. Jackson: The information is not available exactly in form requested. A breakdown of Science and Engineering Research Council and Medical Research Council spending into the four categories — basic research, strategic applied research, specific applied research and experimental development — is given in table A23 on page 22 of the 1986 "Annual Review of Government Funded Research and Development," a copy of which is in the Library. The definition of the four categories is given in annex 3, page 183, of the review.

Mr. Wilkinson asked the Secretary of State for Education and Science to what extent private industry contributes financially to scientific research in universities and polytechnics.

Mr. Jackson: In respect of universities, I refer my hon. Friend to the answer I gave to hon. Member for Orkney and Shetland (Mr. Wallace) on 8 July 1987 at column *156*. Comparable information is not collected centrally for polytechnics.

Edinburgh University

Mr. Knapman asked the Secretary of State for Education and Science (1) for what purpose the department of Bacteriology at the university of Edinburgh applied for funds from the Medical Research Council; and why this application was not acceded to in full;

(2) if the work that the department of bacteriology at the university of Edinburgh proposed to the Medical Research Council is being carried out at other centres.

Mr. Jackson: The department of bacteriology at the University of Edinburgh applied to the Medical Research Council for funds to support research on susceptibility to meningitis (the project is entitled "The Secretor State and Susceptibility to Bacterial Meningitis"). The application was carefully considered by the council's physiological systems and disorders board in the light of advice from

expert referees. The decision was that the application was not of sufficient scientific merit to justify full support, but that it should receive limited support to enable the applicants to confirm the premliminary hypothesis on which the study is based.

The Medical Research Council is not aware of any similar work being done in this country. However, I understand that similar work is at present being done in the Netherlands.

Conservative Central Office (Correspondence)

Mr. Matthew Taylor asked the Secretary of State for Education and Science (1) pursuant to the answer of 6 July, *Official Report*, column *37*, whether letters referred to Conservative Central Office or his political adviser have the status of a ministerial reply; and if he will make a statement;

(2) pursuant to the answer of 6 July, *Official Report*, column *37*, whether he can estimate how many letters addressed to him on ministerial business were referred to Conservative Central Office or his political adviser;

(3) pursuant to the answer of 6 July, *Official Report*, column *37*, on what basis letters addressed to him as Minister were referred to Conservative Central Office or his political adviser for replies.

Mr. Kenneth Baker: All letters from candidates were considered for reply by Conservative Central Office or my political adviser, as were letters relating to policies announced in the Conservative manifesto. Replies on Conservative Central Office paper do not have the status of a ministerial reply. About 15 replies on educational matters were deal with in this way.

Student Grants

Mr. Mullin asked the Secretary of State for Education and Science, pursuant to his reply of 6 July, *Official Report*, column *37*, if he will make it his policy to regard mandatory levies as part of fees for the purposes of the student grant.

Mr. Jackson: No.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Education and Science what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mrs. Rumbold: Total spending, including staff costs, on press and public relations by the Department of Education and Science in 1986-87 was £1,937,849. The estimated expenditure for the current year is £2,305,287.

Mr. Dobson asked the Secretary of State for Education and Science what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Rumbold: Total spending on advertising and other promotional literature by the Department of Education and Science in 1986-87 is as follows:

	£
Newspapers	532,000
Television	—
Radio	—
Other promotional literature	533,000

The estimated expenditure for the current year is £1,520,000.

HOME DEPARTMENT

Simon Brown

Mr. Cox asked the Secretary of State for the Home Department (1) if he will call for a report from the Commissioner of Police of the Metropolis as to the conditions under which Simon Brown, aged 17 years, has been held in police cells at Horseferry road police station; for how long he has been held there; and if he will make a statement;

(2) if he will call for a report from the Commissioner of Police of the Metropolis as to how and when the family of Simon Brown, aged 17 years, were informed that he was to be moved from police cells at Horseferry road police station to Ashford remand centre; and if he will make a statement;

(3) if he will call for a report from the Commissioner of Police of the Metropolis as to how many visits Simon Brown was allowed from members of his family while he was being held in police cells at Horseferry road police station; and if he will make a statement.

Mr. John Patten: Police cells in the metropolis are the responsibility of the Commissioner of Police. The police provide the best conditions they can under difficult circumstances, but we are well aware that facilities may leave much to be desired. The measures which my right hon. Friend the Home Secretary announced yesterday are designed to alleviate the present situation.

I am informed that Simon Brown was held in Horseferry road police cells from 8 to 11 July before being transferred to Ashford remand centre.

The police do not allow visits to prisoners in Horseferry road police cells although they do allow food and changes of clothing to be taken in by the prisoner's family.

The police are not obliged to inform prisoners' families when they are transferred to prison custody, but they do so if the prisoner requests it. No record is kept which would enable the police to say whether that was done in this case.

Ashford Remand Centre

Mr. Cox asked the Secretary of State for the Home Department what policy is followed at Ashford remand centre in allowing visits to people being held on remand; on what days visits are allowed; how people are informed of this and if he will make a statement.

Mr. John Patten: Because of a substantial increase in the population of Ashford remand centre and the limited accommodation available for visits, my right hon. Friend authorised, exceptionally, last year a reduction in the minimum of 15 minutes on Mondays to Saturdays normally allowed for visits to remand prisoners. The current provision at Ashford is for 15-minute visits on alternate weekdays with 10-minute visits on Saturdays.

Inmates are informed of the visiting arrangements on arrival at the establishment and details are contained in notices on all landings. When next of kin are notified of an inmate's reception, information on visiting arrangements is provided. In addition, details are displayed on notices in the visitors' centre outside the remand centre, at the gate and in the passage leading to the visits room.

Foreign Visitors

Mr. Madden asked the Secretary of State for the Home Department how many *(a)* ordinary and *(b)* business visitors entered the United Kingdom in each month since November 1985 from each of the following countries: (i) India, (ii) Pakistan, (iii) Bangladesh, (iv) Ghana and (v) Nigeria.

Mr. Renton: The latest available information is given in the following table:

Ordinary Visitors and business visitors admitted to the United Kingdom between November 1985 and March 1987

Number

	Nationality				
	India	*Pakistan*	*Bangladesh*	*Ghana*	*Nigeria*
VISITORS					
1985					
November	7,080	3,300	520	1,730	9,280
December	8,490	4,120	600	1,820	12,760
1986					
January	5,070	2,930	420	1,250	8,020
February	5,890	2,640	340	1,140	7,100
March	6,970	3,940	500	1,270	9,100
April	10,220	5,140	580	1,160	8,020
May	18,350	6,120	980	1,510	10,110
June	20,410	10,040	1,080	1,670	10,410
July	19,960	14,770	1,600	2,730	20,420
August	16,740	8,750	1,360	2,920	19,200
September	13,210	6,210	1,060	2,000	12,320
October	8,520	4,340	850	1,290	5,660
November	5,450	2,610	500	810	3,480
December	4,730	3,090	510	970	4,400
1987					
January	3,730	2,130	400	680	3,500
February	3,710	1,880	310	590	1,750
March	4,890	2,650	380	680	1,930
BUSINESS VISITORS					
1985					
November	2,280	1,090	180	770	5,400
December	1,680	650	190	590	2,950
1986					
January	1,970	680	100	500	4,320
February	2,260	760	120	590	5,530
March	2,340	870	110	510	5,280
April	2,530	1,060	160	610	5,330
May	3,290	1,170	210	700	5,830
June	2,940	1,010	180	600	5,460
July	2,650	1,080	150	530	5,520
August	2,000	890	150	620	4,080
September	4,030	1,150	170	680	5,650
October	2,780	1,050	170	570	3,320
November	2,490	930	150	570	2,820
December	1,480	690	110	370	1,820
1987					
January	1,950	780	90	460	1,850
February	2,110	710	100	490	1,820
March	2,510	920	100	620	2,820

Private Security Industry

Mr. George asked the Secretary of State for the Home Department if, in the light of the recent robbery at the Knightsbridge safe deposit centre, he will order an urgent review of the private security industry; and if he will seek to impose statutory controls over its operation.

Mr. Douglas Hogg: No. While the private security industry shold be properly regulated, it does not follow that the answer lies in statutory regulation. We have made it clear that we look to the industry itself to provide self-regulation, and much progress has been made by both the British Security Industry Association and the International Professional Security Association.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for the Home Department what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Hurd: The total running cost of the Home Office public relations branch, excluding direct expenditure on paid publicity, in 1986-87 was £753,000. The forecast expenditure in the current financial year is £877,500.

Mr. Dobson asked the Secretary of State for the Home Department what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Hurd: The total amount spent by the Home Office on advertising, promotional literature and other paid publicity, in 1986-87 was £5·7 million. Estimated expenditure for the current financial year is £9·1 million.

Metropolitan Police (Publicity)

Mr. Dobson asked the Secretary of State for the Home Department what was the total spending by the Metropolitan police on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that staffing and accommodation costs of the Directorate of Public Affairs and spending on recruitment and other advertising and other promotional literature totalled £4,444,103 in 1986-87. The estimate for 1987-88 is £4,654,926.

Mr. Dobson asked the Secretary of State for the Home Department what was the total spending by the Metropolitan police on television, radio and newspaper advertising and other promotional literature, in 1986-87; and what is the estimated expenditure for the current year.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that expenditure by the Metropolitan police on all forms of recruitment and other advertising, and other promotional literature totalled £2,269,000 in 1986-87. The estimate for 1987-88 is £2,483,000.

PRIME MINISTER

Public Sector Workers (Pay Increases)

Mr. Grocott asked the Prime Minister if she will list the most recent percentage pay increases agreed with the following public sector workers: *(a)* university lecturers, *(b)* the police, *(c)* doctors and dentists, and *(d)* civil servants.

The Prime Minister: The information requested is as follows:

	Percentage increase	*Date of most recent increase*
University Lecturers	16·6	[1] December 1986
Police	7·5	1 September 1986
Doctors and Dentists	7·7	1 April 1987
Civil Servants	4·6	1 April 1987

[1] First stage of a staged deal. Second increase of 7·4 per cent. due from 1 March 1988.

International Society for Krishna Consciousness

Mr. Bidwell asked the Prime Minister what representations she has received concerning the use of Bhaktivedanta manor at Letchmore heath as a temple by the International Society for Krishna Consciousness; and if she will make a statement.

The Prime Minister: I have recently received a petition from the International Society for Krishna Consciousness and a letter from my hon. Friend the Member for Slough (Mr. Watts). I shall be writing to him in due course.

Westland plc

Mr. Dalyell asked the Prime Minister if, pursuant to her answer on 14 July, relating to the Westland affair, she will list each of the previous answers to which she referred, giving in each case a precise column reference in the *Official Report*; if she will make it her policy in future, when answering questions by alluding to previous replies, to give detailed *Official Report* column references; and if she will make a statement.

The Prime Minister: In my reply of 17 November 1986, at column *50*, I told the hon. Gentleman that full accounts have already been given by myself and other Ministers in statements in Parliament, speeches in debates and answers to parliamentary questions, and by the head of the Home Civil Service in his evidence to the Defence Committee. This material is readily available in the *Official Report* and in the minutes of evidence to the Committee. The Government stand by those accounts, and see no reason to qualify or add to them.

Turtle Products

Mr. Tony Banks asked the Prime Minister whether turtle soup has been served at any official Prime Ministerial function since 1979; and if she will make a statement.

The Prime Minister: Records for the period before 1982 are not available. Since 1982 there have been no occasions when turtle soup has been served at any official luncheon or dinner at No. 10 Downing street.

KMS (Government Contracts)

Mr. Madden asked the Prime Minister if she will list all Government contracts for which the organisation KMS has tendered since 1979; and if she will give the date in each case.

The Prime Minister: Details of tenders for Government contracts are not recorded centrally. Records for my office are readily available only from April 1984. No contracts have been placed with, or payments made to, KMS Limited by or on behalf of my office during that period.

Libya (United States Bombing)

Mr. Ron Brown asked the Prime Minister if she will raise with the United States Administration the question of paying compensation to the families affected by the United States bombing of Libya in 1986.

The Prime Minister: No.

Mr. Richard Branson

Mr. Brown asked the Prime Minister if she has asked Mr. Richard Branson to pay the costs of his rescue; and if she will make a statement.

The Prime Minister: No. It is not our policy to charge for rescuing those whose lives are at risk.

Publicity Expenditure

Mr. Dobson asked the Prime Minister what was the total spending by the Cabinet Office on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

The Prime Minister: The information is not available in the precise form requested. Expenditure on press and public relations in 1986-87 by the Cabinet Office, including by No. 10 Downing street, the Management and Personnel Office, and the Central Statistical Office, as well as on such services provided to the Office of Arts and Libraries, was £551,500. An estimated £535,000 is expected to be spent on these activities in 1987-88.

Mr. Dobson asked the Prime Minister what was the total spending by the Cabinet Office on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

The Prime Minister: Such expenditure by the Cabinet Office, including the Central Statistical Office and the Management and Personnel Office, is nearly all related to recruitment by the Civil Service Commission. Total spending in 1986-87 was £2,156,000, of which £2,004,000 was on recruitment. Estimated expenditure in 1987-88 is expected to be £2,400,000, of which £2,212,000 will be on recruitment.

Obstetricians

Ms. Richardson asked the Secretary of State for Social Services what was (a) the total number of obstetricians practising in the National Health Service, (b) the number and percentage of women obstetricians practising in the National Health Service, (c) the number and percentage of part-time obstetricians practising in the National Health Service and (d) the number and percentage of women part-time obstetricians of the total of part-time obstetricians practising in the National Health Service since 1974.

Mrs. Currie: The tables set out available data for England and Wales of doctors in the specialty of obstetrics and gynaecology. Data of the sex of part-time medical staff are not available prior to 1978 or for all grades. Table 2 includes part-time medical staff in the consultant, associate specialist, senior registrar and registrar grades.

Table 1

Hospital medical staff[1] in obstetrics and gynaecology: showing number of staff, and number and percentage of female staff at 30 September each year
England and Wales

		Females	
	All Staff	*Number*	*Per Cent.*
1974	2,306	611	26·5
1975	2,426	613	25·3
1976	2,426	590	24·3
1977	2,466	626	25·4
1978	2,497	641	25·7
1979	2,518	691	27·4
1980	2,560	673	26·3
1981	2,616	718	27·4
1982	2,682	742	27·7
1983	2,709	735	27·1
1984	2,715	766	28·2
1985	2,733	832	30·4
1986	2,752	866	31·5

[1] Including consultants and senior hospital medical officers with allowance, associate specialists, senior registrars, registrars, senior house officers and house officers.

Table 2

Permanent paid staff[1] in Obstetrics and Gynaecology: showing number of staff, number and percentage of female staff; number of part-time staff[2] as proportion of all staff and number and percentage of female staff at 30 September each year
England and Wales

	Number of staff			*part-time staff*			
	Total	*Female*	*Percentage of female*	*Total*	*Percentage of all staff*	*Female*	*Female part-time staff as percentage of all part-time staff*
1978	1,174	186	15·8	542	46·2	77	14·2
1979	1,190	195	16·4	550	46·2	82	14·9
1980	1,186	203	17·1	537	45·3	78	14·5
1981	1,215	230	18·9	540	44·4	80	14·8
1982	1,252	245	19·6	543	43·4	89	16·4
1983	1,272	241	18·9	539	42·4	84	15·6
1984	1,283	258	20·1	543	42·3	83	15·3
1985	1,276	267	20·9	532	41·7	82	15·4
1986	1,303	262	20·1	528	40·5	78	14·8

[1] Including consultants, associate specialists, senior registrars and registrars.
[2] Including maximum part-time consultants and associate specialists and other part-time staff in grades of consultant, associate specialist, senior registrar and registrar.

Women's Health

Ms. Richardson asked the Secretary of State for Social Services whether he will list *(a)* the amount of grant aid allocated by Government to each voluntary organisation devoted to women's health, for each year from 1974, *(b)* the percentage increase or decrease in Government grants to these organisations, for each year from 1974 and *(c)* organisations which have ceased to receive Government grants from 1974 to date.

Mrs. Currie: The information requested would be available only at disproportionate cost.

The following is a list of voluntary organisations funded by the Department in 1986-87 which are either

devoted to women's health and welfare, or of primary or particular interest to women, and of the amount of funding they received from the Department in 1986-87.

Voluntary organisations funded under Section 64 of the Health Services and Public Health Act 1968

	£
General Scheme	
Women's National Cancer Control Campaign	68,000
Women's Health Concern	7,000
Women's Therapy Centre	5,000
Widow's Advisory Trust	20,000
London Black Women's Health Action Group	3,750
Foundation for Women's Health Research and Development (FORWARD)	40,000
Mastectomy Association	6,000
Maternity Alliance	37,000
National Childbirth Trust	42,500
La Leche League of Great Britain	6,000
National Association for Maternal and Child Welfare	10,000
Miscarriage Association	2,274
Stillbirth and Neo-natal Death Associaton	22,000
Foundation for the Study of Infant Deaths	10,000
National Women's Aids Federation	29,590
Rape Counselling and Research Project	22,000
Anorexic Family Aid	24,881
London Lesbian and Gay Switchboard (towards its telephone information service in relation to AIDS)	10,335
Central Funding Initiative for Services for Drug Misusers	
City Roads (to provide additional accommodation for women and children)	72,177
Coke Hole Trust (rehabilitation service) —mother and baby unit	10,963
Phoenix House, S. Tyneside Project (to provide a residential rehabilitation unit with special facilities for women and their families)	78,051
Tranx (National Tranquilliser Advice Centre)	20,300

The Department funds many other voluntary organisations whose work is of interest to both women and men, including a number of organisations working for young children.

Balderton Hospital (Eastdale Unit)

Mr. Irving asked the Secretary of State for Social Services how many patients are currently in the Eastdale unit at Balderton hospital; and how many people are currently awaiting transfer to the unit.

Mrs. Currie: I understand from the Central Nottinghamshire health authority that there are six patients in the unit. Of these, two are at present away from it, one in police custody and the other on assessment leave. Seven patients have been identified as potentially suitable for short periods of phased leave and observation in the unit.

District General Hospital (East Midlands)

Mr. Heddle asked the Secretary of State for Social Services if he is now able to publish a firm date for the start of building work on the new district general hospital to serve Lichfield, Tamworth and Burton on Trent.

Mrs. Currie: The management of this scheme is the responsibility of the West Midlands regional health authority. I understand that building work is due to start in July 1989.

Medical and Surgical Aids

Mr. Andrew Bowden asked the Secretary of State for Social Services if he will list the medical and surgical aids which are available *(a)* free of charge and *(b)* at a reduced cost to women aged 60 years or over and men aged 65 years or over.

Mr. Newton: A wide range of aids is available free of charge to people of pensionable age. Those available on general practitioner prescription are listed in part IXA of the "Drug Tariff", a copy of which is available in the Library. There is no comprehensive list of the aids available through the hospital and community health services.

Mr. Andrew Bowden asked the Secretary of State for Social Services if he will estimate the cost of extending entitlement to concessions on the cost of medical and surgical aids to all persons aged 60 years or over.

Mr. Newton: The information on which to base a reliable estimate is not available.

Private Laboratories (Testing)

Mr. Irving asked the Secretary of State for Social Services if he will bring in legislation to ban private laboratories from advertising testing services to the general public.

Mrs. Currie: No. We are considering how best to ensure that private laboratories offering testing services maintain acceptable standards. The Advertising Standards Authority's guidance to the media is that advertisements from laboratories should be accepted only if the work in question is supervised by a suitably qualified person.

Kendal Hospital

Mr. Jopling asked the Secretary of State for Social Services if he will give the dates for the start and the completion of the new Kendal hospital.

Mrs. Currie: No firm start date is available pending final approval to contract arrangements. A decision is expected shortly.

NHS (Jobs)

Mr. Allen asked the Secretary of State for Social Services how many jobs have been lost or created in Nottingham in the National Health Service *(a)* since 1979 and *(b)* since 1983.

Mr. Newton: I have interpreted "Nottingham" as referring to Nottingham district health authority. Information on jobs lost or created is not collected centrally. The table shows staff in post figures for Nottingham district health authority, at 30 September 1983 and 1985. Due to the effects of the 1982 reorganisation, data are not available for 1979 on a consistent basis with those for later years. The figures for 30 September 1985 are the latest available to this level of detail.

NHS directly employed staff in post—Nottingham (teaching) DHA at 30 September

	whole time equivalent[1]	
	1983	*1985*
Total Staff (including agency and locums)[2]	11,680	11,720

Source: DHSS annual censuses of NHS medical and non-medical manpower.

[1] Figures are independently rounded to the nearest ten (10) whole time equivalents.

[2] Includes all permanent medical and dental staff and locums except Senior Registrars whose contracts are held by the Regional Health Authority.

Marriage and Cohabitation (Trends)

Mr. Shersby asked the Secretary of State for Social Services what has been the trend over the past *(a)* 10 and *(b)* five years of the number and proportion of households consisting of (i) married and (ii) cohabiting couples.

Mrs. Currie: The available information which most closely approximates to that requested is as follows:

Great Britain

	1976	*1979*	*1981*	*1984*
Estimated number of private households (millions)[1]	19·3	19·7	20·1	20·5
Estimated percentage of households containing a married couple[2]	67	65	65	63
Estimated percentage of women aged 18-49 who were cohabiting[2]	n/a	3	5	4

[1] *Source*: Department of the Environment

[2] *Source*: General Household Survey

n/a = not available.

Family Income Support Unit

Mr. Grocott asked the Secretary of State for Social Services why there is a special family income support unit that deals solely with claims from civil servants.

Mr. Portillo: There is no such unit.

Waiting Lists

Mr. John Marshall asked the Secretary of State for Social Services what is the size of the waiting list in the Barnet health authority; and how this compares with the waiting list in September 1986.

Mr. Newton: I am sorry I cannot give my hon. Friend the information he seeks as the latest figures available centrally are for 30 September 1986.

Cystic Fibrosis (Prescriptions)

Mr. McCrindle asked the Secretary of State for Social Services if he will estimate the cost of providing free prescriptions for all sufferers from cystic fibrosis; and if he will make a statement.

Mrs. Currie: All cystic fibrosis sufferers under the age of 16 are automatically exempt from charges and a number of those over 16 will be exempt on financial or other medical grounds. The cost of extending exemption to the remainder would be small but it would be unfair to single out one group from others who seek exemption on medical grounds.

Mr. McCrindle asked the Secretary of State for Social Services if he has any plans to make free prescriptions available for all cystic fibrosis sufferers; and if he will make a statement.

Mrs. Currie: We have no plans to do so.

Miss Irene Clipsom

Mr. Heddle asked the Secretary of State for Social Services when a decision will be reached by his Department's attendance allowance office at Norcross, Blackpool, in the case of Miss Irene Clipsom of 24 Mill Lane, Rugeley, Staffordshire, in respect of her mother Mrs. Clipsom, national insurance No. ZA 57 26 89 A.

Mr. Scott: A decision was given on 25 February 1987 by the Attendance Allowance Board, the independent adjudicating authority responsible for deciding whether the medical conditions for an allowance are satisfied in individual cases, and sent to Miss Clipsom on 16 March. I understand she has asked for the decision to be reviewed and this is currently being considered by the board.

Lithotripter Machine (Cost)

Mr. Battle asked the Secretary of State for Social Services what is the cost of purchasing a lithotripter machine.

Mrs. Currie: The purchase price of lithotripters available in this country is between £600,000 and £1,200,000.

Breast Milk Substitutes

Mr. Battle asked the Secretary of State for Social Services if he will place in the Library a copy of the Food Manufacturers' Federation code on the marketing of breast milk substitues; when he expects the report of the monitoring committee; and what are the current enforcement responsibilities of the committee.

Mrs. Currie: The first general report of the committee responsible for monitoring the FMF code is expected early next year; Ministers received an interim report in June 1986. The committee has no enforcement powers. Its remit requires it to report to the Government any infringement of the code which the person or firm responsible will not remedy. I have arranged for a copy of the code to be placed in the Library.

Kidney Stones Treatment (Leeds)

Mr. Battle asked the Secretary of State for Social Services how many people are currently on the waiting list for treatment for kidney stones in the Leeds West and Leeds East district health authorities; and how many patients have been referred to other regional health authority areas for such treatment.

Mr. Newton: I am sorry I cannot give the hon. Member the information he seeks. Information available centrally on in-patient waiting lists is categorised according to the specialty of the consultant but not according to the intended method of treatment. With regard to the numbers of patients referred to other regional health authorities for treatment, the sample numbers held centrally are too small for a reliable estimate to be made.

The hon. Member may wish to write to the chairman of Leeds, West and Leeds, East district health authorities for the information required.

Speech Therapy Services

Mr. Steinberg asked the Secretary of State for Social Services how much has been allocated for speech therapy services by the Durham district health authority; what information he has about the shortage of speech therapists *(a)* in Durham district health authority, and *(b)* nationally; and what information he has about the effect of this shortage on the demand for private speech therapy services in the Durham district health authority area.

Mr. Newton: The information the hon. Member seeks relating to Durham district health authority is not collected centrally, and he may wish to write to the chairman of that authority for the information he requires. Nationally, the number of speech therapists employed has gone up by over 50 per cent. since 1979, and I am advised there is no general evidence of unfilled authorised posts.

Benefits (Deductions)

Mr. Thomas asked the Secretary of State for Social Services how many people in Wales had automatic deductions made from their basic benefit to pay for *(a)* electricity, and *(b)* gas because of debt, during the last year for which full figures are available.

Mr. Portillo: Information is not available precisely in the form requested. The number of supplementary benefit claimants in Wales who were having automatic deductions made from their benefit for payment direct to the fuel authorities in February 1986 (the latest available information) was:

	Number
Electricity	10,281
Gas	7,653

Source: Supplementary Benefit Statistics (Annual Inquiry) February 1986.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Social Services (1) what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year;

(2) what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Moore: I shall let the hon. Member have replies as soon as possible.

Departmental Budget

Mr. Thomas asked the Secretary of State for Social Services if he will set out the total social security budget of his Department in Wales, Scotland, England and each of the English regions for each year since 1979, both at outturn and 1987 prices.

Mr. Scott: Total identifiable public expenditure on the social security programme in England, Scotland and Wales is as set out for the years 1980-81 to 1985-86. Comparable figures for 1986-87 are not yet available. Figures consistent with those given in the table are not available for 1979-80. Regional analyses of expenditure in England are available only for certain benefits; detailed figures for the years to 1984-85 have been published in successive editions of "Regional Trends" from 1982 to 1987, copies of which are in the Library.

£ million

	England		*Scotland*		*Wales*	
	Cash	[1]*Real*	*Cash*	[1]*Real*	*Cash*	[1]*Real*
1980-81[2]	19,565·7	27,473	2,226·4	3,126	1,234·5	1,733
1981-82	23,769·7	30,391	2,759·4	3,528	1,495·0	1,911
1982-83	27,151·2	32,367	3,123·0	3,723	1,702·5	2,030
1983-84	29,378·5	33,527	3,387·3	3,866	1,854·9	2,117
1984-85	31,857·2	34,857	3,662·3	4,007	2,014·8	2,205
1985-86	34,642·7	35,682	4,009·6	4,130	2,202·8	2,269

[1] Cash figures converted to constant (1986-87) prices using the GDP deflator.

[2] Figures not wholly consistent with later years. The later years have been updated with later information unavailable for 1980-81.

Supplementary Benefit

Mr. Thomas asked the Secretary of State for Social Services (1) how many children in Wales under the age of 16 years live in households on or below the supplementary benefit poverty line; and what proportion of the population of that age in Wales they represent;

(2) how many people in Wales live on or below the supplementary benefit poverty line; and what proportion of the population they represent;

Mr. Wigley asked the Secretary of State for Social Services (1) how many people of pensionable age in Wales live on or below the supplementary benefit poverty line; and what proportion of their age group they represent;

(2) how many single parent families in Wales live on or below the supplementary benefit poverty line; and what proportion of such families this figure represents.

Mr. Portillo: I regret that figures which are statistically reliable cannot be provided in the manner requested.

Pensioners

Mr. Thomas asked the Secretary of State for Social Services how many pensioners in Wales, Scotland, England, and each of the English regions, are dependent on a state pension and other state benefits as their sole source of income; and in each case what proportion of the total number of pensioners in each area they represent.

Mr. Portillo: I shall let the hon. Member have a reply as soon as possible.

ENVIRONMENT

Local Government Finance

Mr. Soley asked the Secretary of State for the Environment if he will list all cases since 1980 in which he has substituted his own estimate of total expenditure for rate support grants and other purposes for that provided by a local authority.

Mr. Howard: Since 1980 the Secretary of State has substituted his own estimates of total expenditure in the following cases:

— for the purposes of the third rate support grant supplementary report for 1985-86, for Manchester, Brent

and Merton. These authorities did not supply outturn information by the due date and total expenditures given on the budget returns were adjusted by the amount of changes in the contribution to the advanced further education and in-service training pools required as a result of a new method of apportionment;

—for the purpose of calculating block grant entitlements in 1987-88 for

Surrey
Derbyshire
Lancashire
Staffordshire
Bedfordshire
Somerset
Cumbria
Cornwall
East Sussex
Hampshire
Isle of Wight
Shropshire
Devon
Suffolk
Sunderland
Newcastle-upon-Tyne

These authorities had excluded the additional cost of the teachers' pay award on returns made to the Department.

Mr. Soley asked the Secretary of State for the Environment if he will list all local authorities in England who have been requested since March 1987 to provide his Department with their total estimated expenditure in relation to 1987-88; and what criteria were used to select these authorities.

Mr. Howard: On 4 March 1987 all local authorities in England were asked to provide estimates of their 1987-88 total expenditure on the return of expenditure and rates (RER 88).

Further information regarding their estimated total expenditure in 1987-88 was sought from the following authorities during and after the end of March where there were doubts as to whether the information already provided was the best available.

Bedfordshire
Berkshire[1]
Cambridgeshire
Cornwall
Cumbria
Derbyshire
Devon
East Sussex
Hampshire
Hereford and Worcester
Isle of Wight
Lancashire
Northamptonshire
Northumberland
Shropshire
Somerset
Staffordshire
Suffolk
Surrey
West Sussex
ILEA[1]
Hammersmith and Fulham[1]
Barnet[1]
Enfield
Hounslow[1]
Manchester[1]
Newcastle-upon-Tyne[1]
Sheffield[1]
Sunderland[1]

[1] Authorities contacted after the end of March.

Water Authorities (Privatisation)

Mr. Matthew Taylor asked the Secretary of State for the Environment if he will make it his policy to treat the South West water authority as an exception to the proposed privatisation of water authorities; and if he will make a statement.

Mr. Moynihan: No.

Canary Wharf

Mr. Heddle asked the Secretary of State for the Environment what reasons have been given to the London Docklands Development Corporation as to why the master building agreement in respect of the Canary wharf was not signed by Mr. G. Ware-Travelsted on *(a)* the original date of 28 February stipulated by the London Docklands Development Corporation, *(b)* 90 days after the London Dockland Light Railway Bill received Royal Assent, 18 March 1987, as confirmed to the London Docklands Development Corporation by Mr. Ware-Travelsted's chief executive, and *(c)* on other dates stipulated by the London Docklands Development Corporation since then; and if he will make a statement on the present state of negotiations between the London Docklands Development Corporation and (i) Mr. Ware-Travelsted and (ii) any other party.

Mr. Ridley: I have approved the terms of LDDC's proposed agreements with Olympia and York, the developers who now lead the project, and the negotiations are in their final stages.

At the earlier dates referred to, negotiations between the LDDC and the prospective developers of Canary wharf were not sufficiently advanced for any agreement to be finalised.

Endangered Species

Mr. Cunningham asked the Secretary of State for the Environment if he will add Bombus Terrestis, Bombus Lapidavius and Apius Mellifera to the list of endangered species; and if he will make a statement.

Mr. Ridley: I shall answer this question shortly.

Water Quality

Mr. Janner asked the Secretary of State for the Environment when he proposes to implement the recommendations made by the Environment Committee in May 1987 that there should be national timetabled water quality objectives in order to bring about a steady rate of improvement in polluted rivers and estuaries.

Mr. Moynihan: I shall answer this question shortly.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for the Environment (1) what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year;

(2) what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Ridley: I shall answer these questions shortly.

Turtles

Dr. David Clark asked the Secretary of State for the Environment, pursuant to his answer to the hon. Member

for South Shields on 13 July about the implementation of CITES conference resolution 2.12, how many live turtles have been imported into Grand Cayman from Nicaragua since 1979; and if he will make a statement.

Mr. Moynihan [*pursuant to his reply*, 16 July 1987]: According to the statistics assembled by the Department as part of its responsibilities under the convention on international trade in endangered species of wild fauna and flora (CITES) there have been no imports of live turtles from Nicaragua into Grand Cayman since 1979.

TRANSPORT

British Rail (Objectives)

Mr. Squire asked the Secretary of State for Transport what progress has been made on agreeing new quality of service standards, as required in the objectives set for British Rail last autumn.

Mr. David Mitchell: I am glad to say that I have agreed with British Rail the new quality of service targets set out as follows. They build on the targets to which the board has been working hitherto. I am assured by Sir Robert Reid that they can be achieved within the resources available. I shall be monitoring their performance closely.

British Rail quality of service objectives for passenger railway

	Intercity	*NSE*	*Provincial*
Punctuality	Right time and up to 10 minutes late 90 per cent.	Right time and up to 5 minutes late 90 per cent.	Right time and up to 5 minutes late 85-97 per cent.
Cancellations (percentage of services to run)	At least 99·5 per cent.	At least 99 per cent.	At least 98·5 per cent.
Train enquiry bureaux	95 per cent. of calls to be answered within 30 seconds		
Ticket offices	Maximum queuing time of 3 minutes off peak and 5 minutes peak		
Carriage cleaning			
interior daily clean	100 per cent.	100 per cent.	95-100 per cent.
exterior daily wash	95 per cent.	100 per cent.	75-100 per cent.
heavy interior (per 28 days)	95 per cent.	100 per cent.	90-100 per cent.
Load factors	—	[1]	—

[1] No more than 135 per cent. for sliding door stock or 110 per cent. for slam door stock. No standing over 20 minutes except by choice.

British Railways Board (PSO Grant)

Mr. Squire asked the Secretary of State for Transport if he will make a statement on the British Railways Board PSO cash ceiling for 1987-88.

Mr. David Mitchell: For 1987-88, the cash ceiling on PSO grant (which, for this year, still includes the inter-city sector) will be £809 million. It allows for increased expenditure on investment to improve quality and for additional expenditure to improve efficiency which will yield productivity savings in future years. It also includes a technical change in the method of funding investment in the grant-aided railway which will have the effect of reducing the board's borrowing requirement.

Gatwick Airport

Mr. Harry Greenway asked the Secretary of State for Transport what information he has as to the proportion of charter and scheduled passengers, respectively, using Gatwick who had originations and destinations north of the River Thames in 1985 and 1986.

Mr. Peter Bottomley: The survey of London area airports carried out by the Civil Aviation Authority in 1984 showed that four fifths of all surface journeys by international air passengers using Gatwick start or finish in the south-east region.

Of those, the proportion having origins or destinations north of the River Thames was as follows:

	Per cent.
(i) Passengers on scheduled services	58
(ii) Passengers on charter services	47

Figures for 1985 and 1986 are not available.

Motorways (Speed Limits)

Mr. Amess asked the Secretary of State for Transport if he will make a statement on his policy towards upper and lower speed limits on the motorway.

Mr. Peter Bottomley: The current maximum speed limit on the motorways was fully reviewed in 1984 and 1985. We decided that a 70 mph limit continues to provide the right balance between safety and the need for fast and convenient travel.

I have no plans for minimum limits.

Coaches

Mr. Adley asked the Secretary of State for Transport if he will now review the safety and environmental requirements laid on coaches; and if he will make a statement.

Mr. Peter Bottomley: I have no plans for a review. A number of improvements are in hand including those I announced on 10 July in my answer to my hon. Friend the Member for Bournemouth, West (Mr. Butterfill).

East London River Crossing

Mr. Cartwright asked the Secretary of State for Transport whether his Department has re-evaluated the case for the east London river crossing in the light of its recent changes in the economic valuation of road schemes.

Mr. Channon: In accordance with the announced intentions at the time the changes were promulgated, such a reassessment will be carried out in due course.

My right hon. Friend the Secretary of State for the Environment and I will then consider whether the results affect our decisions on the inspector's report.

Mr. Cartwright asked the Secretary of State for Transport if he will list any excavation, boring or construction work which has been carried out or authorised in connection with the east London river crossing.

Mr. Channon: Geotechnical investigations involving boreholes and trial pits have been undertaken along the proposed line of the east London river crossing. There was a preliminary site investigation in 1980 and a detailed site investigation in 1983.

In 1984 a contaminated ground survey was undertaken in the areas of Beckton gas works and Thamesmead known to be contaminated with toxic and other potentially harmful waste materials.

A report was also compiled from existing records on the underground chalk workings in the Rockcliff gardens area.

All the surveys were referred to and made available for inspection during the public inquiry.

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Transport what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Channon: The total spending for press and public relations during the financial year 1986-87 was £6·1 million. The estimated expenditure for the current year is £6·5 million. This includes both spending on programmes and running costs.

T S C A V	*1986-87 £'000*		*1987-88 £'000*
	Provision	*Expenditure*	*Provision*
Section J2(1) Road Safety Publicity	4,853	4,806	5,220
Section J2(2) Grants to Voluntary & Other Bodies	96	78	181
Section K3 Marine Publicity	224	148	393
Total programme	5,173	5,032	5,794
Running Costs[1]	n/a	1,084	754
Grand Total	—	6,116	6,548

[1] Running cost lower in 1987-88 because of transfer of certain categories of expenditure to programme.

Nuclear Material Movements (Salford)

Mr. Terry Lewis asked the Secretary of State for Transport if he will list all movements of nuclear material for which his Department is responsible through Irlam and Cadishead in the city of Salford during each month of 1987.

Mr. Peter Bottomley: The Department does not collect information of the kind requested. The arrangements for ensuring safety in the transport of radioactive materials, which are based on International Atomic Energy Agency regulations, do not depend on the particular route used.

CIVIL SERVICE

Assistant Secretaries

Mr. Frank Field asked the Minister for the Civil Service if, for each Government Department, he will give the numbers of officials at assistant secretary level and above who have been educated privately; what percentage of each grade in each Department these figures represent; and how these figures compare with those for 1980-81.

Mr. Luce: I shall let the hon. Member have a reply as soon as possible.

NATIONAL FINANCE

Interest Reduction

Mr. Nicholas Baker asked the Chancellor of the Exchequer what is his policy on whether the Inland Revenue will use section 38 of the Finance Act 1976 to deny an interest reduction where the debt is created solely as a result of the unwinding of a dual resident company as a result of the provisions of the Finance (No. 2) Bill affecting such companies.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Privatisation

Mr. Clay asked the Chancellor of the Exchequer whether he will publish for each company privatised since 1979 the number of shareholders holding 500 shares or less following privatisation and the latest information available.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Inflation

Mr. Galbraith asked the Chancellor of the Exchequer what assumptions his Department has made about the rate of inflation for 1988, 1989 and 1990.

Mr. Major: The Financial Statement and Budget Report published in March 1987 contains assumptions for inflation as measured by the GDP deflator for the financial years 1988-89 to 1990-91, together with forecasts for growth in the GDP deflator in 1987-88 and for the retail prices index up to the second quarter of 1988. These figures are presented as follows:

Inflation
(percentage change on a year earlier)

GDP deflator	*Forecast*
1987-88	4·5
1988-89	4·0
1989-90	3·5
1990-91	3·0
RPI	
1987 4th quarter	4·0
1988 2nd quarter	4·0

Publicity (Departmental Expenditure)

Mr. Dobson asked the Chancellor of the Exchequer (1) what was the total spending by his Department on press and public relations in 1986-87; and what is the estimated expenditure for the current year;

(2) what was the total spending by his Department on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

Clydesdale Bank

Mr. Salmond asked the Chancellor of the Exchequer, pursuant to his answer of 14 July, if he will specify the precise dates on which *(a)* the Bank of England and *(b)* his Department were first informed of the proposed purchase of the Clydesdale bank by the National Australia bank.

Mr. Lilley: No, but within the timescale of the negotiations between the respective parties, the Bank of England had adequate time to inform the Treasury and to reach its conclusions.

Married Man's Allowance

Mr. McCrindle asked the Chancellor of the Exchequer what estimate he has made of the savings to the Exchequer of abolishing the married man's tax allowance; and if he will make a statement.

Mr. Norman Lamont [*pursuant to his reply*, 14 July 1987]: The direct yield from abolishing the excess of the married man's allowance over the single person's allowance and the excess of married age allowances over the single age allowances is estimated to be £4·6 billion in a full year at 1987-88 income levels.

Investment and Capital Relief

Mr. McCrindle asked the Chancellor of the Exchequer if he will consider expanding the range of investment and capital relief for investment in new and expanding companies; and if he will make a statement.

Mr. Norman Lamont [*pursuant to his reply*, 14 July 1987]: The Government have introduced a variety of measures to encourage investment in new and expanding companies. We shall continue to monitor developments and to examine proposals which might further encourage productive investment.

DEFENCE

Publicity (Departmental Expenditure)

Mr. Dobson asked the Secretary of State for Defence what was the total spending by his Department and the armed forces, respectively, on press and public relations in 1986-87; and what is the estimated expenditure for the current year.

Mr. Freeman: The figures requested are as follows:

	MOD	*Armed Forces*
	£	£
1986-87	[1]1,772,000	[1]5,551,000
1987-88	[2]1,942,000	[2]5,572,000

[1] Latest outturn figure
[2] Estimate

These figures include staffing costs together with expenditure on films, exhibitions, publications, equipment and so on.

Mr. Dobson asked the Secretary of State for Defence what was the total spending by his Department and the armed forces, respectively, on television, radio and newspaper advertising and other promotional literature in 1986-87; and what is the estimated expenditure for the current year.

Mr. Freeman: The information is not held centrally. I will write to the hon. Member in due course.

RAF St. Mawgan (Fire)

Mr. Matthew Taylor asked the Secretary of State for Defence if he will make a statement on an incident when Royal Air Force firemen were refused access to an American nuclear weapons storage area, after a fire alert at RAF St. Mawgan; whether local people or Royal Air Force firemen were in any danger from any radiation leak at that time; why those Royal Air Force firemen were not given access to detailed information regarding the nuclear make up of that base; and whether today the Royal Air Force has detailed knowledge of the nuclear weapons currently stored at the United States bases in the United Kingdom.

Mr. Freeman: For security reasons, I am not prepared to comment on locations where nuclear weapons may be stored. There is, however, good liaison between the United States and the United Kingdom on nuclear accident response issues. There has never been an accident involved nuclear weapons in the United Kingdom resulting in the release of radioactive material to the environment, and there has therefore never been any hazard either to the public or to service personnel.

Army Cadet Corps (Inner Cities)

Sir John Farr asked the Secretary of State for Defence what plans he has to establish an Army Cadet Corps unit in Leicester and in other inner city areas.

Mr. Freeman [*pursuant to his reply*, 13 July 1987, c. *346*]: The Army Cadet Force (ACF), which celebrated its 125th anniversary in 1985, is a voluntary youth organisation sponsored by the Army. Its current membership is 43,500 cadets deployed in 1,650 detachments throughout Britain.

The Government attach great value to this force. Participation in both the military and community activities of the ACF engenders good citizenship, a spirit of service to Queen and country and a high degree of self-discipline. While the ACF is not part of either the Regular Army or the Territorial Army and membership carries no obligation to join the armed forces, a high proportion of cadets choose to pursue a career in the services. For instance, some 25 per cent. of the Regular Army intake in the period 1 April 1986 to 31 March 1987 had been members of the ACF.

The Ministry of Defence is examining the possibility of expanding the ACF in a number of inner city areas. Twenty existing detachments located within such areas are considered to be capable of expansion, and a number of other areas have been identified where new detachments might be formed. Some expansion is already being undertaken where this is possible at no or very low cost, including the expansion of one of the six existing detachments in Leicester, and its move into the TA centre in Brentwood road. Any substantial increase in the ACF would, however, depend on the availability of funds.

AGRICULTURE, FISHERIES AND FOOD

Small Businesses

Mr. David Shaw asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the achievements of his Department in helping small businesses over the last three years; and if he will publish the performance indicators by which his Department monitors those achievements and the statistical results of such monitoring.

Mr. MacGregor: The Government have introduced a variety of measures that are of particular benefit to smaller farm businesses. These measures include:

the introduction of the agricultural improvement scheme in October 1985 which provides grant aid for a wide range of agricultural and horticultural investments. This is of particular help to small and medium sized businesses, many of which were not regarded as sufficiently large to qualify under previous capital grant schemes. The effectiveness of the scheme may be judged by the number of farmers and growers who benefit from it, the expenditure already incurred and the commitment to future expenditure. Information on achievements is expected to be published in the next annual public expenditure White Paper;

arrangements to restore the milk quota received by producers with less than 200,000 litres of quota to their pre-quota level and making direct compensation payments in 1984-85 and 1985-86 to alleviate the effect of the milk co-responsibility levy on small-scale producers;

obtaining £3·4 million of EC aid to offset the effect of the cereals co-responsibility levy on small producers;

the reform of capital transfer tax to abolish the tax on capital gifts made between individuals during their lifetime;

new opportunities for diversification with grant available for ancillary businesses on or adjacent to farms;

the extension of the less favoured areas in 1984 and the introduction of environmentally sensitive areas;

plans to increase the activities of the Agricultural Training Board in rural areas under the extended scope provided by the Agricultural Training Board Act 1987;

grants to agricultural and horticultural co-operatives to improve the marketing of produce and to forage groups in less favoured areas. During the last three years these grants have amounted to more than £15 million.

I would also draw the attention of my hon. Friend to paragraphs 7.43 to 7.50 in the progress report on deregulation "Encouraging Enterprise" presented by the Secretary of State for Employment in May. These and relevant paragraphs in the two preceding White Papers on deregulation show the attention being given in my Department to reducing burdens on businesses. In addition, all purchasing points have been issued with a guidance booklet entitled "Payment on Time" intended particularly to assist small suppliers, and, as part of the Ministry's purchasing strategy, we are developing improved and closer relationships with small suppliers in order to stimulate competitiveness and innovation.

Monitoring and control systems, output measures, and performance indicators across the whole range of my Ministry's activities are being developed. Such information relevant to small businesses that is currently available has been set out in this reply.

Intervention Board (Delay in Payments)

Dame Peggy Fenner asked the Minister of Agriculture, Fisheries and Food what is the current delay in payment by the Intervention Board for Agricultural Produce dairy section, Reading; what estimate he has made of the implications of the delay for the cash flow of small companies; and if he will make a statement.

Mr. Donald Thompson: For butter and skimmed milk powder purchased into intervention, the board makes payment in accordance with EC regulations between 120 and 140 days after the date of takeover. For other internal market schemes and for export refunds, the board's aim is to make payment within 28 days of the receipt of a properly documented claim. This time scale is in line with the best commercial practice. During the last 12 months the board has consistently met this target in the dairy sector. In the case of export refunds, this has been despite continuous increase in claims, numerous changes in EC regulations, and the need to prepare a new system of computer handling of claims in order to increase the board's efficiency further. If my hon. Friend has some specific case in mind, I would be grateful if she could let me have details.

Intervention Stores

Mr. John Mark Taylor asked the Minister of Agriculture, Fisheries and Food if he will publish in the *Official Report* the current contents of each European Economic Community intervention foodstore in Britain; and what is the total annual cost to public funds of the operation of such foodstores.

Mr. Donald Thompson: On the first part of his question I refer my hon. Friend to the answer that I gave to the hon. Member for Pontypridd (Mr. John) on 16 July. Estimate provision for 1987-88 in class IV, vote 1, agricultural support (Intervention Board for Agricultural Produce), in respect of storage and related costs for intervention produce, is £177,247,000.

Farm Rents

Mr. Ieuan Wyn Jones asked the Minister of Agriculture, Fisheries and Food what was the average rise in farm rents per hectare, for farms which experienced a rent change, for tenants in each of the English regions during the last full year for which figures are available.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Agriculture Council

Mr. Matthew Taylor asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the results of the recent Agriculture Council meeting.

Mr. MacGregor: I refer the hon. Member to the statement which I made to the House on Wednesday 1 July at column 511.

Common Agricultural Policy

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what progress has been made in the reform of the common agricultural policy since the meeting in June of the Council of Ministers.

Mr. MacGregor: The Commission has undertaken to bring forward very soon the detailed proposals requested by the European Council on 30 June, as a basis for future work on CAP reform and other matters.

Morocco (Fisheries Agreement)

Mr. Beith asked the Minister of Agriculture, Fisheries and Food whether it is the policy Her Majesty's Government that the European Economic Community fisheries agreement with Morocco should extend only to the area of sea which is internationally recognised as Moroccan waters.

Mr. Gummer [*pursuant to his reply*, 15 July 1987]: The details of a fisheries agreement between the European Community and the kingdom of Morocco are for negotiation between the Commission and the Moroccan authorities. We consider that the Western Sahara issue is for the countries of the region to settle. The normal wording of the Community's fisheries agreements with third countries would not prejudice the outcome of this matter but the Commission and the member states are fully aware of the need to proceed with caution.

Fishing Quotas

Mr. Randall asked the Minister of Agriculture, Fisheries and Food what plans he has to compensate those companies which did not exceed the saithe catch quotas allocated to them for area six before the closure of this fishery; and what corresponding action he will take with those companies which exceeded their quotas in this area.

Mr. Gummer [*pursuant to his reply*, 16 July 1987]: Under the terms of the sectoral quota arrangements for the area IV and VI white fisheries agreed with the industry at a consultative meeting in January, organisations which exceed a sectoral quota allocation to the disadvantage of others in the fishery are subject to a tonne-for-tonne deduction in the following year with the quantities concerned being used to compensate those disadvantaged. We are currently seeking additional opportunities for saithe by means of a quota exchange with another member state. If this proves successful, we shall discuss with the industry the scope for using the additional quantities to provide compensation this year.

NORTHERN IRELAND

Teacher-Pupil Ratios

Mr. Kilfedder asked the Secretary of State for Northern Ireland what is the current teacher-pupil ratio in primary schools, secondary schools and grammar schools in the North Down constituency.

Dr. Mawhinney: That latest available information relates to the 1985-86 school year and is as follows:

	Ratio
Primary[1]	25·13
Secondary	14·80
Grammar	15·95

[1] Includes nursery classes in primary schools and preparatory departments of grammar schools.

Schools

Mr. McGrady asked the Secretary of State for Northern Ireland what are the regulations regarding the choice of schools for secondary education; and to what extent parental choice is taken into consideration.

Dr. Mawhinney: There are no statutory regulations regarding the choice of schools for secondary education. However, the present transfer arrangements operate on the basis enshrined in article 44 of the Education and Libraries (NI) Order 1986 that the Department of Education and Library Boards shall have regard to the general principle that, so far as is compatible with the provision of efficient instruction and training and the avoidance of unreasonable public expenditure, pupils shall be educated in accordance with the wishes of their parents.

South Tyrone Hospital, Dungannon

Mr. Maginnis asked the Secretary of State for Northern Ireland how many people were on the waiting list for surgery at the South Tyrone hospital, Dungannon, on 1 January 1986, and on the first day of each subsequent month up to, and including, 1 July.

Mr. Needham: I shall reply to the hon. Gentleman as soon as possible.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 119**

SESSION 1986–87

6th July–17th July 1987

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc, between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc, under subject headings and under the names of those taking part.

Rulings and Statements by Mr Speaker and his deputies are brought together under the heading Speakers rulings and statements.

Other contributions by Mr Speaker and his deputies appear under the heading Speaker.

Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italic. Under their names, entries are arranged under one of the two headings *Debates etc* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

Column numbers followed by the letter W refer to Written Questions. These appear at the end of each daily part or volume with their own sequence of column numbers printed in italics.

A1 194w
Road safety barriers 194w

A1-M1 link 272w, 417w
Leeds 417w
Research 272w

A5 215w
Bypasses 12-3

A41 201-2w
Road works 201-2w

A46 15-6w
Watermead country park 15-6w

A46-A47
Road construction 16w

A47 16w, 594w
Road works 594w

A55 149w
Road works 215w

A74 194-6w
Road works 194-6w

A423 417w
Road construction 417w

A533 201w

Aberdeen University 110w
University finance 110w

Abolition of Domestic Rates Etc (Scotland) Act 1987
Debates etc
(13.07.87) 863-80
Questions
402-6w

Abortion 165-6w, 190, 264-6w
Northern Ireland 372w
Rape 165-6w
Republic of Ireland 372w

Aboul-Hosn, Samir
Negligence 970

Absent voting
Complaints 210w
General elections 521w

Accident & emergency departments 500w
Greater Glasgow Health Board 500w

Acid rain
Air pollution control 557-8w
Conifers 557w

Action for Community Employment 487-91w
Community care 488w
Government grants 488w
Northern Ireland 489-91w
Sponsorship 489-91w

Acute beds 379-80w
Liverpool 379-80w

Additional voluntary contributions (15.07.87) 1146-203

Addresses to the Crown
Queen's Speech (07.07.87) 175

Adjournment debates
Speaker's rulings & statements (10.07.87) 672, (13.07.87) 952

Adley, Mr Robert
Debates etc
Finance Bill, 2R (08.07.87) 361
Finance Bill, Com (15.07.87) 1194, 1197-200
Oral question time intervention (09.07.87) 508
Questions
Buses, Safety standards 672w
Channel ferries, Shipping accidents 15w, 330-1w
Council house waiting lists 539-40w
Council house waiting lists, Local authorities in Scotland 502w
Council housing, Empty housing 539w
Council tenants, Homelessness 540-54w
Drug crimes, Malaysia 472w
Empty housing, Local authorities in Scotland 503-5w
Energy prices 286w
Homelessness, Local authorities in Scotland 501w
Homesteading schemes, Empty housing 553-4w
Housing construction, Construction costs 539w
Housing construction, Local authorities in Scotland 503w
Housing construction, Public sector housing 536-7w
Housing construction, Scotland 503w
Housing finance, Local authorities in Scotland 503w
Housing (Homeless Persons) Act 1977, Scotland 500-2w
Inner city areas, Investment 1128-9
Private investment, Inner city areas 175-6w
Private sector housing, Inner city areas 537-8w
Ships, Design 313w
Squatting, Building repairs 553w
Sub post offices 337
Syrian Arab Republic, Foreign policy 646w
Tax allowances, Property development 493w

Administrative costs
Colonies 474w
Community charge 382w, 524w, 526w
Insurance 415w
Monopolies & Mergers Commission 319w

Administrative delays
Compensation 687
House renovation grants 8
Intervention Board for Agricultural Produce 678w
Land registration 476w
Legal aid 5w
Office of Fair Trading 486w
Remand in custody 304w
Social security appeals 43-4w
Visas 634w

Adult education
Scotland 399-400w
Unemployed 110w

Advertising 661w
Cabinet Office 661w
Dept of Education & Science 655-6w
Dept of Employment 642w
Dept of Energy 647w
Dept of Health & Social Security 667w
Dept of the Environment 670w
Dept of Trade & Industry 653-4w
Expenditure 640w, 642w, 646-7w, 649-51w, 653-6w, 659w, 667w, 670w, 675-6w
Foreign & Commonwealth Office 646w
Home office 659w
Manpower Services Commission 642w
Metropolitan Police 659w
Ministry of Defence 675-6w
Scottish Office 649-51w
Treasury 675w
Welsh Office 640w

Advertising controls
Laboratories 664w

"Advisory Committee on the Safety of Nuclear Installations Report, 1986/87" 646w

Afghanistan
Antiaircraft missiles 63w, 333w, 347, 636w
Arms trade 100w
Foreign policy 289w

Age
Mental patients 463w
Prison population 241w

Age allowances
Elderly 591w

Agency nurses
NHS finance 627w
Nottingham Health Authority 628w

Agents
Magistrates' courts 6w

Agricultural Development & Advisory Service 217w, 413w
Manpower 217w
Wales 217w
Welsh language 413w

Agricultural Inspectorate 197w

Agricultural land
Vacant land 639w

Agricultural production
Sheep 291w, 296w
Wales 291w

Agricultural surpluses
Intervention stocks 407w, 584-9w

Agricultural workers
Manpower 291w

Agriculture
Bankruptcy 219-20w
Land use 24w
Wales 15, 24w

Aid financed trade 349
Bilateral aid 71w
Contracts 71-4w
Developing countries 76w
International conferences 76w

AIDS 121w, 627w
Blood donors 207-8w
Catholic Fund for Overseas Development 12w
Contraceptives 627w
Death 119-20w
Dentistry 370w
Departmental coordination 100w
Disease control 515-6w, 604w
Drug abuse 515-6w
Drugs 119-20w, 516w
EC action 516w
Government grants to voluntary organisations 12w
Health education 627w
Health services 572w
International Planned Parenthood Federation 12w
Law reform 604w
Medical research 175, 458w
NHS finance 516w
Prisoners 603-4w
Scotland 572w
Screening 373-4w
Statistics 370-1w
Voluntary organisations 12w

AIDS in Scotland Working Party 572w

Air accidents
Aircrew 60w
Death 598w
Jaguar aircraft 61-2w, 344w
Low flying 60w
Military aircraft 598w
Tornado aircraft 62w, 344w

Air force
Early retirement 961-2
Lea Aviation 69w

Air force bases
Cruise missiles 58w

Air pollution
Trawsfynydd power station 286w
United Nations 557w

Air pollution control
Acid rain 557-8w

Air safety
Helicopters 139w
Low flying 435w

Aircraft
Fire prevention 323w

Aircraft noise
Gatwick 491-2w
Noise control 491-2w

Aircrew
Air accidents 60w
Armed forces strength 60-1w
Death 60w

Early retirement 60w

Airedale
Road construction 203w

Airlines
Competition 1282
Mergers 1278

Airports
Falkland Islands 967

Aitken, Mr Jonathan
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 473, 480-3
Today newspaper (06.07.87) 35-8
Questions
Business statement 1287
Office of Telecommunications, Consumer protection 350-1

Akhmetov, Nizametdin 474-5w

Albania
Diplomatic relations 146w

Albert Dock (15.07.87) 1233-54

Alcoholism
Scotland 394w
Wales 24w

Alcoholism & crime 1268
Homicide 360-1w
Rape 360-1w

Aldermoor School Southampton (15.07.87) 1255-60

Alexander, Mr Richard
Debates etc
Prison overcrowding (16.07.87) 1304
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1375-6
Questions
Land registration, Nottingham 476w

Al-Fayed Investment Holdings 268w

Alison, Rt Hon Michael, *Second Church Estates Commissioner*
Questions
Church finance 10
Clergy, Freehold housing 11
Clergy, Pay 10

Allason, Rupert 276w

Allen, Mr Graham
Debates etc
Elwood, Patrick, Public petitions (17.07.87) 1391
Legal profession (17.07.87) 1457
Manufacturing industries, Competitiveness (10.07.87) 652-6, 658, 661, 663
Ministerial responsibility (06.07.87) 168-73
Points of order (14.07.87) 976
Public order policing (17.07.87) 1439-41, 1448-51
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1358
Questions
Beechdale Engineering, Nottingham 576w
Business statement 519, 1292
Chemical weapons, Defence expenditure 594-5w
Chemical weapons, Defence procurement 595w
Chemical weapons, Factory closures 64w
Community charge, Nottingham 50-1w
Council house sales 53w
Electoral register, Community charge 414-5w
Health service staff, Nottingham 664-5w
Hospital closures, Nottingham 628w
Housing investment programmes, Nottingham 148-9w
Inner area programmes, Nottingham 574-5w
NHS, Competition 628w
Nottingham Health Authority, Agency nurses 628w
Nottingham Health Authority, Competition 628w
Nottingham Hospital, Competition 628-9w
Pedestrian crossings, Blind 325w
Rate support grants, Nottingham 575-6w
Telephone operator services, Blind 360
Telephone operator services, Fees & charges 76w
Trent Regional Health Authority, NHS finance 516w
Trident submarines, Defence contracts 63w, 594w

Allison, Neil 330w
Members' correspondence 330w

Alpha Steel 4

Alternative energy 690

Alternative Land Use in the Rural Environment
Finance 555w

Alton, Mr David
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1077-8, 1085
Questions
Bombings, Convictions 1262-3
Business statement 517, 1286
Crime prevention 1269
European monetary system 508
Extradition, Belgium 616w
Hickey, Michael, Inquiries 615w
Morocco, State visits 334w
Northern Ireland Housing Executive, Public sector housing sales 424w
Prisoners on remand 304w
Tidal power 338-9w
Urban development corporations, Contracts 1119

Ambulance services
Greater London 309-10w, 380w

Amendments & new clauses
Speaker's rulings & statements (06.07.87) 77

Amess, Mr David
Debates etc
Dyslexia, Special education (13.07.87) 949-51
Questions
Abortion 190
Housing completions, Basildon Development Corporation 530w
Motorways, Speed limits 672w
Neighbourhood watch schemes 610w
Overseas trade, Saudi Arabia 347
Pupil-teacher ratios, Basildon 107w

Ammunition
Defence procurement 247w, 596w

Amusement arcades 302w
Children 1265
Law enforcement 1264-5

Anderson, Mr Donald
Questions
Enterprise zones, Government assistance to industry 388w
Railway transport, South Wales 22w
Redundancy, Wales 6-7

Anderson, N 87w

Anglo-Irish Agreement 98-9w, (07.07.87) 198-263
Education 98-9w
Northern Ireland 190

Annual reports 378w, 458w
Health Service Commissioner 458w
NHS 378w

Antenatal care 163-4w

Antiaircraft missiles
Afghanistan 63w, 333w, 347, 636w
End user certificates 347
House of Commons questions 3w
Type 23 frigates 968
USSR 333w, 636w

Antidumping
EC action 485-6w

Appeals
Public service vehicles 492w

Appledore Shipyard 36w

Appropriation (No 2) (Northern Ireland) Order 1987
Debates etc
(07.07.87) 264-300

Archer, Rt Hon Peter
Debates etc
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 302-6, 311
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 206-11
Questions
Matrimonial & Family Proceedings (Northern Ireland) Order 1986 637-8w

Area manpower boards 641w

Argentina
Falkland Islands 967

Argyll
Youth training scheme 402w

Armed forces
Chemical weapons 595-6w
Freedom of the city 536w
Porton Down 595-6w
Privatisation 597-8w
Protective clothing 314w

Armed forces cadets
Inner city areas 676-7w
Leicester 344w, 676-7w

Armed forces deployment
West Germany 597-8w

Armed forces local overseas allowance 433w

Armed forces married quarters
RAF Boulmer 596w

Armed forces medical services
Armed forces pay 562w

Armed forces officers
Companies 69w

Armed forces pay
Armed forces medical services 562w
BAOR 433w

Armed forces recruitment
Territorial Army 436w

Armed forces strength
Aircrew 60-1w
Electoral registration 68-9w
NATO 157-8w
Warsaw Pact 157-8w

Armed forces training
Low flying 961-2

Armed forces training 495w
Brittania Royal Naval College 343-4w
Defence expenditure 433w
El Salvador 344w
Helicopters 969
Low flying 39w, 59w, 962-3
Military aircraft 61w
Neutron bomb 58w
Nuclear accidents 1133-41
Nuclear weapons 1136

Armed forces visits 63w
Chile 63w
HMS Onyx 63w
Warships 63w

Arms control
Binary chemical weapons 58w

Arms control treaties 966
Biological weapons 966
Chemical weapons 966
Conventional weapons 437w, 965-6
Labour Party 958
Nuclear weapons 58w, 343w, 430w
Nuclear weapons deployment 634w
Nuclear weapons policy 436w
Theatre nuclear weapons 58w, 432w

Trident missiles 57w

Arms exports 342-3w
Disclosure of information 315w
Morocco 440w, 494w
USA 64w

Arms imports
USA 64w

Arms trade 76w
Afghanistan 100w
Canada 430-1w
Iran 143w
Submarines 430-1w

Armstrong, Ms Hilary
Debates etc
Urban development corporations (15.07.87) 1250-2, 1254
Questions
Area manpower boards 641w
Arts finance 353w
Community programme 473-4w
Community programme, Take-up of employment 473w
Inner cities initiative 578w
National Economic Development Council 445w
Polytechnics, Educational administration 278w
Secondary education, Durham 104w
Urban development corporations, Consett 1129-30
Urban development corporations, Employment opportunities 388w
Urban development corporations, Public appointments 132-3w
Urban development grants 535-6w

Army
Intimidation 311w

Army Air Force & Naval Discipline Acts (Continuation) Order 1987
Debates etc
(08.07.87) 451-71

Army bases
Construction 432w

Army in Northern Ireland 433w
Cross border cooperation in Ireland 433w

Arnold, Mr Jacques
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 599-601
Maiden speech (09.07.87) 599-601
Questions
Visas, India 634w

Arnold, Mr Tom
Questions
Boundary Commission for England, Parliamentary constituencies 96w
Boundary Commissions 48w
Hospitals, Planning 377w
Personal injury, Trials 142w
Residential Care Finance Working Party 372w

Arrests
South Africa House 212w
Terrorism 363w

Arson
Wales 611-4w

Art works
Exhibitions 148w
Export licensing 249-50w
Prices 699

Artillery
Tanks 437w

Arts
Employment level 358w
Handicapped 353w
Leeds 358w
Tourism 355w

Arts Council 357w

Arts Council grants
Royal Shakespeare Company 356w, 697-8

Arts Council of Great Britain see Arts Council

Arts finance 353w
Bristol 353w
Cardiff 356w
Charitable donations 358w
Glasgow 354w
Greater London 357w
Haymarket Theatre, Leicester 700-1
North West region 352w
Northern region 353w
Northern Regional Arts Association 358w
Phoenix Theatre Leicester 700-1
Scotland 356-7w
Student grants 698-9
Theatre 356-7w
Wales 356w
Yorkshire 358w

Arts marketing scheme 357w

Arts sponsorship 355w

Ashby, Mr David
Debates etc
Legal profession (17.07.87) 1460
Local Government Bill, 2R & Money res (06.07.87) 140
Questions
British Coal Corporation Enterprise, Land reclamation 693
Coal Industry Act 1987, Orders & regulations 598-9w
Coal mining, Orders & regulations 335w
Opera 357w
Shareholders 255w

Ashdown, Mr Paddy
Questions
Bankruptcy, Small businesses 348
China, Human rights 11w
Falkland Islands, Military aircraft 967
Helicopters, Defence procurement 436w
Hong Kong, China 10-1w
Hong Kong, Emigration 10w
Hong Kong, International Court of Justice 9-10w
Hong Kong, Sovereignty 10w
Local education authorities, Schools 178
School fees 182
Schools, Local education authorities 103w

Ashford Remand Centre 565w, 656-7w
Prison visits 656-7w

Ashley, Rt Hon Jack
Questions
Business statement 519-20
Crown immunity, NHS finance 521-2w
Disabled Persons (Services Consultation & Representation) Act 1986, Voluntary organisations 519-20w
Drug hazards, Labelling 259w
Drugs, Clinical trials 258w
Drugs, NHS 258-60w
Drugs, Prices 258w
Family Law Reform Act 1987 316w
Job training scheme, Handicapped 346-7w
Military exercises, Radioactivity 1137
Myalgic encephalomyelitis, Diagnosis 375w
Myalgic encephalomyelitis, Invalidity benefits 375w
Opren, Drug side effects 260w
Opren, Licensing 260w
Privatisation, Working conditions 504
Special education, Deaf 184
Supplementary benefits, Job training scheme 369-70w

Ashton, Mr Joseph
Debates etc
Today newspaper (06.07.87) 21
Questions
Coal mining, Employment opportunities 692-3
Coal mining, Productivity 696
Electricity supply industry 337w

Asians
English language 40-1w

Assisted areas
North Devon 170w

Assisted places scheme 321w
Cost per pupil 321w

Association of Scientific Technical & Managerial Staffs 322w

Assured tenancies
Inner London boroughs 136-7w
Outer London boroughs 136-7w

Atkins, Mr Robert, *Under-Secretary of State for Trade and Industry*
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 571, 578-81
British Shipbuilders (Borrowing Powers) Bill, Rem stages (16.07.87) 1342, 1348-50
Economic growth, North West region (13.07.87) 940-4
Questions
Assisted areas, North Devon 170w
British Shipbuilders, Contracts 80w
British Shipbuilders, Ferries 653w
Brittany Ferries, Procurement 172w
Business, Overhead costs 178w
Channel tunnel, Contracts 418w
Clothing industry 345
Generators, Manufacturing industries 179-80w
Government assistance to industry, Merseyside 178w
Government assistance to industry, Plymouth 175w
Industrial development, Regional planning & development 176w
Inner cities initiative 346-7
Inner cities initiative, Housing estates 346
Iron & steel industry, Redundancy pay 420w
ISTEL, Management buy-outs 2w
Manchester Airport, Railway network 181w
Manufacturing industries, Industrial production 171w
Manufacturing industries, Inner city areas 171-2w
Manufacturing industries, South Yorkshire 172w
Manufacturing industries, Wales 171w
Manufacturing industries, Yorkshire & Humberside 171w
Motory industry 180w
Regional aid, Expenditure 174-6w
Regional aid, Government assistance to industry 174w
Regional development grants, North East region 420w
Regional development grants, North West region 178w
Regional development grants, Northern region 177w
Regional development grants, Yorkshire & Humberside 177-8w
Shipbuilding, Foreign investment in UK 79w
Shipbuilding, Government assistance to industry 79w
Shipbuilding, Manpower 78w
Shipbuilding, Shipping 78w
Shipbuilding, Tenders 79-80w
Shipbuilding Intervention Fund, EC countries 77-8w
Textile industry, Government assistance to industry 346
Textile industry, USA 345-6
Urea, Imports 481-2w

Atkinson, Mr David
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 112-6
Questions
Community charge, Church buildings 56w
Community charge, Landlord & tenant 382w
Community charge, Voting rights 189
Concessionary television licences 610w

HOTOL, Research 176w
Income tax, Tax rates & bands 18w
Polaris missiles 432w
Social security appeals, Bournemouth 43-4w
Student grants 109w

Atomic Weapons Research Establishment 67-8w
Radiation hazards 67-8w

Attendance allowance
Board & lodging charges 507w
Clipsom, Irene 666w

Attorney-General 275-6w
Women 275-6w

Audit Commission see Audit Commission for Local Authorities in England and Wales

Audit Commission for Local Authorities in England & Wales 625-6w

Average earnings
Men 441w
Retirement pensions 125w
Scotland 31-2w, 498w
Statistics 126w
Supplementary benefits 456-7w
Women 85-6w, 441w

AWRE see Atomic Weapons Research Establishment

Ayr road route 35-6w
Glasgow 35-6w

B52 bombers 440w

BAA see British Airports Authority

Babies
Prisoners 609w
Transplant surgery 169-70w

Baby milks
Codes of practice 42w, 666w

Bacterial diseases
Hospitals 38w

Bahai sect
Iran 331w

Baker, Rt Hon Kenneth, *Secretary of State for Education & Science*
Questions
Collective worship, Schools 112w
Curriculum 178
Educational finance 182
Examinations, Schools 177
Local education authorities, Schools 177-9
Mathematics National Curriculum Working Group 281-2w
Ministers' correspondence, General Election 1987 37w, 655w
School admission 220w
School admission, Examinations 178
School admission, School catchment areas 187
School choice 178
School fees 182-3
School fees, Education Act 1944 183
School fees, Local education authorities 181
School fees, School choice 181
School transport, Fees & charges 183-4

Baker, Mr Nicholas
Questions
Capital gains tax, Married people 81w
Fuel duty rebate, Tractors 509
Interest charges, Company liquidations 674w
School transport, Local education authorities 102w

Balance of payments 178w

Balance of trade
Manufactured goods 170-1w, 180-1w, 252w, 338-40, 503-4
Manufacturing industries 172w, 343-4

Balderton Hospital 625w, 663w
Mental patients 663w
Operating costs 625w

Baldry, Mr Tony
Debates etc
Local government finance (13.07.87) 785-7
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 205
Questions
A41, Road works 201-2w
Armed forces training, Nuclear weapons 1136
COD Bicester, Privatisation 433w
Electricity supply industry, Privatisation 688-9
General Certificate of Secondary Education, Educational finance 180
Photography, Private investment 700
Prisons, Bicester 609w
VAT, Company registration 254w

Ballachulish bridge 273-4w
Repairs & maintenance 273-4w

Bank of England 256w, 446w, 675w
Debts 256w
Privatisation 504

Bankruptcy
Agriculture 219-20w
Small businesses 348

Banks, Mr Robert
Debates etc
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1092
Questions
Ministry of Defence, Civil service dispersal 963

Banks, Mr Tony
Debates etc
Business questions intervention (09.07.87) 519
Local Government Bill, 2R & Money res (06.07.87) 100, 105, 114, 123-5
Points of order (14.07.87) 976-7
Wright, Peter, Standing Order No 20 applications (13.07.87) 708
Questions
Arts finance, Greater London 357w
Business statement 524
Intervention stocks, Greater London 219w, 348-9w
Kuwait, Flags of convenience 645w
Lead plumbing, Health hazards 1123
Metropolitan Police, Embassies 212w
Official hospitality, Dept of the Environment 223w
Overseas investment 255w
Prime Minister, Official hospitality 660w
South Africa House, Arrests 212w
South Africa House, Demonstrations 211w
South Africa House, Public order policing 211-2w
Sports, Drug abuse 527w
Turtle products, Imports 652w

BAOR
Armed forces pay 433w

Barnes, Mr Harry
Debates etc
Local government finance (13.07.87) 787-90
Maiden speech (13.07.87) 787-90
Questions
Industrial estates, Fires 56w, 528w

Barnes, Mrs Rosie
Debates etc
Public order policing (17.07.87) 1403-7

Barnet Health Authority 665w
Hospital waiting lists 665w

Barristers
In-service training 6w

Barron, Mr Kevin
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1373, 1380
Questions
British Coal Corporation 335-6w
Coal mining, Employment opportunities 693
Electricity supply industry, Privatisation 21w
Public libraries 354w

Barrow-in-Furness
Trident 968

Basildon
Pupil-teacher ratios 107w

Basildon Development Corporation
Housing completions 530w

Batiste, Mr Spencer
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1354-5, 1380
Questions
British Coal Corporation Enterprise 692
Business statement 1292
Civil service manpower, Dept of Education & Science 155w
Civil service manpower, Dept of Employment 288w
Civil service manpower, Dept of Health & Social Security 308w
Civil service manpower, Dept of the Environment 221-2w
Civil service manpower, Dept of Trade & Industry 317w
Civil service manpower, Dept of Transport 271w
Civil service manpower, Home Office 301-2w
Civil service manpower, Ministry of Agriculture Fisheries & Food 495w
Civil service manpower, Ministry of Defence 199w, 312-3w
Civil service manpower, Northern Ireland Office 486-7w
Civil service manpower, Scottish Office 392-3w
Civil service manpower, Welsh Office 290w

Batley
Immigration appeals 143w

Battle, Mr John
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 116-20
Maiden speech (06.07.87) 116-20
Questions
Arts, Leeds 358w
Baby milks, Codes of practice 42w, 666w
Community charge, Leeds 525w
Kidney machines, Medical treatments 42-3w
Kidney patients, Leeds 666-7w
Lithotripsy, Medical equipment 666w
Social security benefits disqualification, Leeds 447w

BBC 213w, 360w, 402w, (13.07.87) 756-76, 1271
Broadcasting finance 213w
Consolidated Fund debates (13.07.87) 756-76
Police right of search 360w, 402w
Procurators fiscal 402w

BBC Advertising & Sponsorship Review 213w

Beaches
EC action 420w, 532-3w, 1116
Northern Ireland 425w
Orlock 425-6w
Pollution control 151w, 420w, 425w
Sea pollution 532-3w
Sewage 425-6w
Wales 151w

Beaumont-Dark, Mr Anthony
Debates etc
Local government finance (13.07.87) 793, 801-3

Beckett, Mrs Margaret
Questions
Average earnings, Statistics 126w
Board & lodging charges, Supplementary benefits 126w

British citizenship, Supplementary benefits 363-4w
Exceptional needs payments, British citizenship 369w
Invalidity benefits, European Court of Justice 378w
Means tested benefits, Low incomes 114w
Public libraries, Finance 355w
Retirement pensions 122-5w
Retirement pensions, Average earnings 125w
Retirement pensions, British residents abroad 121-2w
Retirement pensions, Index linking 125w
Severe disablement allowance, European Court of Justice 377-8w
Supplementary benefits, Pensioners 120w

Beechdale Engineering 576w
Nottingham 576w

Beef & veal
Green pound 153w
Wales 348w

Bees
Nature conservation 670w
Pest control 527w

Beggs, Mr Roy
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 281, 283
Questions
Ministry of Defence, Civil service dispersal 963-4

Beith, Mr A J
Debates etc
Clerk of the House, Retirement (13.07.87) 713-4
Nuclear disarmament (13.07.87) 844-7
Orders & regulations (08.07.87) 354
Questions
Arms exports, Morocco 494w
British Telecom, Complaints 350
Civil service, Cabinet Office 702
Coal fired power stations, Construction 339w
Community charge 525w
Fishery agreements, Morocco 679w
House of Commons staff, Pay 145w
RAF Boulmer, Armed forces married quarters 596w
Taxis, Licensing 66w
Western Sahara, Recognition of states 475w

Belfast City Hospital 425w

Belgium
Carpet industry 318w
Extradition 616w

Bell, Mr Stuart
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 268-71
Cruelty to children, Cleveland (09.07.87) 531
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 1253-7

Bellingham, Mr Henry
Debates etc
Sugar beet (13.07.87) 826-8

Benn, Rt Hon Tony
Debates etc
Recess motions, Summer adjournment (13.07.87) 720-2
Wright, Peter, Standing Order No 20 applications (13.07.87) 707, 709-10
Questions
Electricity supply industry, Privatisation 689
Plutonium, Exports 57w

Bennett, Mr Andrew F
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 86
Questions
Arts finance, North West region 352w
Business statement 522
Community charge, Supplementary benefits 1276-7
Curriculum 178
Defence land, Property transfer 245-6w
Dog wardens, Local authorities 51w
Dogs, Death 307w
Dogs, Prosecutions 208w
Education 281w
Fowler, Mike, Unemployment benefits 84w
Hospital waiting lists, Hip replacements 368w
Livestock, Stray dogs 219w
M66, Road construction 13w
Polytechnics, Student numbers 186
Public footpaths 531-2w
School fees, Social security recipients 512
School leaving, Wales 69-70w
Student loans, Educational finance 176
Tape recorded evidence, Police interrogation 359w
Trident submarines, Communication engineering 431w

Bennett, Mr Nicholas
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 77
Local government finance (13.07.87) 796, 798
Questions
Abortion 165-6w
Agriculture, Bankruptcy 219-20w
Business statement 523-4
Economic growth 251-2w
Green pound, Beef & veal 153w
Light dues 200-2w
Road tolls, Estuaries 139-41w
School population, Wales 290w
Street crime 1266
Unemployment, Dyfed 5

Berkshire
Development plans 534w
Nurses 265w
Teachers 654w

Bermingham, Mr Gerald
Debates etc
Members' interests (07.07.87) 197
Questions
Business statement 520
Crown Prosecution Service 5-6w
Crown Prosecution Service, Disclosure of information 205w
Crown Prosecution Service, Juvenile courts 83w
Juvenile courts, Lawyers 83w
Legal aid, Households 316w
Legal profession, Documents 7w
Legal profession, Professional qualifications 6w
Legal representation, Prisoners on remand 276w
Magistrates courts, Agents 6w
NHS finance, Pay settlements 630-1w
Police cells, Prisoners 364-5w
Police cells, Prisoners on remand 365w
Prison overcrowding 303w
Prison population 303w, 366w
Prisoners on remand 304w, 366w
Prisoners on remand, Women 304w
Remand in custody, Administrative delays 304w
School buildings 112w
Solicitors, In-service training 6w

Bevan, Mr David Gilroy
Debates etc
Public order policing (17.07.87) 1419, 1445-8
Questions
Defence expenditure 345w

BFI see British Film Institute

BGC see British Gas Corporation

Bicester
Prisons 609w

Bidwell, Mr Sydney
Questions
Housing Act 1985, Racial attacks 223w
International Society for Krishna Consciousness 660w

Biggs-Davison, Sir John
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1069
Members' interests (07.07.87) 197
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 227-31
Questions
Cruelty to children 1270
Falkland Islands, Defence 966-7
Identity cards 606w
PRC Homes, House purchase 526-7w
Republic of Ireland, Exservicemen 643-4w

Bilateral aid
Aid financed trade 71w

Billing
Pharmacists 378w

Binary chemical weapons 58w, 430w
Arms control 58w
USA 58w

Biological weapons
Arms control treaties 966

Birkbeck College 322w
University finance 322w

Birmingham
Bombings 605w, 1261-2
Urban areas (14.07.87) 1107-14
Water resources 293w

Birmingham City Council
Property development 161w

Birtenshaw farm, Bolton
Planning permission (07.07.87) 328-34

Black, John 472w
Homicide 472w

Blair, Mr Tony
Debates etc
Finance Bill, 2R (08.07.87) 433-9
Finance Bill, Com (14.07.87) 980-1058, (15.07.87) 1146-202, (16.07.87) 1314-6, 1325-9, 1331, 1333-5
Questions
British Airways, British Caledonian 1279-80
Industrial production, Exchange rates 499
Manufactured goods, Balance of trade 171w
Privatisation 504
Royal Shakespeare Company, Arts Council grants 697
Schools, Fees & charges 102w
Wright, Peter, National security 973-4

Blind
Pedestrian crossings 325w
Telephone operator services 360

Blood donors
AIDS 207-8w
Tourists 207-8w

Blunkett, Mr David
Questions
Community charge 1117-8

BM see British Museum

BMA see British Medical Association

BNFL see British Nuclear Fuels

Board & lodging charges
Attendance allowance 507w
Residential care 507w
Supplementary benefits 126w

Board of Inland Revenue see Inland Revenue

Boateng, Mr Paul
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 83
Public order policing (17.07.87) 1395, 1410-4

Questions
Arts finance, Greater London 357w
Assured tenancies, Inner London boroughs 136-7w
Council housing, Repairs & maintenance 137-8w
Council tenants 135w
Council tenants, Landlord & tenant 161w
Defective housing 136w
Electricity supply industry, South Africa 647-8w
Housing action trusts 138w
Private rented housing, Rents 137w
Rented housing 136w
Rented housing, Greater London 135w
Rented housing, Landlord & tenant 135-6w
Rented housing, Local authorities 135w
Uranium, Nuclear safety 647-8w
Uranium, South Africa 648w

Body armour 314w

Bombings
Birmingham 605w, 1261-2
Compensation 660w
Convictions 1261-3
Court of Appeal 1262-3
Embassies 360w
Libyan Arab Republic 660w

Bonsor, Sir Nicholas
Debates etc
Prison overcrowding (16.07.87) 1308

Books
VAT 254w

Boothroyd, Betty
Speaker's rulings & statements (13.07.87) 766

Boswell, Mr Tim
Debates etc
Finance Bill, 2R (08.07.87) 379-81
Finance Bill, Com (14.07.87) 993, 1009
Maiden speech (08.07.87) 379-81
Sugar beet (13.07.87) 827-30
Questions
EC Agriculture Council, EC budget 407-8w
Income tax, Tax rates & bands 506
Passports, Passport Office 90-4w

BOTB see British Overseas Trade Board

Bottomley, Mr Peter, *Under-Secretary of State for Transport*
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 582-8, 590, 606-12
Questions
A1-M1 link, Leeds 417w
A1-M1 link, Research 272w
A41, Road works 201-2w
A46, Watermead country park 15-6w
A46-A47, Road construction 16w
A47, Road works 594w
A423, Road construction 417w
Aircraft, Fire prevention 323w
Aircraft noise, Gatwick 491-2w
Aircraft noise, Noise control 491-2w
British Airports Authority, Press advertising 593w
Burntwood bypass, Road construction 17w
Buses, Safety measures 272w
Buses, Safety standards 672w
Caravans, Fire resistant materials 321w
Cars, Safety belts 323-4w
Chelmsford bypass, Noise 492w
Crash helmets, Safety standards 67-8w
Cycling, Public footpaths 272w
Davenham bypass, Road construction 201w
Drinking & driving, Driving licences 272w
Gatwick, Passengers 671w
Goods vehicles, Noise control 491w
Handicapped drivers, Orange badge scheme 204w
Heathrow, Duty free shops 15w
Helicopters, Air safety 139w
Light aircraft, Insurance 417w
M1, Road works 326-8w
M4, Road traffic 67-8w
M6, Road works 141w
M20, Public inquiries 16w
M25, Motorway service areas 203w
M25, Road traffic 66-8w
M42, Road construction 328w
M66, Road construction 13w
Midland link motorways, Motorway service areas 16w
Midland link motorways, Orders & regulations 16w
Motor vehicle testing, Secondhand cars 204-5w
Motorcycles, Crash helmets 17w
Motorway service areas, Crime 271-2w
Motorways, Speed limits 672w
Motorways, Vandalism 15w
Newbury bypass, Public inquiries 204w
North Circular road, Public inquiries 327w
North Circular road, Road traffic 327-8w
Pedestrian crossings, Blind 325w
Pembury bypass, Road construction 16w
Public service vehicles, Licensing 492w
Road accidents, Drinking & Driving 329w
Road accidents, Horses 201w
Road accidents, Injuries 324w
Road accidents, Merseyside 141w
Road accidents, North West region 201w
Road construction, Airedale 203w
Road safety 204w
Road safety, Cost effectiveness 203w
Road safety, Road works 204w
Road signs, Tourist attractions 329-30w
Road tolls, Estuaries 139-41w
Road traffic 417w
Roads, Cost benefit analysis 202w
Roads, Dual carriageways 202w
Safety belts, Children 324w
Staveley bypass, Road construction 491w
Traffic censuses, Brownhills 17w
Transport of radioactive materials, Salford 673w
Tyres, Safety standards 328w
Woolwich ferry 325-6w
Woolwich ferry, Manpower 325-6w

Bottomley, Mrs Virginia
Debates etc
Cruelty to children, Cleveland (09.07.87) 532
Questions
Crime Prevention Ministerial Group 605w
Mental health community care, Handicapped children 126-7w
Mental hospitals, Child patients 127-8w, 463w
Polytechnics, Student numbers 185-6
Self-employed 497-8

Boundary Commission for England 96w, 602w
Constituency size 602w
Parliamentary constituencies 96w

Boundary Commissions 48w

Bournemouth
Social security appeals 43-4w

Bowden, Mr Andrew
Questions
Age allowances, Elderly 591w
Concessionary television licences, Pensioners 210w
Departmental publications, Foreign languages 458w
Housing insulation, Elderly 527-8w
Lead plumbing 1123
Medical equipment, Pensioners 664w
Medical equipment, Prescription charges exemptions 664w
Television licences, Pensioners 359w

Bowden, Mr Gerald
Questions
Conventional weapons, Defence expenditure 430w
Council house sales, Southwark 294w, 576-7w
Energy efficiency, London Docklands 691

Bowis, Mr John
Debates etc
Maiden speech (13.07.87) 722-6
Recess motions, Summer adjournment (13.07.87) 722-6

Boxing
Licensing 573-4w

Boycott 13
Procurement 13

Boyes, Mr Roland
Debates etc
Cruelty to children, Cleveland (09.07.87) 535
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1207-9
Questions
Binary chemical weapons 430w
Cruelty to children, Local Government Social Services 191
Photography, Government grants 699-700
Water authorities, Members' correspondence 1116
Youth training scheme, Educational standards 83-4w

Bradford 342
Museums & galleries 223w
Prime Minister 561w
Railway network 203w
School buildings 110w
Schools 105w, 563-4w

Bradley, Mr Keith
Debates etc
Finance Bill, 2R (08.07.87) 412-4
Maiden speech (08.07.87) 412-4
Questions
Cervical cancer, Screening 380-1w

Bradshaw, Kenneth (13.07.87) 711-2

Brain
Medical equipment 121w

Brain drain
Research finance 110w

Braine, Rt Hon Sir Bernard
Debates etc
Dyslexia, Special education (13.07.87) 951-2
Licensing (Northern Ireland) Order 1987 (14.07.87) 1076, 1078-80, 1086
Questions
Alcoholism & crime 1268
Business statement 524
School choice 178

Bramley Camp
Housing 964

Brandon-Bravo, Mr Martin M
Questions
Community charge 1126
Self-employed 253w, 498-9
Trident, Scotland 967-8

Branson, Richard 247w, 661w
Rescue services 247w, 661w

Bray, Dr Jeremy
Questions
Business statement 1291-2
Interest rates 251w
Research, European Economic Community 174w
Research finance, Brain drain 110w

Brazier, Mr Julian
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 473-6, 479, 481, 483
Public service pensions (13.07.87) 757-8

Breast cancer
Scotland 397-8w
Screening 397-8w

Bridge programme 472-3w

Bridges
River Thames (09.07.87) 582-612

Bristol
Arts finance 353w
Cervical cancer 307-8w
Crime 607w
Maternity benefits 164w

Bristol & Weston Health Authority 307-8w

British Aerospace
European fighter aircraft 958-9

British Airports Authority 141-2w, 578-9w, 593w
Press advertising 593w
Privatisation 141-2w, 593w

British Airways 1279-80
British Caledonian 1279-82
Mergers 1279-82

British Boxing Board of Control 573-4w

British Broadcasting Corporation see BBC

British Caledonian
British Airways 1279-82

British citizenship
Exceptional needs payments 369w
Fees & charges 363-4w
Supplementary benefits 363-4w

British Coal see British Coal Corporation

British Coal Corporation 334-6w, 687, (16.07.87) 1351-80
Privatisation 335-6w

British Coal Corporation Enterprise 83w, 692-3
Land reclamation 693
Loans 83w

British dependent territories 474w

British embassies
Civil servants 645w

British Film Institute 353w
Exhibitions 353w

British Gas see British Gas Corporation

British Gas Corporation 336w, 339w, 688-9
Publicity 189-90
Shares 336w

British Medical Association 42w, 374w

British Museum 20w
Shoreditch 20w

British National Space Centre 180w
Space technology 180w

British Nuclear Fuels 648w
Buy British 695
Expenditure 695
Procurement 695

British Overseas Trade Board 649-51w

British Petroleum 350w
Government shareholding 350w

British Rail 4, 14-5w, 22w, 65-6w, 139w, 203w, 329w, 416-7w, 594w, 671-2w, (15.07.87) 1140
Derelict land 14w, 416w
Investment 65w
Passengers 65-6w
Privatisation 594w
Property transfer 416w
Public service obligation grant 671w
Railway accidents 14w
Railway timetables 14w, 139w
Railway transport 672w
Standing order No 20 applications (15.07.87) 1140

British Rail Engineering 417-8w
Channel tunnel 418w
Crewe 417w
Repairs & maintenance 417w

British Railways Bill 1986/87
Debates etc
3R* (07.07.87) 175

British residents abroad
Football 134w
Retirement pensions 121-2w

British Shipbuilders 80w, 178w, (09.07.87) 547-81, 653w, (16.07.87) 1342-50
Contracts 80w
Ferries 653w
Government assistance to industry 653w
Procurement 178w

British Shipbuilders (Borrowing Powers) Bill 1987/88
Debates etc
2R & Money res (09.07.87) 547-81
Rem stages (16.07.87) 1342-50

British Telecom 76w, 191, 315w, 350-2, 376-7w, 652-3w
Complaints 350
Government departments 315w
Government shareholding 652-3w
NHS finance 376-7w
Repairs & maintenance 315w
Shareholders 652-3w
Telephone systems 351

British Waterways Bill 1986/87
Debates etc
3R* (16.07.87) 1261

Brittan, Rt Hon Leon
Debates etc
Finance Bill, 2R (08.07.87) 372-6
Prison overcrowding (16.07.87) 1300

Brittania Royal Naval College 343-4w
Armed forces training 343-4w

Brittany Ferries 172w, (16.07.87) 1342-50
Procurement 172w

Brixham
Planning permission 134-5w
Ports 134-5w

Broadacres School, Hixon 480w

Broadcasting
Obscene Publications Act 1959 607w
Obscenity 607w

Broadcasting finance 1271
BBC 213w

Brooke, Mr Peter, *Paymaster General*
Debates etc
Finance Bill, Com (14.07.87) 981-1025, (15.07.87) 1178, 1192-3
Questions
Advertising, Treasury 675w
Civil servants, Pay 156-7w
Civil servants, Working hours 351-2w
Coinage 493w
Customs officers, Industrial disputes 351w, 446-7w
Data networks, Computers in government departments 493w
EC budget, Expenditure 503
EC budget, UK contributions 257w, 503
EC Finance Council 253w
Excise duties, Tax harmonisation 501
Free ports 350w
Fuel duty rebate, Tractors 509
Government contracts, Data networks 492w
Liverpool free port, Employment opportunities 350w
London allowance, House prices 157w
Manufactured goods, Balance of trade 503-4
Maternity benefits, Social security recipients 257-8w
Public relations, Treasury 675w
VAT 253-4w, 500-1
VAT, Books 254w
VAT, Clothing 253w, 500-2
VAT, Company registration 254w
VAT, EC budget 503
VAT, Housing construction 82w
VAT, Inflation 446w
VAT, Labour Party 501-2
VAT, Small businesses 254w
VAT, Tax collection 254w
VAT registration 509

Brown, Mr Gordon
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 551, 555-7
British Shipbuilders (Borrowing Powers) Bill, Rem stages (16.07.87) 1346-8
Questions
British Shipbuilders, Contracts 80w
Community charge 138w, 385w
Community charge, Scotland 97w
Inner city areas 342-3
Low incomes, Families 456w
Severe weather payments, Scotland 311w
Shipbuilding, Foreign investment in UK 79w
Shipbuilding, Government assistance to industry 79w
Shipbuilding, Manpower 78w
Shipbuilding, Shipping 78w
Shipbuilding, Tenders 79-80w
Shipbuilding Intervention Fund, EC countries 77-8w
Supplementary benefits, Average earnings 456-7w
Supplementary benefits, Mortgages 457w

Brown, Mr Michael
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 132-3
Sugar beet (13.07.87) 821-3, 825
Questions
Business statement 522
Electricity supply industry, Privatisation 481w
Non-domestic rates, Local authorities 129w
Non-domestic rates, Local government revenue 129w, 158w
Non-domestic rates, Scotland 190w
Petroleum exploration licences 338w
Rates & rating, Local government revenue 381w
Rates & rating, Scotland 190w
Rent control 390w

Brown, Mr Nicholas
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 553-4, 570-2
Jury Trial (Amendment) (Northern Ireland) Order 1987 (07.07.87) 320
Questions
Northern region, Industries 173w
School fees, School choice 181
Vat, Tax collection 254w

Brown, Mr Ron
Questions
Bombings, Libyan Arab Republic 660w
Rescue services, Costs 247w, 661w

Brown, Simon
Prison visits 565w
Prisoners' transfers 565w

Brown Book 691

Browne, Mr John
Debates etc
Finance Bill, Com (14.07.87) 993
Nuclear disarmanent (13.07.87) 839-44

Brownhills
Traffic censuses 17w

Bruce, Mr Ian
Debates etc
Finance Bill, 2R (08.07.87) 438
Today newspaper (06.07.87) 31

Bruce, Mr Malcolm
Debates etc
Today newspaper (06.07.87) 38-41
University finance (16.07.87) 1382-5
Questions
Helicopters, Air safety 139w
Manufactured goods, Balance of trade 252w

BT see British Telecom

Buchan, Mr Norman
Debates etc

BBC (13.07.87) 766-7, 775
Today newspaper (06.07.87) 36, 38, 59-62
Questions
Industrial production 499
National Book Committee 353w

Buck, Sir Antony
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 452, 457-8, 465
Questions
Armed forces training, Nuclear accidents 1134
Arms control treaties, Labour Party 958

Buckie
Prime Minister domestic visits 100w

Budgen, Mr Nicholas
Debates etc
Prison overcrowding (16.07.87) 1307
Questions
Television licences 213w

Budget March 1987 255w

Building industry
Industrial accidents 641-2w

Building repairs
Squatting 553w

Building Societies Investor Protection Scheme (Maximum Protected Investment) Order 1987
Debates etc
(09.07.87) 544

Buildings
Energy efficiency 690-1

Bunk Beds (Entrapment Hazards) (Safety) Regulations 1987
Debates etc
(14.07.87) 979

Burnham Committee 10[illegible]

Burnley
Unemployment benefits 641w

Burns, Mr Simon
Questions
Chelmsford bypass, Noise 492w
Hospital waiting lists, Mid Essex Health Authority 516w

Burntwood bypass 17w
Road construction 17w

Burscough
Railway network 329w

Burt, Mr Alistair
Debates etc
Economic growth, North West region (13.07.87) 923-32
Questions
Conventional weapons, Arms control treaties 965-6
Sri Lanka, Tamils 147-8w
Textile industry 336

Bus services
Roads 322-3w

Buses
Safety measures 272w
Safety standards 672w

Business
Inner city areas 1w
Overhead costs 178w

Business & Technical Advisory Service 649-51w

Business premises
Local enterprise agencies 444-5w
Non-domestic rates 190w
Rates & rating 348-9

Business questions
Speaker's rulings & statements (09.07.87) 519, 525, (16.07.87) 1310-1

Business statement 515-27, 1283-95

Business travel
Entry clearances 658w

Butcher, Mr John, Under-Secretary of State for Trade and Industry
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 621-30, 672-5
Questions
Advertising, Dept of Trade & Industry 653-4w
British National Space Centre, Space technology 180w
British Telecom 351-2
British Telecom, Complaints 350
British Telecom, Shareholders 652-3w
British Telecom, Telephone systems 351
Civil service manpower, Dept of Trade & Industry 317w
EC Trade Mark Office 1w
EC Trade Mark Office, Government grants 1w
Electronics industry, Research 177w
Ferguson Group, Takeovers 419w
High technology, Government assistance to industry 179w
HOTOL, Research 176w
International Digital Communications, Mergers 319-20w
National Economic Development Council 175w
Office of Telecommunications, Consumer protection 350-1
Post Office 484w
Privatisation, Civil service manpower 180w
Privatisation, Press advertising 578-9w
Public relations, Dept of Trade & Industry 653w
Research finance 174w
Research finance, Defence research 579-80w
Research finance, National income 580w
Satellites, Research finance 318-9w
Sub post offices 336-7
Sub post offices, Road tax 337-8
Sub post offices, Rural areas 337
Telephone operator services, Blind 360
Telephone operator services, Fees & charges 76w
Women, Dept of Trade & Industry 75-6w

Bute
Youth training scheme 402w

Butler, Mr Chris
Debates
Maiden speech (17.07.87) 1414-7
Public order policing (17.07.87) 1414-7
Questions
Civil service, Management 701
High technology, Wales 11-2
Museums & galleries 354w
Museums & galleries, Voluntary work 445w
Net Book Agreement 481-2w
Shareholders 255w

Butterfill, Mr John
Debates etc
Finance Bill, 2R (08.07.87) 367, 410, 414-9
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 239
Questions
Buses, Safety measures 272w
Coal mining, Shift work 511
House of Fraser, Takeovers 268w
Inner city areas, Private investment 190-1
Motor vehicle testing, Secondhand cars 204-5w

Buy British
British Nuclear Fuels 695
Electricity supply industry 688

Bypasses
A5 12-3

CAA see Civil Aviation Authority

Cabinet Committees
Disclosure of information 205-6w

Cabinet Office 315w, 661w
Advertising 661w
Civil service 702
Inner cities initiative 315w
Public relations 661w

Caborn, Mr Richard
Debates etc
Local government finance (13.07.87) 777-81, 807, 809
Questions
Conventional weapons, Arms control treaties 437w
Manufacturing industries, Yorkshire & Humberside 171w
Metropolitan Police, South Africa House 614w
Water authorities, Privatisation 1115

CADW: Welsh Historic Monuments
Manpower 24w
Welsh language 24w

Caithness
Forestry 35w
Forestry grant scheme 34-5w
Tree planting 34w

Calder Hall 287w

Caledonian MacBrayne 36w
Ferries 36w

Calling of Members
Speaker's rulings & statements (15.07.87) 1142-4, (16.07.87) 1309

Callywhite Lane 56w, 528w
Industrial estates 56w, 528w

Campbell, Mr Menzies
Debates etc
Local government finance (13.07.87) 784-5
Maiden speech (13.07.87) 784-5
Prison overcrowding (16.07.87) 1300
Questions
Court of Session, Edinburgh 468w
High Court of Justiciary, Glasgow 467w

Campbell-Savours, Mr D N
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 457, 462-71
Cruelty to children, Cleveland (09.07.87) 537
Local Government Bill, 2R & Money res (06.07.87) 129
Members' dress (07.07.87) 194
"Spycatcher", House of Commons Library (13.07.87) 715
Today newspaper (06.07.87) 29
Wright, Peter, Standing Order No 20 applications (13.07.87) 705-7, 710
Questions
Aircrew, Armed forces strength 60-1w
Aircrew, Death 60w
Aircrew, Early retirement 60w
Civil service unions 20w
Electoral register, Disclosure of information 95w
Government departments, Political parties 101w
Interest rates 507
Jaguar aircraft, Air accidents 61-2w
Jaguar aircraft, costs 61w
Low flying, Air accidents 60w
Low flying, Armed forces training 961-2
Low flying, Armed forces training 39w, 59w
Low flying, Complaints 59w
Low flying, Cost effectiveness 60w
Low flying, Disciplinary proceedings 59w
Metropolitan Police 604w
Military aircraft, Armed forces training 61w
Military exercises, Radioactivity 1139
Overseas Development Administration, Disclosure of information 151-2w
Palace of Westminster, Furniture 158w
Parliamentary building maintenance & repair, Tenders 220w
Ross, Warrant Officer, Rifle ranges 246w
Tornado aircraft, Air accidents 62w
Tornado aircraft, Costs 62w
Vanuatu, Diplomatic service 146w
Vanuatu, Official cars 87w

Wright, Peter, National security 483-4w

Canada
Arms trade 430-1w

Canary Wharf 226w., 423w, 670w
Contracts 670w
Land values 226w, 423w
London 161w
Public expenditure 294w

Canavan, Mr Dennis
Questions
Business statement 525
Defence, Nuclear weapons 246-7w
Olympic Games 293w
Safety, Sportsgrounds 1267
Unemployment 640w

Cancer
Northern Ireland 426w

Candidates
General Election 1987 359-60w

Capital allowances 675w
Company taxation 446w

Capital gains tax
Cohabitation 81w
Married people 81w

Capital investment
Mental hospitals 496w
Prisons 242-4w

Caravan sites
Gypsies 392w

Caravan Sites Act 1968
Gypsies 391-2w
Questions
391-2w

Caravans
Fire resistant materials 321w

Cardiff
Arts finance 356w

Cardigan bypass 480w
Road construction 480w

Carers
Holidays 261w

Carlile, Mr Alex
Debates etc
Jury Trial (Amendment) (Northern Ireland) Order 1987 (07.07.87) 316, 322-4
Rate Support Grant (Wales) Supplementary (No 2) Report 1986/87 (15.07.87) 1228-30
Questions
Electronics industry, Research 177w
VAT, Small businesses 254w
Village schools, Wales 23w

Carlisle
Social security abuse 164w
Unemployment 442-3w
Unemployment benefits 445w

Carlisle, Mr John
Questions
Cricket 532w

Carpet industry
Belgium 318w
Government assistance to industry 318w

Carrington, Mr Matthew
Debates etc
Today newspaper (06.07.87) 62-3

Cars
Children 324w
Safety belts 323-4w

Carttiss, Mr Michael
Questions
A47, Road works 594w

Cartwright, Mr John
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 594-7, 609-10
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1213-5
Questions
Armed forces, Protective clothing 314w
East London river crossing 673w
East London river crossing, Construction 673w
Inner city programmes, Greenwich 51w
Inner city programmes, Inner London boroughs 51-2w
Ministry of Defence, Civil service dispersal 963
Quality Assurance Directorate, Offices 62w
Special education, Speech therapy 322w
Speech therapists, Vacancies 372w
Submarines, Arms trade 430-1w
Woolwich ferry 325-6w
Woolwich ferry, Manpower 325-6w

Cash, Mr William
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 88
Manufacturing industries, Competitiveness (10.07.87) 624, 637, 645-7
Today newspaper (06.07.87) 28, 33, 50-3
Questions
Business statement 1293
Charity Commission, Efficiency scrutinies 366w
Military exercises, Radioactivity 1135

Cash limits
Dept of Employment 642w

Catholic Fund for Overseas Development 12w
AIDS 12w

Cayman Islands
Turtle products 387w, 670-1w

CBI see Confederation of British Industry

CEGB see Central Electricity Generating Board

Central Electricity Generating Board 153w, 336-7w, 443w, 648w

Central government
Public expenditure 252-3w

Central heating
Northern Ireland Housing Executive 424w

Central institutions 497w
Conditions of employment 497w
Scotland 497w

Central ordnance depots 433w

Central Purchasing Unit 349w

Ceremonies
Greater London Council 385w
Local government functions 385w

Cervical cancer (08.07.87) 487-96
Bristol 307-8w
Computer applications 266-7w
Cornwall 520-1w
Hospital waiting lists 520-1w
Liverpool 121w
Scotland 98w, 398w, 466w
Screening 98w, 121w, 167w, 266-7w, 307-8w, 380-1w, 454w, 466w
Warrington 454w

Chairman of Committee of the Whole House
Debates etc
Amendments & new clauses (14.07.87) 1007, 1026, 1036, 1056, (15.07.87) 1146, 1149, 1152, 1156-7, 1164, 1173, 1188, 1193-4, (16.07.87) 1313, 1329, 1332
Scope of debate (14.07.87) 988, 990

Chalker, Rt Hon Lynda, *Minister of State for Foreign and Commonwealth Affairs*
Questions
Cyprus, United Nations 206-7w
Diplomatic service, Syrian Arab Republic 332w
EC law 87w, 208w
EC Trade Mark Office 12w
European Council, House of Commons debates 147w
France, Immigration controls 147w
Jordan, Diplomatic service 429w
Republic of Ireland, Exservicemen 643-4w
South Africa, Trade union membership 12-3w
Treaty of Rome 147w

Challenger tanks 62-3w

Chancellor of the Exchequer see Treasury

Channel ferries
Shipping accidents 15w, 330-1w, 594w

Channel tunnel 343
British Rail Engineering 418w
Contracts 418w
Mobility of disabled 17w

Channel Tunnel Bill 1985/86
Debates etc
(08.07.87) 472-86

Channon, Rt Hon Paul, *Secretary of State for Transport*
Questions
British Airports Authority, Privatisation 141-2w
Channel ferries, Shipping accidents 594w
Civil service manpower, Dept of Transport 271w
East London river crossing 673w
East London river crossing, Construction 673w
East London river crossing, Public inquiries 271w
Lighthouses, Ships 417-8w
Public relations, Dept of Transport 673w
Small businesses, Dept of Transport 592-3w
Women, Dept of Transport 13w

Chapelcross power station 287w

Chapeltown task force
Expenditure 77w, 418-9w

Chapman, Mr Sydney
Questions
Arts sponsorship 355w
Church finance 10
Energy efficiency, Buildings 690-1
Greenbelt, Planning permission 528-9w
Metropolitan police, Manpower 211w
Military exercises, Radioactivity 1137
Nuclear reactors 338w
Overseas trade, Japan 173w
Personal taxation, Tax burden 500
Pupil-teacher ratios, Primary education 107-8w
Williams, Ivor, Complaints 486w

Charitable donations 358w
Arts finance 358w
Pay 358w

Charities
Community charge 56w, 533w, 569w
Rates & rating 28-9w
Scotland 28-9w

Charity Commission 366w
Efficiency scrutinies 366w

Chelmsford bypass 492w
Noise 492w

Chemical Defence Establishment 595-6w

Chemical weapons
Armed forces 595-6w
Arms control treaties 966
Defence expenditure 594-5w
Defence procurement 595w
Factory closures 64w
Import controls 268w
NATO 596w

Chevaline warheads 58w

Child benefit 461w

Child minding
Exhibitions 521w

Tax allowances 349-50w
Upper waiting hall 521w

Child patients
Mental hospitals 127-8w, 463w

Child safety
Hazardous materials 581-2w

Childbirth 163w

Children
Amusement arcades 1265
Cars 324w
Clothing 191
Poverty 260-1w
Road accidents 201w
Safety belts 324w
Tobacco 632w

Chile
Armed forces visits 63w

China
Hong Kong 10-1w
Human rights 11w

Chope, Mr Christopher, *Under-Secretary of State for the Environment*
Debates etc
Local government finance (13.07.87) 813-6
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1217-9
Questions
Ceremonies, Greater London Council 385w
Community charge 524w
Community charge, Charities 533w
Community charge, Scotland 524-5w
Debts 1128
Freedom of the city, Armed forces 536w
Local government expenditure 386-7w, 529w
Local government expenditure, Harlow 1127-8
Local government expenditure, Teachers 573w
Local government pensions, Pension funds 528w
Local government revenue, Council house sales 529w
Local government revenue, Government grants to local authorities 573w
Local government staff, Personal records 226w
New Parliamentary building, Construction 391w
Palace of Westminster, Furniture 158w
Parliamentary building maintenance & repair, Tenders 220w
"Paying for Local Government Consultation Paper" 558w
Rate limitation, Parish councils 531w
Rate support grants 522w
Rate support grants, Nottingham 575-6w
Thamesmead Town, Property transfer 532w

Church buildings
Community charge 56w, 185w
Police powers 211w

Church Commissioners 10

Church finance 10

Churchill, Mr Winston
Debates etc
Public order policing (17.07.87) 1392-8, 1432, 1454-5
Questions
Armed forces strength, Electoral registration 68-9w
Chemical weapons, Armed forces 596w
Crime 611-2w
Police, Manpower 614-8w
Service voters, Electoral register 597w

City technology colleges 37w, 103w, 154w
Cost per pupil 103w
Curriculum 37w
Southampton 154w

Civil Aviation Authority 192, 323w
Fire prevention 323w

Civil defence
Consolidated Fund debates (13.07.87) 913-22
Military aircraft 305-6w

Civil servants
British embassies 645w
Family income supplements 170w
Income support scheme 665w
Pay 156-7w, 645w
Prime Minister 1276
Training 703-4
Working hours 351-2w

Civil service
Cabinet Office 702
Ethnic monitoring 701
Forensic science 469w
Industrial disputes 704
Management 701
Ministerial responsibility 349w
Performance related pay 701-3
Private sector 701
Youth training scheme 704

Civil service dispersal
Ministry of Defence 963-4

Civil service manpower
Community charge 382w
Data processing 415w, 493w
Dept of Education & Science 155w
Dept of Employment 288w
Dept of Health & Social Security 308w
Dept of the Environment 221-2w
Dept of Trade & Industry 317w
Dept of Transport 271w
Economic regions 155w, 199w, 221-2w, 271w, 288w, 301-2w, 308w, 312-3w, 317w, 495w
Foreign & Commonwealth Office 282-3w
Government departments 592w
Health & Safety Executive 197w
Home Office 301-2w
Inner cities initiative 315w
Ministry of Agriculture Fisheries & Food 495w
Ministry of Defence 199w, 312-3w
Northern Ireland Office 486-7w
Nuclear Installations Inspectorate 188, 411-2w
Overseas Development Administration 601w
Privatisation 180w
RAF Valley 311w
Scottish Office 392-3w
Wages Inspectorate 9w
Welsh Office 290w

Civil service unions 20w

Clark, Mr Alan, *Minister of State for Trade and Industry*
Questions
Aid financed trade 349
Aid financed trade, Developing countries 76w
Aid financed trade, International conferences 76w
Antidumping, EC action 485-6w
Balance of payments 178w
Carpet industry, Belgium 318w
End user certificates, Antiaircraft missiles 347
Export credit guarantees, Nicaragua 338
Export licensing, Defence equipment 76w
Fertilisers, Saudi Arabia 482w
Import controls, Chemical weapons 268w
Leather & fur industries, Japan 173w
Manufactured exports 344
Manufactured goods, Balance of trade 170-1w, 180-1w
Manufacturing industries, Balance of trade 172w, 343-4
Manufacturing industries, Industrial investment 344
Manufacturing industries, Motor industry 344-5
Overseas trade, Japan 173w
Overseas trade, Nicaragua 338
Overseas trade, Saudi Arabia 347
Pit bulldogs, Import controls 180w
Textile industry, EC countries 317w
Textile industry, Labour costs 581w
Textiles, Taiwan 484w
Textiles, UK trade with EC 581w
Textiles, USA 579-80w
Turtle products, Imports 652w
Urea, Saudi Arabia 481w
Whisky, Japan 173-4w

Clark, Dr David
Questions
Development Commission, Slaley 295w
English Tourist Board, Slaley 289w
Exhaust emissions, Pollution control 159-60w
Forestry, Caithness 35w
Forestry, Income 18w
Forestry grant scheme, Caithness 34-5w
Gualin National Nature Reserve, Fishing 571-2w
Housing construction, Greenbelt 224w
Housing construction, Slaley 223-4w
Pesticides, Water pollution 391w
Pollution control, Smoke & chimney gases 159w
Smoke & chimney gases, Pollution control 153-4w
Southgarth West, Members' correspondence 389w
Tree planting, Caithness 34w
Turtle products, Cayman Islands 387w, 670-1w

Clark, Dr Michael
Questions
Central Electricity Generating Board 336w
Offshore suppliers, Exports 693-4
Religious broadcasting 609w

Clark, Sir William
Debates etc
Finance Bill, Com (14.07.87) 1037-8, 1045-6, 1053-4, (15.07.87) 1146, 1167, 1174, 1176-7, 1187-9, 1192, 1194-5, 1199-200, (16.07.87) 1313-5, 1325, 1329-33
Members' dress (07.07.87) 194
Questions
Income tax, Tax rates & bands 505-6

Clarke, Jean Borrie 377-8w
Severe disablement allowance 377-8w

Clarke, Rt Hon Kenneth, *Chancellor of the Duchy of Lancaster*
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 547-55
Today newspaper (06.07.87) 18-26, 29-30, 34, 65
Questions
Airlines, Competition 1282
Bankruptcy, Small businesses 348
British Airways, British Caledonian 1279-82
British Shipbuilders, Procurement 178w
Business premises, Rates & rating 348-9
Chapeltown Task Force, Expenditure 77w, 418-9w
Cleveland County Council 342
Inner cities initiative 341, 578w
Inner cities initiative, North West region 179w
Inner cities initiative, Politics 1w
Inner city areas 342-3
Inner city areas, Business 1w
Jute, Industries 336
Location of industry 343
Manchester Airport, Railway network 77w
Manufactured goods, Balance of trade 338-40
Manfacturing industries, Industrial investment 170w
Manufacturing industries, Inner city areas 172w
Manufacturing industries, Unfair trading practices 340-1
Merchant ships, Shipbuilding Intervention Fund 179w
Ministers' domestic visits, News International 268w
Murdoch, Rupert 580-1w

Murdoch, Rupert, Official engagements 268w
News International, Ministers' domestic visits 581w
Northern region, Government assistance to industry 172w
Northern region, Industries 173w
Overseas trade, Japan 173w, 340
Private investment, Inner city areas 175-6w
Queen's Speech, Dept of Trade & Industry 176w
Research, European Economic Community 174w
Rover Group, Privatisation 177w
Science & technology research, European Economic Community 483w
Small businesses, Dept of Trade & Industry 649-51w
Textile industry 179w, 335-6
Textile industry, USA 339
Today newspaper, Takeovers 268-70w
Wright, Peter, National security 483-4w

Clarke, Mr Tom
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 76, 163-5
Questions
Adult education, Scotland 399-400w
Arms exports 342-3w
Average earnings, Scotland 498w
British Film Institute 353w
Central institutions, Scotland 497w
Clothing industry 345
Compulsorily detained mental patients, Scotland 243w
Defence contracts 312w
Defence Export Services Organisation 312w, 442-4w
Defence Export Services Organisation, Finance 312w
Export licensing, Defence equipment 76w
Hazardous materials, Child safety 581-2w
Higher education, Scotland 398-400w
Housing & handicapped, Scotland 464w
Low pay, Scotland 498w
Mackinnon's Knitwear, Ownership 36w
Mental health community care, Scotland 464w
Mental health services, Scotland 396-7w
Mental hospitals, Scotland 463w, 496w
Mental patients, Scotland 393-4w, 496-7w
Mentally ill, Scotland 393w, 397w
Occupational therapists, Scotland 394w, 497-8w
Pensioners, Scotland 632w
Prescriptions, Scotland 395-6w
Prime Minister visits abroad 2w
Prison administration, Scotland 192w
Prison education services, Scotland 191w, 244w
Prison medical services, Scotland 191-2w
Prison population, Council of Europe 469w
Prison population, Scotland 241-2w, 499w
Prison riots, Scotland 395-6w
Prison staff, Scotland 192w
Prisoners, Scotland 242w
Prisons, Scotland 242-4w
Psychiatry, Scotland 497w
Ravenscraig steelworks, Industrial investment 513-4
Schizophrenia, Scotland 394w
Shotts Prison, Government grants 35w
Student grants, Scotland 393w
Technical assistance, Women 601w
Tertiary education, Scotland 400w
Textile industry, Labour costs 581w
Textile industry, Manpower 642-4w
Texitles, UK trade with EC 581w
Unemployment, Monklands 441-2w
Universities Funding Council, Scotland 398w

Clay, Mr Bob
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 568-70
Questions
British Shipbuilders, Ferries 653w
British Telecom, Shareholders 652-3w
Police custody, Inquiries 605w
Privatisation, Shareholders 674w
Water charges 391w
Water charges, Northern Ireland 427-8w
Water charges, Scotland 402w
Water charges, Wales 340-1w
Water supply 391w
Water supply, Northern Ireland 428w
Water supply, Scotland 401w
Water supply disconnections, Wales 341w

Clelland, Mr David
Questions
Local Government Bill 1987/88 531w

Clergy
Freehold housing 11
Pay 10

Clerk of the House (13.07.87) 711-2
Retirement (13.07.87) 711-2

Cleveland County Council 342

Clinical psychologists 393w

Clinical trials 258w
Drugs 258w
Elderly 258w

Clipsom, Irene 666w
Attendance allowance 666w

Clothing
Children 191
VAT 191, 253w, 500-2, 1274-5

Clothing industry 335-6, 345
Manpower 642-4w

Clwyd, Mrs Ann
Debates etc
Radiation hazards, Standing order No 20 applications (15.07.87) 1141
Questions
Arts finance, Wales 356w
Binary chemical weapons 430w
Government grants, Cynon Valley 22w
Military exercises, Radioactivity 1135
Water authorities, Privatisation 529-30w

Clydebank
Private hospitals 98w

Clydesdale Bank 320-1w, 446w, 648-9w, 653w, 675w
National Australia Bank 446w, 675w
Takeovers 320-1w, 648-9w, 653w

Coal fired power stations
Construction 339w

Coal Industry Act 1987
Questions
Orders & regulations 598-9w

Coal mining 335w, (16.07.87) 1351-80
Employment opportunities 692-3
Government assistance to industry 336w
Industrial relations 697
Industrial tribunals 697
Orders & regulations 335w
Production 696-7
Productivity 335w, 695-6
Redundancy 693
Shift work 511
Subsidence 687-8
Termination of employment 697
Unfair trading practices 696-7
Working hours 695-6

Coalfired power stations
Pollution control 153-4w

Coastal areas
Radioactive waste disposal 388w

COD Bicester 433w
Privatisation 433w

COD Donnington 312w
Contracts for services 312w, 964

Codes of practice
Baby milks 42w, 666w
Export of live animals 495w
Hotels 444w

COE see Council of Europe

Cohabitation 665w
Capital gains tax 81w
Mortgage relief 19w

Cohen, Mr Harry
Debates etc
Nuclear disarmament (13.07.87) 835-9
Questions
Community charge 1275-6
Community charge, Scotland 35w, 97w
Computer privacy, Fees & charges 88w
Criminal records, Computer applications 143w
Dept of Health & Social Security local offices, Newham 38-9w
Electoral register, Computer privacy 88w
Entry clearances, Foreign tourists 409-10w
Entry clearances, Immigration appeals 409w
Hospitals, Bacterial diseases 38w
Housing, Greater London 1130-2
Nuclear accidents, France 339w
Nuclear weapons 343w
Nurses, Whipp's Cross Hospital 113w
Overseas investment, Public sector assets 81w
Police national computer, Missing persons 89w
Police national computer, Motor vehicle theft 88-90w
Police national computer, Police records 48w
Prisoners, AIDS 603-4w

Coinage 351w, 493w

Cold water fibrosis 570w

Collective worship 112w
Schools 112w

Colne Valley
Listed buildings 133w

Colonial service (13.07.87) 755-62

Colonies
Administrative costs 474w

Colvin, Mr Michael
Debates etc
Finance Bill, 2R (08.07.87) 371
Licensing (Northern Ireland) Order 1987 (14.07.87) 1074-7
Questions
Aircraft, Fire prevention 323w
Armed forces pay, BAOR 433w
Business statement 1288
Local government revenue, Council house sales 529w
Medical education, NHS finance 176
Off-licenses, Licensing laws 95-6w
Oil companies, Income 252w
Primary health care 262w
River pollution, Fish farming 1130
Schools, Local education authorities 104w, 563w

Combined heat & power 336w

Combined Heat & Power Association 336w

Commercial broadcasting 607w

Commission for Local Authority Accounts in Scotland (06.07.87) 75-167

Commission for the New Towns 159w
Publicity 159w

Commission of the European Communities see European Commission

Committee on Safety of Medicines 258w

Common agricultural policy 348w
Costs 189
EC reform 679w

Common Services Agency 465w
Construction 465w

Common sugar regime
Sugar beet 152w

Communication
Members' facilities 334w

Communication engineering
Trident missiles 431w
Trident submarines 431w

Community care
Action for Community Employment 488w
NHS finance 465w
Scotland 465w

Community charge 51w, 138w, 188, 295w, 385w, 524-6w, 531w, 576w, 1116-9, 1125-7, 1275-6, 1278
Administrative costs 382w, 524w, 526w
Charities 56w, 533w, 569w
Church buildings 56w, 185w
Civil service manpower 382w
Consolidated Fund debates (13.07.87) 863-80
Costs 56-7w, 97w, 189, 1124-6
Departmental publications 524w
Disclosure of information 35w, 97w
Educational finance 188-9
Electoral register 414-5w
Government grants to local authorities 1116-7
House prices 526w
Landlord & tenant 382w
Leeds 295w, 525w
Leeds City Council 382w
Legislation 509-10
Local authorities 526w, 1126
Local government finance 188-9, 971
Local government revenue 421w
Metropolitan districts 222w
Ministers of religion 56w, 383w, 421-2w
Northern Ireland 189
Nottingham 50-1w
Old people's homes 414w, 421w
Parish councils 295w, 381-2w
Religious buildings 414w, 421w
Scotland 35w, 97w, 185-9w, 402-6w, 509-10, 524-5w, 569w
Second homes 414w, 421w
Small businesses 420-1w
Social security recipients 189, 371w
Supplementary benefits 455w, 1276-7
Voting rights 189
Wales 414w
Water charges 402-6w
Women 382w

Community charge rebates 525w

Community charges register 524w, 1125-6

Community development
Public libraries 358w

Community nurses
Neighbourhood Nursing 368w

Community Nursing Service Team 368w

Community programme 287w, 473-4w
Take-up of employment 473w

Companies
Armed forces officers 69w

Company liquidations
IHV Industrial Investment 420w
Interest charges 674w
Tour operators 192

Company registration
VAT 254w

Company taxation 675w
Capital allowances 446w

Compensation
Administrative delays 687
Bombings 660w
Costs 688
Drug industry 260w
Medical malpractice 970
Pharmacists 632-3w
Road accidents 608w
Road works 141w
Sheep 342w
Subsidence 687-8
Water pollution 556w

Competition
Airlines 1282
Electricity supply industry 689
NHS 628w
Nottingham Health Authority 628w
Nottingham Hospital 628-9w

Competitiveness
Manufacturing industries (10.07.87) 621-75

Complaints
Absent voting 210w
British Telecom 350
Low flying 59w
Tornado aircraft 494w
Williams, Ivor 486w

Complaints against police
Terrorism 361w

Comprehensive schools
School choice 187

Compulsorily detained mental patients
Scotland 243w

Computer applications
Cervical cancer 266-7w
Criminal records 143w
Immigration controls 143w

Computer privacy
Electoral register 88w
Fees & charges 88w
Orders & regulations 88w
Social security recipients 267w

Computers in government departments
Costs 471-2w
Data networks 493w
Data processing 415w
Dept of Health & Social Security 627-8w
Foreign & Commonwealth Office 283-4w

Computers in National Health Service
Hospital waiting lists 15-6
Scotland 465w

Concessionary television licences 610w
Pensioners 210w, 1271-2

Conditions of employment 199w
Central institutions 497w
Parents 345-6w
Pregnancy 965
Remand centres 410w
Teachers 108w

Conductive education 45w
Finance 45w

Confederation of British Industry 171w, 338-9

Conferences
Energy efficiency 690

Conifers 557w
Acid rain 557w

Conservation
Film 355w
Television programmes 355w

Conservative Central Office 37w
Ministers' correspondence 37w, 655w

Conservative Party 37w, 87w, 655w
Vanuatu 87w

Consett
Urban development corporations 1129-30

Consolidated Fund (Appropriation) Bill 1987/88
Debates etc
1R (08.07.87) 449
2R & 3R* (13.07.87) 756

Consolidated Fund debates
BBC (13.07.87) 756-76
Civil defence (13.07.87) 913-22
Community charge (13.07.87) 863-80
Gold (13.07.87) 945-8
Lighthouses (13.07.87) 881-94
Local government finance (13.07.87) 777-816
North West region (13.07.87) 923-44
Nuclear disarmament (13.07.87) 835-54
Public service pensions (13.07.87) 755-62
Social workers (13.07.87) 895-912
Speaker's rulings & statements (13.07.87) 852, 855
Sugar beet (13.07.87) 817-34

Constituencies
Speaker's rulings & statements (06.07.87) 88

Constituency size
Boundary Commission for England 602w

Construction
Army bases 432w
Coal fired power stations 339w
Common Services Agency 465w
East London river crossing 673w
Hospitals 508-14, 514-5w
Kendal Hospital 664w
National Gallery 358w
New Parliamentary building 391w
Princess Diana Hospital, Bridgend 11
Radon gas 556w

Construction costs
Hostels 534w
Housing construction 539w
Road construction 203w

Consultative Committee on the Curriculum
Women 277w

Consumer expenditure
Families 112w
Low incomes 112w

Consumer goods
EC action 486w

Consumer protection
Office of Telecommunications 350-1
Origin marking 270w
Railway travel 65-6w

Contraceptives
AIDS 627w
Young people 39w

Contract cleaning
NHS 261-2w

Contract compliance (06.07.87) 75-167

Contracts
Aid financed trade 71-4w
British Shipbuilders 80w
Canary Wharf 670w
Channel tunnel 418w
Gazumping 142w
Local authorities (06.07.87) 75-167
Offshore suppliers 692
Radioactive waste disposal 222w
Urban development corporations 1119

Contracts for services
COD Donnington 312w, 964

Control of Pesticides Regulations 1986
Questions
533-4w

Convention of Scottish Local Authorities 499-500w

Conventional weapons
Arms control treaties 437w, 965-6
Defence expenditure 430w
Tactical nuclear weapons 966
USSR 965-6
Warsaw Pact 57w

Convictions
Bombings 1261-3
Drinking & driving 303w

Conway, Mr Derek
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 459-62
Questions
Territorial Army, Armed forces recruitment 436w
Territorial Army, MINIS 965

Cook, Mr Frank
Debates etc
Oral questions (16.07.87) 1310
Public order policing (17.07.87) 1427
Questions

Death grants 168w
Exceptional needs payments 167-8w
France, Neutron bomb 634w
France, Plutonium 634-5w
France, Theatre nuclear weapons 634w
Inner cities initiative 341
Maternity benefits 168w
Maternity benefits, Social fund 168w
Military exercises, Radioactivity 1138
Severe weather payments, Social security reform 169w
Trident submarines, France 431w

Cook, Mr Robin
Questions
Manufacturing industries, Industrial investment 344

Coombs, Mr Anthony
Debates etc
Maiden speech (17.07.87) 1421-4
Public order policing (17.07.87) 1421-4
Questions
Carpet industry, Belgium 318w
Educational standards, GCE O level 111w
Grammar schools, School closures 155w
Local government expenditure 224-5w
Oil revenues, North Sea oil 275w
Prisoners, USSR 474-5w
Textile industry, EC countries 317w

Coombs, Mr Simon
Questions
Objects in lieu of tax, Museums & galleries 699
Offshore Energy Technology Board 338w
Privatisation 504

Cooperative Union 558w
"Paying for Local Government Consultation Paper" 558w

Cooperatives
Government assistance 154w

Cope, Mr John, *Minister of State for Employment*
Questions
Bridge programme 472-3w
Civil service manpower, Dept of Employment 288w
Cooperatives, Government assistance 154w
European Social Fund 288-9w
Health & Safety Executive, Civil service manpower 197w
Health & Safety Executive, Expenditure 197w
Job training scheme 590w
Job training scheme, Handicapped 346-7w
Job training scheme, Managing agents 288w
Local enterprise agencies, Business premises 444-5w
Nuclear Installations Inspectorate, Civil service manpower 412w
Nuclear Installations Inspectorate, Manpower 443-4w
Nuclear Installations Inspectorate, Pay 443w
Nuclear Installations Inspectorate, Sellafield 444w
Protective clothing, VAT 86w
Youth training scheme, Educational standards 83-4w
Youth training scheme, Publicity 7w
Youth training scheme, Scotland 442w

Copeland
Empty housing 222w

Corbett, Mr Robin
Debates etc
Today newspaper (06.07.87) 48-50
Questions
Crime 1266
Police & Criminal Evidence Act 1984 1273
Rate support grants 522w

Corbyn, Mr Jeremy
Debates etc
Nuclear disarmament (13.07.87) 842, 847-50
Public order policing (17.07.87) 1426, 1433, 1441-5
Recess motions, Summer adjournment (13.07.87) 723
Questions
Armed forces training 495w
Armed forces training, El Salvador 344w
Arms exports, Morocco 440w
Community charge 525w
El Salvador, Peace negotiations 636w
Export credit guarantees, Nicaragua 338
Morocco, European Communities 429w
Morocco, Western Sahara 415w
Severe weather payments 379w
Western Sahara, Peace negotiations 429-30w
Western Sahara, Refugees 429w
Western Sahara, United Nations 429w

Cormack, Mr Patrick
Questions
Community charge, Local authorities 1126
Furniture, Eastern Europe 13
Military exercises, Radioactivity 1138
Neave, Airey 512
Royal Shakespeare Company, Arts Council grants 698

Cornwall
Cervical cancer 520-1w
Water pollution 556-7w

Corporation
Tax yields 257w

Corporation tax
Tax yields 81w

Corruption
Juries 471w, 476w

COSIRA 554-5w
Development Commission 554w
Manpower 554-5w

Cost benefit analysis
Roads 202w

Cost effectiveness
Low flying 60w
Road safety 203w

Cost per pupil
Assisted places scheme 321w
City technology colleges 103w

Couchman, Mr James
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 601-4
Questions
Energy efficiency 338w
Public expenditure, National income 252w

Council estates
Housing management 533w

Council for Small Industries in Rural Areas
see COSIRA

Council house sales 532w
Council tenants 532w
Local government revenue 529w
Scotland 30-2w
Southwark 294w, 576-7w
Wales 23w

Council house waiting lists 539-40w
Local authorities in Scotland 502w
Wales 9

Council housing
Defective housing 181-2w
Empty housing 385-6w, 539w, 576w
Greater London 576w
Housing estates 533w
Housing standards 577w
Property transfer 385-6w
Repairs & maintenance 137-8w, 161w
Scotland 181-2w
Wales 9

Council of Europe 47-8w, 469w
Prison population 469w
Television 47-8w

Council of Museums in Wales 567-8w

Council tenants 135w
Council house sales 532w
Homelessness 540-54w
Landlord & tenant 161w
Rent arrears 640w

County of South Glamorgan (Taff Crossing) Bill 1985/86
Debates etc
3R* (09.07.87) 497

Court of Appeal
Bombings 1262-3
Sentencing 1263-4

Court of Session 468w
Edinburgh 468w

Coventry
Schools 104w

Cox, Mr Tom
Debates etc
Prison overcrowding (16.07.87) 1305
Recess motions, Summer adjournement (13.07.87) 742-4
Questions
Ashford Remand Centre, Prison visits 656-7w
Brown, Simon, Prisoners' transfers 565w
Education, ILEA 109w
Income tax, Tax rates & bands 505
Overseas trade, Japan 173w
Police detention, Prisoners' rights 408w
Remand in custody, Police cells 408-10w

Crash helmets
Insurance 67-8w
Motorcycles 17w
Safety standards 67-8w

Crayford
Unemployment 197-8w

Credit insurance
EC action 485w

Credit rating 268w

Crewe
British Rail Engineering 417w

Cricket 532w
South Africa 292w

Crime 611-2w, 1265-9
Bristol 607w
Detection rates 610w
Drug abuse 1269
Firearms 613w
Motorway service areas 271-2w
Offensive weapons 145w
Research finance 607w
Scotland 32-3w
USA 610-1w
West Germany 610-1w

Crime prevention 212w, 605w, 1268-9
Drug crimes 608w
Government grants 213w
Inner city areas 411w
Insurance companies 607w
Wales 212-3w

Crime Prevention Ministerial Group 605w

Crimes of violence
Spain 332-3w
Women 94w

Criminal appeals
Sentencing 1263

Criminal Injuries Compensation Board 608w

Criminal records
Computer applications 143w

Cross border cooperation in Ireland
Army in Northern Ireland 433w

Crossroads scheme 192-3w
Government grants to voluntary organistions 192-3w
Scotland 192-3w

Crown immunity
NHS finance 521-2w

Crown Proceedings (Armed Forces) Act 1987
Questions
596w

Crown Prosecution Service 5-6w, 205w, 476-7w
Disclosure of information 205w
Juvenile courts 83w
Leicestershire 476-7w
Manpower 477w

Cruelty to children (09.07.87) 528-38, 1269-71
Local government social services 191
Sentencing 1270

Cruise missiles
Air force bases 58w
RAF Molesworth 430w
US bases 58w

Cryer, Mr Bob
Debates etc
Armed forces training, Standing Order No 20 applications (15.07.87) 1141
Calling of Members (15.07.87) 1143
Local Government Bill, 2R & Money res (06.07.87) 128, 130
Local government finance (13.07.87) 803
Members' interests (07.07.87) 195
Oral question time intervention (07.07.87) 192
Prison overcrowding (16.07.87) 1303
Private notice question point of order (15.07.87) 1139
Rate Support Grant Supplementary Report (England) (No 2) 1986-87 (15.07.87) 1210-3
Questions
Armed forces deployment, West Germany 597-8w
Business statement 1285-6
Concessionary television licences, Pensioners 1271-2
EC budget, UK contributions 257w
EC law 208w
European fighter aircraft, Jaguar aircraft 959
Iron & steel industry, Redundancy pay 420w
Manufactured goods, Balance of trade 171w, 339
Military aircraft, Air accidents 598w
Museums & galleries, Bradford 223w
Museums & galleries, Yorkshire & Humberside 257-8w
Origin marking, Consumer protection 270w
Prime Minister, Bradford 561w
Railway network, Bradford 203w
Railway sidings, Government grants 202w
Rescue services, Costs 247w
Road construction, Airedale 203w
School buildings, Bradford 110w
Schools, Bradford 563-4w
Sentencing, Insider trading 50w
Telephone tapping, Interception warrants 603w
Tornado aircraft, Air accidents 344w

CSM see Committee on Safety of Medicines

Cultural relations 11w

Cumberlege Committee see Community Nursing Service Team

Cummings, Mr John
Debates etc
Maiden speech (16.07.87) 1355-6
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1355-6
Questions
British Coal Corporation Enterprise, Loans 83w
Planning appeals, Opencast mining 128-30w

Cunliffe, Mr Lawrence
Questions
Arts finance, North West region 352w

Cunningham, Dr John
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 80-2, 87-94, 103
Questions
Bees, Nature conservation 670w
Cabinet Office, Inner cities initiative 315w
Community charge 295w, 1118-9
Community charge, Costs 1126
Derelict land grants, Local authorities 55w, 227-38w
Empty housing, Copeland 222w
European Regional Development Fund, Enterprise boards 54w
Income 19w
Land ownership & tenure, Metropolitan districts 54-5w
Local authorities, Departmental circulars 53-4w
Local government expenditure 53w, 387w, 390w
Local government expenditure, Rate limitation 55w
Non-domestic rates 53w
Rate precepts, Local government expenditure 52-3w
Tax yields 82-4w
Urban development grants, Expenditure 53w

Curriculum 108-9w, 178
City technology colleges 37w
GCE A level 156w

Currie, Mrs Edwina, *Under-Secretary of State for Health & Social Security*
Debates etc
Cervical cancer, Liverpool Health Authority (08.07.87) 490-6
Social workers (13.07.87) 905-12
Questions
Absent voting, General elections 521w
Acute beds, Liverpool 379-80w
Ambulance services, Greater London 309-10w, 380w
Antenatal care 163-4w
Baby milks, Codes of practice 42w, 666w
Balderton Hospital, Mental patients 663w
Balderton Hospital, Operating costs 625w
Cervical cancer, Bristol 307-8w
Cervical cancer, Computer applications 266-7w
Cervical cancer, Hospital waiting lists 520-1w
Cervical cancer, Liverpool 121w
Cervical cancer, Screening 167w, 266-7w, 380-1w
Cervical cancer, Warrington 454w
Childbirth 163w
Conductive education, Finance 45w
Crown immunity, NHS finance 521-2w
Cystic fibrosis, Prescription charges exemptions 665-6w
Dept of Health & Social Security, Statistics 629w
District health authorities, NHS & private practice 619-22w
Dogs, Death 307w
Electorate, Parliamentary constituencies 449-53w
Family practitioner committees, Women 623-4w
Food imports, Irradiated foods 379w
Foreign visitors, Surgery 40w
Geriatric patients, Mental hospitals 261w
Gynaecology, Women 307w
Health Education Authority, Manpower 167w
Hereditary diseases, Genetics 262w
Hospital beds 631w
Hospital beds, Gateshead 630w
Hospital beds, Liverpool 309w, 633w
Hospital beds, Regional health authorities 514-5w
Hospital beds, Walton Hospital 121w
Hospital closures, Nottingham 628w
Hospitals, Bacterial diseases 38w
Hospitals, Construction 508-14
Hospitals, Fees & charges 40w
Hospitals, Liverpool 309w
Hospitals, Norwich 629-30w
Hospitals, Planning 377w
Hospitals, West Midlands 663w
Intermediate treatment, Young offenders 625w
International Classification of Diseases, Regional health authorities 264w
Irradiated foods, Testing 522w
Kendal Hospital, Construction 664w
Kidney machines, Medical treatments 42-3w
Kidney patients, Medical treatments 45-6w, 311w
Kidneys, Transplant surgery 381w
Laboratories, Advertising controls 664w
Lithotripsy, Medical equipment 666w
Married people 665w
Maternity services 164w
Medical equipment, Brain 121w
Medical treatments, Costs 46w
Medical treatments, Microwaves 667w
Mental health community care 624-6w
Mental health community care, Handicapped children 126-7w
Mental health community care, Housing 454w
Mental health services, Planning 508w
Mental hospitals, Child patients 127-8w, 463w
Mental patients, Diagnosis 507-8w
Mental patients, Southwark 113w
Myalgic encephalomyelitis, Diagnosis 375w
Obstetrics, Liverpool 309w
Obstetrics, NHS 662-3w
Organ donors 262-3w
Pregnancy 39w
Private health services, Fees 373w
Private health services, Fees & charges 373w
Private patients, Income 373w
Radon gas, Health surveys 521w
Royal College of Obstetricians & Gynaecologists, Private health services 373w
Schizophrenia, Diagnosis 508w
Special hospitals, Mental patients transfers 625w
Tay-Sachs disease, Testing 114w
Tobacco, Children 632w
Transplant surgery, Babies 169-70w
Women, Health 661-3w

Curry, Mr David
Questions
Antidumping, EC action 485-6w
Consumer goods, EC action 486w
Credit insurance, EC action 485w
Textiles, EC action 484-5w
Textiles, Taiwan 484w

Customs & Excise 254w, 415w, 471-2w

Customs officers 446-7w
Industrial disputes 351w, 446-7w

Cycling
Public footpaths 272w

Cynon Valley
Government grants 22w

Cyprus
Peace negotiations 206-7w
United Nations 206-7w

Cystic fibrosis 665-6w
Prescription charges exemptions 665-6w

Dairy farming
Production quotas 496w
Wales 70w

Dalyell, Mr Tam
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 456-7
Local Government Bill, 2R & Money res (06.07.87) 161-3
Local government finance (13.07.87) 792-800, 815
Oral questions (08.07.87) 353
Points of order (14.07.87) 975-8
Today newspaper (06.07.87) 20, 38
Questions

Antiaircraft missiles, Afghanistan 63w
Antiaircraft missiles, House of Commons questions 3w
Armed forces visits, Chile 63w
Armed forces visits, HMS Onyx 63w
Arms exports, Disclosure of information 315w
Arms trade, Afghanistan 100w
BBC, Police right of search 360w, 402w
British Museum, Shoreditch 20w
Community charge, Civil service manpower 382w
End user certificates, Antiaircraft missiles 347
Forensic science, Civil service 469w
Gas-cooled reactors, Nuclear safety 153w
Kidneys, Transplant surgery 381w
Members' pensions, Members' pay 3-4w
Military exercises, Radioactivity 1138w
Nicaragua, Foreign policy 289w
Parrots, Nature conservation 224w
Prime Minister, Pay 4w
Prime Minister, Westland Helicopters 660w, 973
Radioactive waste disposal 52w
Railway network, Scotland 203w
Rothschild, Lord, Prosecutions 205w
Satellites, Research finance 318-9w
Submarines, Exports 62w
10 Downing Street, Foreign policy 561w
Transplant surgery, Babies 169-70w
USSR, Antiaircraft missiles 333w, 636w
Wright, Peter, National security 285w, 333w

Darling, Mr Alistair
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 106-9
Maiden speech (06.07.87) 106-9
Scotsman, Standing Order No 20 applications (07.07.87) 193
Questions
Business statement 1290
Community charges register 524w
Research finance 174w
Torness power station, Electricity generation 401w
Torness power station, Energy planning 400w
Torness power station, Nuclear fules 401w

Dartford-Thurrock Crossing Bill 1987/88
Debates etc
(15.07.87) 1254, (17.07.87) 1455
2R, Money res & Ways & means res (09.07.87) 582-612

Dartford tunnel (09.07.87) 582-612

Dartmoor national park 432w
Willsworthy shooting range 432w

Dartmoor Prison (17.07.87) 1391

Data networks
Computers in government departments 493w
Government contracts 492w
Home Office 471-2w

Data processing
Civil service manpower 415w, 493w
Computers in government departments 415w

Data Protection Act 1984 1273-4
Questions
1273-4

Davenham bypass 201w
Road construction 201w

Davies, Rt Hon Denzil
Questions
Armed forces officers, Companies 69w
Conventional weapons, Arms control treaties 966
Defence, House of Commons debates 958
Lea Aviation, Air force 69w
Water pollution, Compensation 556w

Davies, Mr Quentin
Debates etc
Finance Bill, 2R (08.07.87) 395-9
Finance Bill, Com (15.07.87) 1170
Maiden speech (08.07.87) 395-9
Questions
Overseas investment 255w

Davies, Mr Ron
Questions
Arts finance, Wales 356w
Education support grants, Merseyside 564-6w
Job training scheme, Managing agents 288w
Lead plumbing, Scotland 36w, 273w
Lead plumbing, Wales 292w
Manpower Services Commission, Public appointments 473w
Water pollution 560w
Water pollution, Wales 3, 292w, 480w

Davis, Mr Terry
Questions
Business statement 1289

Day centres
Handicapped 464w

Day, Mr Stephen
Questions
Teachers, Pay settlement 108w

Deaf
Educational finance 184
Sign language 184
Special education 184-5
Teacher training 184

Death
AIDS 119-20w
Air accidents 598w
Aircrew 60w
Dogs 307w
Educational visits 322w
Low flying 435w
Opren 260w
Road accidents 141w, 329w
Spain 333w

Death grants 168w

Debts 1128
Bank of England 256w
Developing countries 256w
Personal records 347-8

Decade of Disabled Persons 1983/1992 117-8w

Defective housing 136w
Council housing 181-2w
Truscon low rise houses 390w

Defence
Falkland Islands 966-7
France 435w
House of Commons debates 958
International cooperation 435w
Ministers' visits abroad 442-4w
NATO 434-5w
Nuclear weapons 246-7w

Defence contracts 312w
Lea Aviation 69w
Naval bases 248w
Prosecutions 597w
Protective clothing 314w
Rosyth dockyard 434w
Shells 597w

Defence contracts
Small businesses 433w
Strategic defence initiative 435w, 960-1
Trident 957
Trident missiles 63w, 594w
Trident submarines 63w, 594w

Defence equipment
Export licensing 76w
Exports 312w, 314w

Defence expenditure 345w
Armed forces training 433w
Chemical weapons 594-5w
Conventional weapons 430w
Defence research 434w
Harrier aircraft 63-4w

Defence Export Services Organisation 312w, 314w, 442-4w
Finance 312w

Defence industries employment
Shipping 964

Defence land
Land acquisition 245-6w
Property transfer 245-6w
Public houses 494w

Defence procurement
Ammunition 247w, 596w
Chemical weapons 595w
European fighter aircraft 959-60
Falkland Islands 967
Harrier aircraft 63w
Helicopters 436w
Trident 968
Trident submarines 431w
Type 23 frigates 345w, 431w, 957-8
Warships 437w

Defence research
Defence expenditure 434w
Research finance 579-80w

Defence Select Committee 437w
Theatre nuclear weapons 437w

Delyn Borough Council 23w

Delyn enterprise zone 23w

Demolition
Gas storage 149w
Tipping of waste 149w

Demonstrations
Metropolitan Police 210-1w
South Africa House 211w, 614w

Dentistry
AIDS 370w
Disease control 370w

Dept of Education & Science 106w, 155w, 477-8w, 655-6w
Advertising 655-6w
Civil service manpower 155w
Public relations 655w
Queen's Speech 106w
Small businesses 477-8w

Dept of Employment 288w, 642w
Advertising 642w
Cash limits 642w
Civil service manpower 288w
Public relations 641-2w

Dept of Energy 199w, 338w, 412-3w, 647w
Advertising 647w
Privatisation 338w
Public relations 647w
Small businesses 412-3w

Dept of Health & Social Security 41w, 262w, 308w, 415w, 453w, 471-2w, 627-9w
Advertising 667w
Civil service manpower 308w
Computers in Government departments 627-8w
Departmental leaflets 262w
Ethnic minorities 41w
Public relations 667w
Small businesses 453w
Statistics 629w

Dept of Health & Social Security local offices
Departmental leaflets 367w
Ethnic minorities 41w
Newham 38-9w

Dept of the Environment 53-4w, 131w, 221-3w
Advertising 670w
Civil service manpower 221-2w
Official hospitality 223w
Public relations 670w
Queen's Speech 131w

Dept of Trade & Industry 75-6w, 170w, 176w, 317w, 649-51w, 653-4w
Advertising 653-4w
Civil service manpower 317w

Insider trading 170w
Public relations 653w
Queen's Speech 176w
Small businesses 649-51w
Women 75-6w

Dept of Transport 13w, 271w, 592-3w, 673w
Civil service manpower 271w
Public relations 673w
Small businesses 592-3w
Women 13w

Departmental circulars
"Housing for Senior Management" 23w
Local authorities 53-4w

Departmental coordination
AIDS 100w

Departmental initiatives 1w

Departmental leaflets
Dept of Health & Social Security 262w
Dept of Health & Social Security local offices 367w
Languages 42w
Lewisham 367w
"What to Do after a Death" 447w

Departmental publications
Community charge 524w
Foreign languages 458w
Overseas Development Administration 599w

Derbyshire County Council 111w

Derelict land
British Rail 14w, 416w
Metropolitan districts 54-5w

Derelict land grants 227-38w
Local authorities 55w, 227-38w

DES see Dept of Education & Science

Design
Ships 313w

Destroyers
Navy 437-40w

Detection rates
Crime 610w

Developing countries
Aid financed trade 76w
Debts 256w
Overseas investment 75w

Development
Women 599w

Development aid
Non-governmental organisations 600w
Publicity 599w
Women 70w, 599-601w

Development Board for Rural Wales 149-50w
Finance 149-50w
Industrial investment 150w
Property transfer 150w

Development Commission 295w, 554-5w
Council for Small Industries in Rural Areas 554w
Manpower 554-5w
Slaley 295w

Development Commission for Rural England see Development Commission

Development plans
Berkshire 534w

Devolution
Scotland 561w

Devon & Cornwall Police 605w

Dewar, Mr Donald
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 75, 78, 156-9
Local Government Bill, House of Commons procedure (09.07.87) 543-5
Local government finance (13.07.87) 794
Oral question time intervention (15.07.87) 1118
Questions
Average earnings, Scotland 31-2w
Community charge, Scotland 185w, 402-6w
Council house sales, Scotland 30-2w
Council housing, Scotland 181-2w
Crime, Scotland 32-3w
Highlands & Islands Development Board, Government grants 33w
Homelessness, Scotland 31w
Hospital waiting lists, Scotland 182-6w
Nurses, Scotland 31w
Prison population, Scotland 189-90w
Redundancy, Scotland 33-4w
Scottish Development Agency, Expenditure 505w
Scottish Development Agency, Government grants 33w, 572-3w
Social security claims, Scotland 113w

DHSS see Dept of Health & Social Security

Diagnosis
Mental patients 507-8w
Myalgic encephalomyelitis 375w
Schizophrenia 508w

Dickens, Mr Geoffrey
Debates etc
Cruelty to children, Cleveland (09.07.87) 530-1
Dyslexia, Special education (13.07.87) 951
Questions
Business statement 519
Cruelty to children, Sentencing 1270
Water pollution, Wales 3

Dicks, Mr Terry
Debates etc
Public order policing (17.07.87) 1411, 1438-40

Diplock courts 636-7w
Life imprisonment 636-7w

Diplomatic relations 207w
Albania 146w
Libyan Arab Republic 146w
North Korea 11-2w

Diplomatic service
Iran 332w
Jordan 429w
Syrian Arab Republic 332w
Terrorism 332w
Vanuatu 146w

Directorate of Overseas Surveys 601-2w

Disabled Persons (Badges for Motor Vehicles) Regulations 1982
Questions
204w

Disabled Persons (Services Consultation & Representation) Act 1986
Questions
116-7w, 519-20w
Voluntary organisations 519-20w

Disablement Services Authority 454w
Handicapped 454w

Disciplinary proceedings
Low flying 59w

Disclosure of information
Arms exports 315w
Cabinet Committees 205-6w
Community charge 35w, 97w
Crown Prosecution Service 205w
Electoral register 95w
Government departments 101w
Juries 475w
Low flying 39w, 962
Overseas Development Administration 151-2w
Plutonium 287w
Police 365w
Satellites 360w
Ships 313w
Social security recipients 267w
Students 186
Telephone tapping 47w
Wright, Peter 970, 973-4

Discounts
Gas tariffs 336w

Disease control 515-6w, 604w
Aids 515-6w, 604w
Dentistry 370w
Visas 48-9w

Disposable syringes 515-6w

District health authorities
Hospital beds 377w
NHS & private practice 619-22w

"Disturbances in Prison Establishments Report" (16.07.87) 1261

Dixon, Mr Don
Questions
Manufactured goods, Balance of trade 338-9

Dobson, Mr Frank
Debates etc
"Spycatcher", House of Commons Library (13.07.87) 715
Questions
Advertising, Cabinet Office 661w
Advertising, Dept of Education & Science 655-6w
Advertising, Dept of Employment 642w
Advertising, Dept of Energy 647w
Advertising, Dept of Health & Social Security 667w
Advertising, Dept of the Environment 670w
Advertising, Dept of Trade & Industry 653-4w
Advertising, Foreign & Commonwealth Office 646w
Advertising, Home office 659w
Advertising, Manpower Services Commission 642w
Advertising, Metropolitan Police 659w
Advertising, Ministry of Defence 675-6w
Advertising, Scottish Office 649-51w
Advertising, Treasury 675w
Advertising, Welsh Office 640w
AIDS, Screening 373-4w
AIDS, Statistics 370-1w
British Telecom, Repairs & maintenance 315w
Cervical cancer, Computer applications 266-7w
Cervical cancer, Screening 266-7w
Homicide, Alcoholism & crime 360-1w
Hospital consultants, NHS & private practice 373w
NHS finance 374w
NHS finance, Population 462-4w
NHS finance, Population studies 374-5w
NHS finance, Telephone charges 376-7w
Nobrium, Limited list prescribing 376w
Out-patients, Wales 340w
Private health services, Fees 373w
Private health services, Fees & charges 373w
Private patients, Income 373w
Public relations, Cabinet Office 661w
Public relations, Dept of Education & Science 655w
Public relations, Dept of Employment 641-2w
Public relations, Dept of Energy 647w
Public relations, Dept of Health & Social Security 667w
Public relations, Dept of the Environment 670w
Public relations, Dept of Trade & Industry 653w
Public relations, Dept of Transport 673w
Public relations, Foreign & Commonwealth Office 645-6w
Public relations, Home Office 658-9w
Public relations, Manpower Services Commission 641-2w
Public relations, Metropolitan Police 659w
Public relations, Ministry of Defence 676w
Public relations, Scottish Office 649w
Public relations, Treasury 675w
Public relations, Welsh Office 639w
Residential Care Finance Working Party 372w
Road accidents, Drinking & Driving 329w

Royal College of Obstetricians & Gynaecologists, Private health services 373w
Training, Speech therapy 322w
Unemployment benefits, Greater London 633-4w
Unemployment benefits, Social security benefits disqualification 374w

Docklands Development Corporation 161w

Docklands Light Railway 271w
Thamesmead 271w

Documents
Legal profession 7w

DOE see Dept of the Environment

Dog wardens
Local authorities 51w

Dogs
Death 307w
Environmental health 208w
Hospital patients 307w
Prosecutions 208w

Domestic rates
Costs 56-7w
Labour Party 1118

Door-to-door selling 418w

Doran, Mr Frank
Questions
Aberdeen University, University finance 110w
Community charge, Government grants to local authorities 1116-7
Textile industry 335

Douglas, Mr Dick
Debates etc
Finance Bill, Com (16.07.87) 1317, 1321-3
Questions
Business statement 518, 1288
Petroleum production, Employment 691
Type 23 frigates, Defence procurement 957-8

Douglas-Hamilton, Lord James, *Under-Secretary of State for Scotland*
Questions
A1, Road safety barriers 194w
Ayr road route, Glasgow 35-6w
Ballachulish bridge, Repairs & maintenance 273-4w
BBC, Police right of search 402w
Caledonian MacBrayne, Ferries 36w
Compulsorily detained mental patients, Scotland 243w
Council house waiting lists, Local authorities in Scotland 502w
Court of Session, Edinburgh 468w
Electoral register, Scotland 28w
Empty housing, Local authorities in Scotland 503-5w
Forestry, Caithness 35w
Forestry Commission, Tree planting 570w
Forestry grant scheme, Caithness 34-5w
Glasgow Airport, Public inquiries 466w
Gualin National Nature Reserve, Fishing 571-2w
Gypsies, Scotland 392w
High Court of Justiciary, Glasgow 467w
Homelessness, Local authorities in Scotland 501w
Housing & handicapped, Scotland 464w
Housing construction, Local authorities in Scotland 503w
Housing construction, Scotland 503w
Housing finance, Local authorities in Scotland 503w
Housing (Homeless Persons) Act 1977, Scotland 500-2w
Lead plumbing, Scotland 273w
Loch Ness, Ownership 273w
Mental health community care, Scotland 464w
Piers, Foula 648w
Planning permission, Holy Loch 395w
Poll cards, Scotland 28w
Prison administration, Scotland 192w
Prison education services, Scotland 191w, 244w
Prison medical services, Scotland 191-2w
Prison population, Scotland 241-2w, 499w
Prison riots, Scotland 395-6w
Prison staff, Scotland 192w
Prisoners, Scotland 242w
Prisons, Scotland 242-4w
Radioactivity, Dounreay 467w
Road accidents, Scotland 570-1w
Road accidents, Stacathro Hospital 244w
Road construction, Stracathro 392w
Road traffic, Scotland 243w
Shotts Prison, Government grants 35w
Terrorism, Scotland 401-2w
Tree planting, Caithness 34w
Water supply, Scotland 401w
Western Isles, Road equivalent tariff 36w
Women, Scottish Office 27w

Dounreay
Radioactivity 467w

Dover, Mr Den
Debates etc
Urban development corporations (15.07.87) 1245

Drinking & driving
Convictions 303w
Driving licences 272w
Road accidents 329w, 570-1w

Driving licences
Drinking & driving 272w

Driving offences
Sentencing 364w

Drug abuse
AIDS 515-6w
Crime 1269
Sports 527w, 1123-4

Drug crimes
Crime prevention 608w
Malaysia 472w

Drug hazards
Labelling 259w

Drug industry
Compensation 260w

Drug side effects
Opren 260w

Drugs
AIDS 119-20w, 516w
Clinical trials 258w
NHS 258-60w
Prices 258w
Product liability 258w

DTI see Dept of Trade & Industry

DTp see Dept of Transport

Dual carriageways 214-6w, 243w, 594w
Road traffic 243w
Roads 202w

Duchy of Lancaster Bill 1987/88
Debates etc
Ref to 2R Com (16.07.87) 1312

Dufftown
Prime Minister domestic visits 205w

Duffy, Mr A E P
Questions
Type 23 frigates, Antiaircraft missiles 968
Type 23 frigates, Defence procurement 431w
Urban programme, Finance 523w
Violence, Public houses 1266

Dundee University 186
University finance 186

Dunn, Mr Bob, *Under-Secretary of State for Education and Science*
Debates etc
Aldemoor School Southampton (15.07.87) 1259-60
Dyslexia, Special education (13.07.87) 953-6
Questions
Cost per pupil, Assisted places scheme 321w
Education, ILEA 109w
Education, Inner city areas 109w
Education, Staffordshire 480w
Educational finance, Deaf 184
Educational standards, GCE O level 111w
Educational visits, Death 322w
Educational visits, Pupil-teacher ratios 322w
Grammar schools, School closures 155w
National Confederation of Parent Teacher Associations 110w
Nursery schools, Pre-school education 154-5w
Parkfields School, School closures 111w
Part-time education 107w
Playgrounds, Schools 411w
Pre-school education, Nursery schools 278w
Pupils, State education 278w
Pupil-teacher ratios, Basildon 107w
Pupil-teacher ratios, Primary education 107-8w
Ravensbourne College, Fees & charges 37w
REPLAN 110w
School buildings 112w
School buildings, Bradford 110w
School buildings, Educational standards 276w
School buildings, Rotherham 111w
School governors 109w
School governors, Schools & parents 105-6w
School leaving 562-4w
School meals, Fleckney Schools 155w
School transport, Local education authorities 102w
Schools, Bradford 105w, 563-4w
Schools, Coventry 104w
Schools, Educational finance 104w
Schools, Local education authorities 103-4w, 563w
Schools, Rural areas 108w
Secondary education, Durham 104w
Secondary education, Educational finance 104w
Sixth form education, Schools 103w
Special education, Deaf 184-5
Special education, Speech therapy 322w
Special educational needs 281w
Tertiary education, Educational finance 110-1w
Village schools & Pupil-teacher ratios 158w

Dunnachie, Mr Jimmy
Questions
Ayr road route, Glasgow 35-6w
Unemployment, Glasgow 27-8w

Dunwoody, Mrs Gwyneth
Debates etc
British Rail, Standing order No 20 applications (15.07.87) 1140
Questions
British Rail Engineering, Crewe 417w
Channel tunnel, Contracts 418w
Development, Women 599w
Development aid, Women 599-601w
Overseas aid, Women 285-6w
Overseas Development Administration, Women 601w
Research, Foreign & Commonwealth Office 429w
Rural development areas, Government grants 293w
Upton, Gladys, Members' correspondence 631w
Village schools & Pupil-teacher ratios 158w

Durham
Secondary education 104w
Speech therapy 667w

Durham City Council 389-90w
Homelessness 390w
Housing finance 390w
Housing investment programmes 389-90w

Durham Health Authority 667w

Duty free shops 15w

Heathrow 15w

Dyfed
Unemployment 5

Dykes, Mr Hugh
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 655-9
Questions
Manufacturing industries, Unfair trading practices 340-1

Dyslexia
Special education (13.07.87) 949-56

Eadie, Mr Alexander
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1352-4, 1377-8
Questions
Coal mining, Production 696-7
Dept of Energy, Privatisation 338w

Ealing
Empty housing 385w

Early retirement
Aircrew 60w
Air force 961-2

East Cumbria
Health service ancillary staff 162w

East Cumbria Health Authority 162w

East London river crossing 271w, (09.07.87) 582-612, 673w
Construction 673w
Public inquiries 271w

Eastern Europe
Furniture 13

Eastham, Mr Ken
Questions
Arts finance, North West region 352w
"Paying for Local Government Consultation Paper" 558w

EC action
AIDS 516w
Antidumping 485-6w
Beaches 420w, 532-3w, 1116
Consumer goods 486w
Credit insurance 485w
Employment 590-1w
Textiles 484-5w

EC Agriculture Council 407-8w, 678-9w
EC budget 407-8w

EC budget
EC Agriculture Council 407-8w
European Council 2w
Expenditure 503
UK contributions 257w, 348w, 503
VAT 503

EC Commission see European Commission

EC countries
Educational finance 321w
Higher education 277w
Pensioners 121-2w
Railway timetables 14w
Retirement pensions 169w, 369w
Shipbuilding Intervention Fund 77-8w
Textile industry 317w

EC Finance Council 253w, 256w
European monetary system 256w

EC Foreign Affairs Council 636w

EC grants & loans
Road works 218w

EC internal trade 1278

EC law 87w, 208w
Parental leave 198w
Sea pollution 556w
Water pollution 559-60w
Water supply 558w

EC legislation
Water supply 479-80w

EC nationals 121-2w, 277w
Further education 277w

EC reform
Common agricultural policy 679w

EC Trade Mark Office 1w, 12w
Government grants 1w

Economic growth 251-2w, 499
Oil prices 253w

Economic League 365-6w
Inquiries 366w
Metropolitan Police 365w

Economic recession
Gould, Bryan 972
Hattersley, Roy 972

Economic regions
Civil service manpower 155w, 199w, 221-2w, 271w, 288w, 301-2w, 308w, 312-3w, 317w, 495w

Economic situation
Isle of Thanet 561w

Economic summit conferences
Prime Minister visits abroad 206w
Unemployment 206w

ECSC see European Coal & Steel Community

Edinburgh
Court of Session 468w

Edinburgh University 102w, 400w, 654-5w
Medical research 654-5w
Research finance 654-5w
University finance 102w

Education 281w
Anglo-Irish Agreement 98-9w
ILEA 109w
Inner city areas 109w
Men 321w
Northern Ireland 98-9w
Staffordshire 480w

Education Act 1944
School fees 183

Education (Assisted Places) (Amendment) Regulations 1987
Debates etc
(16.07.87) 1381

Education Bill 1987/88
Questions
177

Education support grants 564-6w
Merseyside 564-6w

Educational administration
Polytechnics 102w, 278w

Educational equipment
General Certificate of Secondary Education 180

Educational finance 182
Community charge 188-9
Deaf 184
EC countries 321w
General Certificate of Secondary Education 180-1
Overseas students 177
Polytechnics 186
School buildings 111w
Schools 104w
Secondary education 104w
Student loans 176
Tertiary education 110-1w

Educational qualifications
Higher education 398-9w
Prisoners 244w

Educational standards
GCE O level 111w
General Certificate of Secondary Education 181
School buildings 276w
Youth training scheme 83-4w

Educational visits 322w
Death 322w
Pupil-teacher ratios 322w

EEC see European Economic Community

Efficiency scrutinies 99w, 366w
Charity Commission 366w
Fishery protection 99w

Eggar, Mr Tim, *Parliamentary Under-Secretary of State for Foreign & Commonwealth Affairs*
Debates etc
BBC (13.07.87) 767, 773-6
Gold, World War II (13.07.87) 948
Nuclear disarmament (13.07.87) 852-4
Public service pensions (13.07.87) 859-62
Questions
Advertising, Foreign & Commonwealth Office 646w
Blood donors, AIDS 207w
Blood donors, Tourists 207-8w
British embassies, Civil servants 645w
China, Human rights 11w
Colonies, Administrative costs 474w
Cultural relations 11w
Diplomatic relations 207w
El Salvador, Peace negotiations 636w
Foreign & Commonwealth Office, Civil service manpower 282-3w
Foreign & Commonwealth Office, Computers in Government departments 283-4w
Hong Kong, China 10-1w
Hong Kong, Elections 146w
Hong Kong, Emigration 10w
Hong Kong, International Court of Justice 9-10w
Hong Kong, Sovereignty 10w
Indonesia, Foreign policy 147w
International relations, UK contributions 474w
Israel, Palestine Liberation Organisation 475w
Middle East, International conferences 475w
Morocco, European Communities 429w
North Korea, Diplomatic relations 11-2w
Patel, Chacadben, Members' correspondence 208w
Public relations, Foreign & Commonwealth Office 645-6w
Research, Foreign & Commonwealth Office 429w
St Helena, Television 13w
Small businesses, Foreign & Commonwealth Office 634w
South Korea 11w
Spain, Crimes of violence 332-3w
Spain, Death 333w
Sri Lanka, Tamils 147-8w
Treaties 634w
United Nations, Women 87-8w
USSR, Antiaircraft missiles 333w, 636w
Vanuatu, Diplomatic service 146w
Vanuatu, Official cars 87w
Vietnam, Foreign policy 146w
Visas, India 634w
Western Sahara, Peace negotiations 429-30w
Western Sahara, Refugees 429w
Western Sahara, United Nations 429w

El Salvador
Armed forces training 344w
Peace negotiations 636w

Elderly
Age allowances 591w
Clinical trials 258w
Housing insulation 527-8w
Mental health community care 465-6w
Naturalisation 305w
Scotland 645-6w

Election forecasting 971

Elections
Hong Kong 146w

Electoral register 302-3w
Community charge 414-5w
Computer privacy 88w

Disclosure of information 95w
Members 414-5w
Scotland 28w
Service voters 597w

Electoral registration
Armed forces strength 68-9w

Electorate
Parliamentary constituencies 449-53w

Electrical industry
Wales 214w

Electrical safety
Exhibitions 318w
Upper waiting hall 318w

Electricity area boards (16.07.87) 1312

Electricity Council 21w

Electricity disconnections
Wales 648w

Electricity generation
Torness power station 401w

Electricity supply
Northern Ireland (07.07.87) 301-15

Electricity Supply (Amendment) (Northern Ireland) Order 1987
Debates etc
(07.07.87) 301-15

Electricity supply industry 337w
Buy British 688
Competition 689
Privatisation 21w, 337w, 411w, 481w, 571w, 688-90, 696
Scotland 571w
South Africa 647-8w

Electronic equipment
Helicopters 139w

Electronics industry
Research 177w
Wales 214w

Eli Lilley 258-9w
NHS 258-9w

Elwood, Patrick (17.07.87) 1391
Public petitions (17.07.87) 1391

Embassies
Bombings 360w
Metropolitan Police 212w
Syrian Arab Republic 360w

Emergency planning
Torness power station 400w

Emery, Sir Peter
Debates etc
Finance Bill, Com (14.07.87) 1005-6
Questions
Armed forces training, Nuclear accidents 1137
Business statement 517-8

Emigration
Hong Kong 10w

Employment 7
EC action 590-1w
Natural gas production 691
Nuclear power stations 694
Petroleum production 691

Employment level
Arts 358w
Wales 22w

Employment opportunities
Coal mining 692-3
Liverpool free port 350w
London Docklands Development Corporation 1119
Manufacturing industries 1277
Trident 957, 967-8
Urban development Corporations 388w
Wales 6

Employment schemes
Handicapped 346w
MSC 441w
Northern Ireland 487-8w

Empty housing
Copeland 222w
Council housing 385-6w, 539w, 576w
Ealing 385w
Homesteading schemes 553-4w
Local authorities in Scotland 503-5w
Rented housing 1121

End user certificates 100w, 597w
Antiaircraft missiles 347
Prosecutions 597w

Energy efficiency 338w, 412-3w, 690-1
Buildings 690-1
Conferences 690
London Docklands 691
Small businesses 412-3w

Energy prices 286w
Privatisation 688-9

Energy research
Fast reactors 339w

"Energy Select Committee on Hinkley Point A" 412w

Engineers
Women's employment 590w

English language
Asians 40-1w

English Tourist Board 289w, 347w
Holiday accommodation 347w
Hotels 347w
Slaley 289w

Enterprise boards
European Regional Development Fund 54w

Enterprise zones
Government assistance to industry 388w

Entry clearance
Indian subcontinent 300-2w

Entry clearances 603w
Business travel 658w
Foreign tourists 409-10w, 658w
Immigration appeals 409w
North Korea 48w
Tamils 604w

Enveloping schemes (14.07.87) 1107-14

Environment protection
Water storage 530w
Water supply industry 292w

"Environment Select Committee on Historic Buildings & Ancient Monuments" 390w

Environmental health
Dogs 208w

Environmental impact assessment 159w

Equal opportunities
Northern Ireland 488-9w
Women 13w, 20w, 27w, 46-8w, 75-6w, 79-80w, 148w, 275-6w, 306-7w

"Equality of Opportunity in Employment in Northern Ireland"
488-9w

Erith
Unemployment 197-8w

Essex Bill (HL) 1984/85
Debates etc
Rep* (14.07.87) 957

Essex County Council (13.07.87) 949-56

Estate Action 528w, 537-8w

Estuaries
Road tolls 139-41w

Ethiopia
Overseas aid 602w

Ethnic minorities
Dept of Health & Social Security 41w
Dept of Health & Social Security local offices 41w
Mental patients 113w
Social security benefits 41w

Ethnic monitoring
Civil Service 701

European Coal & Steel Community 420w

European Commission 1115

European Communities
Morocco 429w
Overseas students 177

European Communities (Definition of Treaties) (International Convention on the Harmonised Commodity Description & Coding System) Order 1987
Debates etc
(06.07.87) 16

European Council 2w, 147w
EC budget 2w
House of Commons debates 147w

European Court of Justice 82w, 86w, 101w, 134w, 318w, 377-8w
Football 134w
Invalidity benefits 378w
Severe disablement allownace 377-8w
VAT 101w

European Economic Community 174w, 348w, 679w
Research 174w
Science & technology research 483w

European fighter aircraft 436w
British Aerospace 958-9
Costs 959-60
Defence procurement 959-60
Jaguar aircraft 959
Labour Party 959
Roll-Royce Aeroengines 958-9
Tornado aircraft 959
Trident 959

European Legislation Select Committee (09.07.87) 613

European monetary system 508
EC Finance Council 256w

European Regional Development Fund 54w, 218w
Enterprise boards 54w
Wales 218w

European Social Fund 288-9w

Eurotunnel (08.07.87) 472-86

Evans, Mr David
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 109-10
Maiden speech (06.07.87) 109-10

Evans, Mr John
Questions
Industrial accidents, Manufacturing industries 641-2w
Regional development grants, North West region 178w

Evennett, Mr David
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 597-9
Questions
Docklands Light Railway, Thamesmead 271w
East London river crossing, Public inquiries 271w
Juries, Corruption 476w
Juries, Disclosure of information 475w
Local government expenditure, Teachers 573w
Local government revenue, Government grants to local authorities 573w
Offensive weapons, Retail trade 605-6w
Offshore suppliers, Exports 693
Teachers, Pay settlements 108w
Thamesmead Town, Property transfer 532w
Unemployment, Erith 197-8w

Evidence
Hayward, Simon 50w

Ewing, Mr Harry
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 79
Questions
British Gas Corporation, Publicity 189-90
Medical appeal tribunals, Glasgow 310w

Ewing, Mrs Margaret
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 869-72
Clerk of the House, Retirement (13.07.87) 714
Recess motions, Summer adjournment (13.07.87) 748-9
Questions
Business statement 518
Community charge, Scotland 185-9w
Low flying, Air safety 435w
Low flying, Disclosure of information 962
Offshore suppliers, Exports 693
Prime Minister domestic visits, Buckie 100w
Prime Minister domestic visits, Dufftown 205w
University finance, Scotland 105w, 187
Whisky, Japan 173-4w

Examinations
School admission 178
Schools 177
Sign language 185

Exceptional needs payments 167-8w
British citizenship 369w
Social Fund 629w

Exchange rates
Industrial production 499

Exchange Risk Guarantee Scheme 649-51w

Excise duties
Tax harmonisation 501

Exclusion orders
Interviews 362w
Terrorism 361-2w

Exercise Purple Warrior 431-2w, 598w

Exercise Senator (15.07.87) 1141

Exhaust emissions
Pollution control 159-60w

Exhibitions
Art works 148w
British Film Institute 353w
Child minding 521w
Electrical safety 318w
Upper waiting hall 9w

Export credit guarantees
Nicaragua 338

Export licensing
Art works 249-50w
Defence equipment 76w

Export of live animals
Codes of practice 495w
Portsmouth 495w

Export of Works of Art Reviewing Committee 249-50w

Export rebates
Sugar 152w

Exports
Defence equipment 312w, 314w
Offshore suppliers 693-4
Plutonium 57w, 634-5w
Submarines 62w
Textile industry 345-6

Exservicemen
Naturalisation 49w, 305w
Northern Ireland Housing Executive 643-4w
Republic of Ireland 643-4w

Extracurricular activities
Pupils 163w

Extradition
Belgium 616w

F111 aircraft 432w

Factory closures
Chemical weapons 64w
Mackinnons Knitwear 345
Renfrew 505w

Falkland Islands
Airports 967
Argentina 967
Costs 966-7
Defence 966-7
Defence procurement 967
Military aircraft 967

Fallon, Mr Michael
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 561-3
Calling of Members (15.07.87) 1142
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 472-3, 475, 481
Local government finance (13.07.87) 777, 781-4, 808, 811
Points of order, House of Commons procedure (09.07.87) 540
Today newspaper (06.07.87) 23, 45-8
Urban development corporations (15.07.87) 1235-6, 1240-2
Questions
Business statement 526, 1292
Firearms 610w
Inner cities initiative 341
Local government pensions, Pension funds 528w
Northern region, Government assistance to industry 172w
VAT registration 509

Families
Consumer expenditure 112w
Low incomes 456w
Social security recipients 260-1w

Family credit 45w
Leeds 45w

Family income supplements
Civil servants 170w
Rowbottom, GL 631w

Family Law Reform Act 1987
Questions
316w

Family practitioner committees
Manchester 375-6w
Ophthalmic services 375-6w
Women 623-4w

Family practitioner services
Medical education 176

Farm rents 678w
Wales 639w

Farmers
Helicopters 968-9

Farr, Sir John
Questions
Armed forces cadets, Leicester 344w, 676-7w
Foreign & Commonwealth Office, Civil service manpower 282-3w
Foreign & Commonwealth Office, Computers in Government departments 283-4w
Health & Safety Executive, Civil service manpower 197w
Health & Safety Executive, Expenditure 197w
Manufacturing industries, Employment opportunities 1277
Pesticides safety precautions scheme 533-4w
School meals, Fleckney Schools 155w
Strategic Defence Initiative, Defence contracts 960
Textile industry, USA 345-6

Fast reactors
Energy research 339w

Fatchett, Mr Derek
Debates etc
Cruelty to children, Cleveland (09.07.87) 534
Prison overcrowding (16.07.87) 1307
Questions
A1-M1 link, Leeds 417w
Amusement arcades 302w
Birkbeck College, University finance 322w
Chapeltown Task Force, Expenditure 77w, 418-9w
Children, Poverty 260-1w
Community charge, Leeds 295w
Community charge, Leeds City Council 382w
European Social Fund 288-9w
Family credit 45w
Housing 389w
Housing improvement, Inner city areas 523w
Manufacturing industries, Inner city areas 172w
Naturalisation, Elderly 305w
Naturalisation, Fees and charges 49w, 305w
Prime Minister, Westland Helicopters 969
Road traffic 417w
Royal Shakespeare Company, Arts finance 356w
Schools, Fees and charges 103w
Student grants 177
VAT, Clothing 501

Faulds, Mr Andrew
Debates etc
Business questions point of order (09.07.87) 527
Oral question time point of order (09.07.87) 514
Points of order (14.07.87) 975-6
"Spycatcher", House of Commons Library (13.07.87) 715
Today newspaper (06.07.87) 58
Wright, Peter, Standing Order No 20 applications (13.07.87) 710
Questions
Art works, Export licensing 249-50w
Business statement 523
Cultural relations 11w
National Museum of Wales, Government grants 289-90w
Objects in lieu of tax 248-50w
Official stationery, House of Commons 14

Favell, Mr Tony
Debates etc
Calling of Members (15.07.87) 1144
Economic growth, North West region (13.07.87) 925, 927, 933-4
Local government finance (13.07.87) 781, 790-2, 805, 808, 811
Public order policing (17.07.87) 1393, 1397
Questions
AIDS, Medical research 458w
Business, Overhead costs 178w
Community charge, Metropolitan districts 222w
Dept of Education & Science, Queen's Speech 106w
Inner city areas 524w
Manufacturing industries, Motor industry 344-5
Offensive weapons, Retail trade 605w, 1266

FCO see Foreign & Commonwealth Office

Fearn, Mr Ronnie
Debates etc
Finance Bill, Com (14.07.87) 987
Questions
Holiday accommodation, English Tourist Board 347w
Lead free petrol, Merseyside 392w
Railway network 329w
Railway network, Burscough 329w
Road signs, Tourist attractions 329-30w
Sea pollution, EC law 556w
Tourism, Government grants 347w
Tourism, Private sector 347-8w

Federation of Professional Railway Staff 15w
Trade union recognition 15w

Fees & charges
British citizenship 363-4w
Computer privacy 88w
Higher education 277w
Hospitals 40w
Hotels 444w
Naturalisation 49w, 305w
NHS & private practice 373w
Personal records 1273-4
Private health services 373w
Ravensbourne College 37w
School transport 183-4
Schools 102-3w
Student grants 655w
Telephone operator services 76w

Felixstowe Dock & Railway Bill 1984/85
Debates etc
Order for consideration read (09.07.87) 497, (16.07.87) 1261

Feltham
Prison staff 410-1w
Youth custody 410-1w

Fenner, Dame Peggy
Questions
Intervention Board for Agricultural Produce, Administrative delays 678w
Playgrounds, Safety 535w
Playgrounds, Schools 411w

Ferguson Group 419w
Takeovers 419w

Ferries
British Shipbuilders 653w
Caledonian MacBrayne 36w
Immigration (Carrier's Liability) Act 1987 144w

Fertilisers
Overseas trade 482w
Saudi Arabia 482w

FH70 howitzers
Shells 597w

Field, Mr Barry
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 98-100
Maiden speech (06.07.87) 98-100
Prison overcrowding (16.07.87) 1308
Questions
Members' facilities, Communication 334w
Parkhurst Prison, Repairs & maintenance 142-3w

Field, Mr Frank
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 549-50
Questions
Cervical cancer, Screening 380-1w
Clergy, Pay 10
Consumer expenditure, Families 112w
Dept of Health & Social Security, Statistics 629w
Higher civil servants, Private education 674w
Low incomes, Statistics 456w
School leaving 562-4w
Supplementary benefits, Social security recipients 308w
Type 23 frigates, Defence procurement 345w

Fields, Mr Terry
Debates etc
Cervical cancer, Liverpool Health Authority (08.07.87) 487-91
Questions
Johnson, P J, Members' correspondence 45w, 267w

Fife
Supplementary benefits 448w
Unemployment benefits 371w
Youth training scheme 442w

Film
Conservation 355w

Finance Bill 1987/88
Debates etc
2R (08.07.87) 356-448
Com (15.07.87) 1146-203, (16.07.87) 1313-41

Financial management initiative
MINIS 964-5

Financial services
Investor protection 482-3w

Financial Services Act 1986
Questions
318w, 483w

Fines
Immigration controls 208-9w

Finland
Handicapped 118w

Finsberg, Sir Geoffrey
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 627-8, 659-63
Recess motions, Summer adjournment(13.07.87) 740-2
Questions
Overseas trade, Nicaragua 338
Privatisation 504

Fire prevention
Aircraft 323w
Civil Aviation Authority 323w

Fire resistant materials 321w
Caravans 321w

Firearms 610w
Crime 613w

Firearms certificates 511-2

Fires
Industrial estates 56w, 528w
RAF St Mawgan 676w
Shopping centres 426w

Firing ranges 432w

Firth Committee see Residential Care Finance Working Party

Fish
Poaching 190-1w, 289w, 296w
Water pollution 480w

Fish diseases
Scotland 570w

Fish farming
River pollution 1130

Fish Farming (Financial Assistance) Scheme 1987
Debates etc
(15.07.87) 1145

Fisher, Mr Mark
Debates etc
Today newspaper (06.07.87) 63-8
Questions
Military exercises, Radioactivity 1136-7
Ministers' domestic visits, News International 268w
Murdoch, Rupert 580-1w
Murdoch, Rupert, Official engagements 268w
Museums & galleries, Wales 567-8w
National Museum of Wales, Expenditure 568w
News International, Ministers' domestic visits 581w
Royal Shakespeare Company, Arts Council grants 698
Royal Shakespeare Company, Arts finance 356w
Today newspaper, Takeovers 268-70w

Fisheries
Government grants 487w
Northern Ireland 487w
Western Sahara 429w

Fishery agreements
Morocco 679w

Fishery protection
Efficiency scrutinies 99w
Scotland 99w

Fishguard
Unemployment 4-5

Fishing
Gualin national nature reserve 571-2w

Fishing quotas 679w

Fishing vessels
Safety standards 100w

Fishing Vessels (Acquisition & Improvement) (Grants) (Amendment) Scheme 1987
Debates etc
(15.07.87) 1145

Fishing Vessels (Financial Assistance) Scheme 1987
Debates etc
(15.07.87) 1145

Flags of convenience
Kuwait 645w

Flannery, Mr Martin
Questions
British Telecom, Telephone systems 351
Falkland Islands, Argentina 967
General Certificate of Secondary Education, Educational equipment 180
Schools, Swimming 103w

Fleckney School
School meals 155w

Floods
Newtownbreda road 638w

Flynn, Mr Paul
Questions
Advisory Committee on the Safety of Nuclear Installations Report, 1986-87 646w
Business statement 1291
Nuclear Installations Inspectorate, International Atomic Energy Agency 646-7w
Nuclear safety, Nuclear Energy Agency 647w

Food & Environment Protection Act 1985
Questions
197w

Food contamination
Radioactivity 70w, 152-3w

Food hygiene
NHS 521-2w

Food imports
Irradiated foods 379w
Testing 379w

Food Manufacturers' Federation 666w

Fookes, Miss Janet
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 94-6
Questions
Pit bulldogs, Import controls 180w
Tourism, Upper waiting hall 9w

Foot, Rt Hon Michael
Debates etc
Today newspaper (06.07.87) 24
Questions
Business statement 1287

Football
British residents abroad 134w
European Court of Justice 134w
Hooliganism 616w, 1267

Football Association 530w

Footwear
VAT 501, 1274-5

"Foreign Affairs Select Committee on ODA Bilateral Country Programmes" 71w

Foreign & Commonwealth Office 282-4w, 429w, 634w, 645-6w
Advertising 646w
Civil service manpower 282-3w
Computers in Government departments 283-4w
Public relations 645-6w
Research 429w
Small businesses 634w

Foreign Compensation (Union of Soviet Socialist Republics) (Distribution) Order 1987
Debates etc
(14.07.87) 979

Foreign investment in UK
Manufacturing industries 502
North Wales 12
Shipbuilding 79w
Wales 4, 8

Foreign languages 41-2w, 458w
Departmental publications 458w

Foreign policy
Afghanistan 289w
Hong Kong 11w
Indonesia 147w
Nicaragua 289w
Syrian Arab Republic 646w
10 Downing Street 561w
Vietnam 146w

Foreign tourists
Entry clearances 409-10w, 658w

Foreign visitors
Surgery 40w

Forensic science
Civil service 469w

Forestry
Caithness 35w
Income 18w, 35w

Forestry Commission 18w, 34-5w, 570w
Nature Conservancy Council 34w
Tree planting 570w

Forestry grant scheme 34-5w
Caithness 34-5w

Forestry grants 34-5w

Forman, Mr Nigel
Debates etc
Finance Bill, 2R (08.07.87) 369
Questions
School fees 183

Forsyth, Mr Michael, *Under-Secretary of State for Scotland*
Questions
Accident & emergency departments, Greater Glasgow Health Board 500w
Adult education, Scotland 399-400w
AIDS, Scotland 572w
Breast cancer, Scotland 397-8w
Central institutions, Scotland 497w
Cervical cancer, Scotland 98w, 466w
Common Services Agency, Construction 465w
Community care, Scotland 465w
Computers in National Health Service, Scotland 465w
Crossroads scheme, Scotland 192-3w
Elderly, Scotland 465-6w
Fish diseases, Scotland 570w
Higher education, Scotland 398-400w, 466w
Hospital waiting lists, Scottish health boards 237-42w
Leukaemia, Scotland 245w, 498w
Mental health community care, Scotland 464w
Mental health services, Scotland 396-7w
Mental hospitals, Scotland 463w, 496w
Mental patients, Scotland 393-4w, 496-7w
Mentally ill, Scotland 393w, 397w
Nurses' training, Scotland 194w
Occupational therapists, Scotland 394w, 497-8w
Poaching, Scotland 190-1w
Prescriptions, Scotland 395-6w
Primary health care, Scotland 245w
Private hospitals, Clydebank 98w
Psychiatry, Scotland 465w, 497w
Pupil-teacher ratios, Scotland 244-6w
Schizophrenia, Scotland 394w
School choice, Scotland 500w
Scottish health boards, Health services finance 397w
Scottish health boards, Public appointments 396w
Sheep, Scotland 273-4w
Stobhill Hospital 500w
Student grants, Scotland 393w
Tertiary education, Scotland 400w
Universities Funding Council, Scotland 398w

Forsythe, Mr Clifford
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 289-91

Forth, Mr Eric
Debates etc
Members' interests (07.07.87) 195
Oral questions, Welsh Office (06.07.87) 17
Points of order (14.07.87) 978
Points of order, House of Commons procedure (09.07.87) 541
Questions
Business statement 519, 1292-3
Candidates, General Election 1987 359-60w
Civil servants, Pay 156-7w
Energy efficiency, Conferences 690
House of Commons staff, Pay 145w
Interest rates 507
ISTEL, Management buy-outs 2w
Ministry of Defence, MINIS 964-5
NHS, Expenditure 162w
Procurement, House of Commons 13
Regional aid, Expenditure 174-6w

Foula
Piers 648w

Foulkes, Mr George
Debates etc
BBC (13.07.87) 771-3, 776
Local Government Bill, 2R & Money res (06.07.87) 77
Questions
Cooperatives, Government assistance 154w
Exercise Purple Warrior 431-2w
Free ports, Isle of Man 49w
Social Fund Manual 114-5w

Fowler, Mike 84w
Unemployment benefits 84w

Fowler, Rt Hon Norman, *Secretary of State for Employment*
Questions
Advertising, Dept of Employment 642w
Advertising, Manpower Services Commission 642w
Area Manpower Boards 641w
Cash limits, Dept of Employment 642w
Manpower Services Commission, Public appointments 473w
Public relations, Dept of Employment 641-2w
Public relations, Manpower Services Commission 641-2w
Unemployment, Statistics 441-2w

France
Defence 435w
Immigration controls 147w
Neutron bomb 634w
Nuclear accidents 339w
Plutonium 634-5w
Submarines 431w
Theatre nuclear weapons 634w
Trident submarines 431w

Franks, Mr Cecil
Questions
Civil service, Ministerial responsibility 349w
Trident, Barrow-in-Furness 968
Trident submarines, Defence procurement 431w
Unemployment, North West region 1274

Fraser, Mr John
Debates etc
Local government finance (13.07.87) 809-13
Recess motions, Summer adjournment (13.07.87) 732-4
Questions
Door-to-door selling 418w
Immigration rules, Marriage 360w
Legal aid, Administrative delays 5w
London Docklands, Housing 1120

Free movement of capital 508

Free ports 350w
Isle of Man 49w
South Africa 49w

Freedom of the city 536w
Armed forces 536w

Freehold housing
Clergy 11

Freeman, Mr Roger, *Under-Secretary of State for the Armed Forces*
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 451, 469-71
Questions
Advertising, Ministry of Defence 675-6w
Aircrew, Armed forces strength 60-1w
Aircrew, Death 60w
Aircrew, Early retirement 60w
Armed forces cadets, Leicester 344w, 676-7w
Armed forces officers, Companies 69w
Armed forces pay, BAOR 433w
Armed forces strength, Electoral registration 68-9w
Armed forces training 495w
Armed forces training, Defence expenditure 433w
Armed forces training, El Salvador 344w
Armed forces training, Nuclear accidents 1134, 1137
Armed forces training, Nuclear weapons 1136
Army, Intimidation 311w
Army in Northern Ireland 433w
Bramley Camp, Housing 964
Britannia Royal Naval College, Armed forces training 343-4w
Defence land, Property transfer 245-6w
Defence land, Public houses 494w
Helicopters, Armed forces training 969
Helicopters, Sheep 968-9
In-flight refuelling, USA 440w
Jaguar aircraft, Air accidents 61-2w
Lea Aviation, Air force 69w
Low flying, Air accidents 60w
Low flying, Air safety 435w
Low flying, Armed forces training 39w, 59w, 961-2, 962-3
Low flying, Complaints 59w
Low flying, Cost effectiveness 60w
Low flying, Death 435w
Low flying, Disciplinary proceedings 59w
Low flying, Disclosure of information 962
Low flying, Inquiries 962
Military aircraft, Air accidents 598w
Military aircraft, Armed forces training 61w
Military exercises, Radioactivity 1133-41
Navy, Fuels 434w
Neutron bomb, Military exercises 58w
Public relations, Ministry of Defence 676w
RAF Boulmer, Armed forces married quarters 596w
RAF North Luffenham 435w
RAF St Mawgan, Fires 676w
Rescue services, Costs 247w
Ross, Warrant Officer, Rifle ranges 246w
Service voters, Electoral register 597w
Stornoway airport 344w
Territorial Army, Armed forces recruitment 436w
Tornado aircraft, Air accidents 62w, 344w
Tornado aircraft, Low flying 494w
Trident, Naval bases 248w

Willsworthy shooting range, Dartmoor national park 432w

Frigates
Navy 437-40w

Fry, Mr Peter
Questions
Leather & fur industries, Japan 173w

Fuel aid
Supplementary benefits 120w

Fuel direct scheme
Supplementary benefits 667w
Wales 667w

Fuel duty rebate
Tractors 509

Fuels
Navy 434w

Furniture
Eastern Europe 13
Palace of Westminster 158w

Further education
EC nationals 277w
Student numbers 321w
Wales 69-70w

Fyfe, Mrs Maria
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 867-9
Questions
Business statement 1288-9

Galbraith, Mr Sam
Questions
Accident & emergency departments, Greater Glasgow Health Board 500w
Bridge programme 472-3w
Business statement 524
Glasgow Airport, Public inquiries 466w
Higher education, Scotland 466w
Hospital waiting lists, Scottish health boards 237-42w
Inflation 674w
Private hospitals, Clydebank 98w
School choice, Scotland 500w
Scottish health boards, Public appointments 396w
Stobhill Hospital 500w

Gale, Mr Roger
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 102, 125-7
Questions
Broadcasting finance 1271
Isle of Thanet, Economic situation 561w

Garages & petrol stations
Lead free petrol 392w

Gardiner, Mr George
Questions
VAT, Industrial disputes 19-20w

Garrett, Mr Ted
Debates etc
British Shipbuilders (Borrowing Powers) Bill, Rem stages (16.07.87) 1343-4, 1347
Public order policing (17.07.87) 1398-400, 1431-2

Gas disconnections
Wales 648w

Gas storage
Demolition 149w

Gas tariffs 188
Discounts 336w

Gas-cooled reactors
Nuclear safety 153w

Gateshead
Hospital beds 630w

Gatwick
Aircraft noise 491-2w
Passengers 671w

Gatwick Airport 491-2w, 671w

Gazumping 533w
Contracts 142w

GCE A level
Curriculum 156w

GCE O level
Educational standards 111w

General Certificate of Secondary Education
Educational equipment 180
Educational finance 180-1
Educational standards 181

General election, 1987 19w, 28w, 37w, 359-60w, 655w
Candidates 359-60w
Ministers' correspondence 37w, 655w
Poll cards 28w
Public expenditure 19w

General elections
Absent voting 521w
Surveillance 471w
Television programmes 973

General Medical Council 349w

Generators
Manufacturing industries 179-80w

Genetics
Hereditary diseases 262w

Geology
Surveying 156w

George, Mr Bruce
Questions
Arms imports, USA 64w
Harrier aircraft, Defence expenditure 63-4w
Harrier aircraft, USA 63w
Security industry, Orders & regulations 657-8w

Geriatric hospitals
Hospital waiting lists 425w

Geriatric patients
Hospital beds 630w
Mental hospitals 261w

Ghana
Visas 298w

Glasgow
Arts finance 354w
Ayr road route 35-6w
High Court of Justiciary 467w
Medical appeal tribunals 310w
Unemployment 27-8w

Glasgow Airport 466w
Public inquiries 466w

Glasgow City Council 354w

Glasshouse growers
Tax allowances 256w

GLC see Greater London Council

Gleneagles Agreement 532w

Glyn, Dr Alan
Questions
A423, Road construction 417w
M4, Road traffic 67-8w
M25, Road traffic 66-8w

Godman, Dr Norman A
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 553, 568, 572-4
Cruelty to children, Cleveland (09.07.87) 533
Local Government Bill, 2R & Money res (06.07.87) 75, 86, 163-4
Questions
Arts finance, Glasgow 354w
British Shipbuilders, Procurement 178w
Business statement 521
Fishing vessels, Safety standards 100w
House of Commons procedure, Scotland 561w
Interest rates 251w
Police surgeons, Manpower 606w
Road accidents, Scotland 570-1w
Supplementary benefits, Greenock 118-9w
Unemployment, Greenock 97-8w, 571w
Unemployment benefits, Greenock 119-20w

Gold
Consolidated Fund debates (13.07.87) 945-8

Golding, Mrs Llin
Questions
Poaching, Fish 296w
Poaching, Scotland 190-1w
Poaching, Wales 289w

Goodlad, Mr Alastair
Questions
Davenham bypass, Road construction 201w

Goods vehicles
Noise control 491w

Gordon, Ms Mildred
Debates etc
Maiden speech (15.07.87) 1245-50
Urban Development Corporations (15.07.87) 1245-50
Questions
Canary Wharf, Land values 423w
Canary Wharf, Public expenditure 294w
Geriatric patients, Mental hospitals 261w
Hospital beds 631w
London Docklands Development Corporation, Public access 221w
Nursery schools, Pre-school education 154-5w

Gorman, Mrs Teresa
Debates etc
Today newspaper (06.07.87) 57-9, 62
Questions
VAT, Small businesses 254w

Gorst, Mr John
Questions
Hayward, Simon, Evidence 50w

Gould, Mr Bryan
Debates etc
Finance Bill, 2R (08.07.87) 364-72
Questions
Interest rates, Manufacturing industries 507
VAT, Clothing 502

Gould, Bryan
Economic recession 972

Govan Shipbuilders (16.07.87) 1342-50

Government achievements 412-3w, 470-1w, 477-8w, 592-3w, 634w, 677-8w

Government assistance
Cooperatives 154w

Government assistance to industry
British Shipbuilders 653w
Carpet industry 318w
Coal mining 336w
Enterprise zones 388w
High technology 179w
Merseyside 178w
Northern region 172w
Plymouth 175w
Regional aid 174w
Shipbuilding 79w
Textile industry 317w, 346

Government contracts
Data networks 492w
Keeni Meeni Services 660w

Government departments
British Telecom 315w
Civil service manpower 592w
Disclosure of information 101w
Political parties 101w

Government grants
Action for Community Employment 488w
Crime prevention 213w
Cynon Valley 22w
EC Trade Mark Office 1w
Fisheries 487w
Highlands & Islands Development Board 33w

Housing insulation 527-8w
Job splitting scheme 200w
Motor Neurone Disease Association 39w
Museums & galleries 257-8w
National Museum of Wales 289-90w
Non-governmental organisations 3-4w
Photography 699-700
Property development 691
Railway sidings 202w
Rural development areas 293w
Scottish Development Agency 33w, 572-3w
Shotts Prison 35w
Tourism 347-8w
Wales 12
Water supply 558w

Government grants to local authorities
Community charge 1116-7
Inner city areas 970-1
Local government revenue 573w

Government grants to voluntary organisations
AIDS 12w
Crossroads scheme 192-3w
Women 661-3w

Government shareholding
British Petroleum 350w
British Telecom 652-3w

Gow, Mr Ian
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 203, 220-3, 228, 236
Questions
Business statement 1286
Civil defence, Military aircraft 305-6w
Nairac, Robert 513
Official stationery, House of Commons 14

Gower, Sir Raymond
Questions
Agriculture, Wales 24w
Alcoholism, Wales 24w
Council house sales, Wales 23w
Military exercises, Radioactivity 1136
Roads, Wales 21w
Urban planning, Wales 23w
Vacancies, Wales 22w

Graham, Mr Thomas
Questions
Dentistry, AIDS 370w
Factory closures, Renfrew 505w
Redundancy, Renfrew 274w
Scottish Development Agency, Expenditure 506w
Scottish Development Agency, Renfrew 274w
Severe weather payments, Renfrew 310-1w
Supplementary benefits, Renfrew 308-9w
Unemployment, Renfrew 274-5w

Grammar schools
School closures 155w

Grant, Sir Anthony
Questions
Business statement 516
House of Commons whips, Opposition 513

Grant, Mr Bernie
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 96-8
Maiden speech (06.07.87) 96-8
Questions
Procurement, South Africa 13

Grants by Local Housing Authorities (Appropriate Percentage & Exchequer Contributions) Order 1987
Debates etc
(14.07.87) 979

Greater Glasgow Health Board 500w
Accident & emergency departments 500w

Greater London
Ambulance services 309-10w, 380w
Arts finance 357w
Council housing 576w
Housing 1130-2
Intervention stocks 219w, 348-9w
Juries 50w
Protected tenancies 535w
Rent arrears 576w
Rented housing 135w
Unemployment benefits 633-4w

Greater London Arts Association 357w

Greater London Council 385w
Ceremonies 385w

Green pound
Beef & veal 153w

Greenbelt
Housing construction 224w
Planning permission 528-9w

Greenock
Supplementary benefits 118-9w
Unemployment 97-8w, 571w
Unemployment benefits 119-20w

Greenway, Mr Harry
Debates etc
Public order policing (17.07.87) 1407
Questions
Aircraft noise, Gatwick 491-2w
Aircraft noise, Noise control 491-2w
Arms control treaties, Nuclear weapons 430w
Business statement, 523
Clergy, Freehold housing 11
Gatwick, Passengers 671w
Import controls, Chemical weapons 268w
Income tax, Tax rates & bands 19w
Metropolitan Police, Manpower 603w
No strike agreements, Teachers 974
Offensive weapons, Punishment 89-90w
Official stationery, House of Commons 14
Prime Minister official engagements 101-2w, 562w
Rate limitation, Rate support grants 531w
Road accidents, Horses 201w
School fees 182
Sports, Drug abuse 1124

Greenway, Mr John
Debates etc
Finance Bill, Com (14.07.87) 1035-6, 1038, 1050

Greenwich
Inner city programmes 51w

Gregory, Mr Conal
Questions
Hotels, English Tourist Board 347w
Industrial production 252w
Prime Minister domestic visits, York 1276
Youth training scheme, Tourism 348w

Griffiths, Sir Eldon
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 208-9
Prison overcrowding (16.07.87) 1305-6
Questions
Business statement 1290
Police & Criminal Evidence Act 1984 1272-3

Griffiths, Mr Nigel
Questions
Coinage 351w, 493w
Cruise missiles, RAF Molesworth 430w
Edinburgh University, University finance 102w
Unemployment benefits, Scotland 254w

Griffiths, Mr Win
Questions
Beaches, Pollution control 420w
Community charge, Old people's homes 421w
Community charge, Religious Buildings 421w
Community charge, Second homes 421w
Community charge, Wales 414w
Food contamination, Radioactivity 70w
Health service staff, Ogwr 413w
Homelessness 371-2w
Part-time education 107w
Princess Diana Hospital, Bridgend, Construction 11
Rates & rating, Old people's homes 422w
Rates & rating, Religious buildings 423w
Social Security Commissioners, Wales 565w
South Wales, Railway transport 17w
Theatre, Wales 357w
Water authorities, Privatisation 1116

Grist, Mr Ian, *Under-Secretary of State for Wales*
Questions
Alcoholism, Wales 24w
Beaches, Wales 151w
Council house sales, Wales 23w
Council house waiting lists, Wales 9
Council housing, Wales 9
Council tenants, Rent arrears 640w
Delyn enterprise zone 23w
Government grants, Cynon Valley 22w
Health service staff, Ogwr 413w
Hospital waiting lists, Wales 15-6
House renovation grants, Wales 8
Housing, Wales 9, 413-4w
Housing associations, Wales 25-6w
"Housing for Senior Management", Departmental circulars 23w
Housing starts, Wales 8
Housing stocks, Wales 8
Lead plumbing, Wales 292w
Mortgages, Wales 649w
Nurses, Training 151w
Out-patients, Wales 340w
Panteg Hospital 218w
Pensioners, Wales 640w
Planning appeals, Wales 291-2w
Planning permission, Welsh Office 639w
Public libraries, Wales 339-40w
Re-Chem, Hazardous wastes 6
Water charges, Wales 340-1w
Water pollution, Wales 3, 292w, 480w
Water supply, EC legislation 479-80w
Water supply, Wales 477-9w
Water supply disconnections, Wales 341w
Welsh Water Authority 23w

Grocott, Mr Bruce
Debates etc
Finance Bill, 2R (08.07.87) 356, 431-3
Questions
Civil servants, Working hours 351-2w
COD Donnington, Contracts for services 312w, 964
Colonies, Administrative costs 474w
Commercial broadcasting 607w
Common agricultural policy 348w
Cost per pupil, Assisted places scheme 321w
Electorate, Parliamentary constituencies 449-53w
Income support scheme, Civil servants 665w
International relations, UK contributions 474w
New towns development corporations, Public sector assets 388w
New towns development corporations, Public sector housing 387-8w
Pay settlements, Public sector employment 659w
Prison population, Prisoners on remand 469w
Pupils, State education 278w
Telford Development Corporation, Housing tenure 532w
Working hours, Manufacturing industries 347w

Ground, Mr Patrick
Questions
Youth custody, Feltham 410-1w

Group relief (15.07.87) 1146-203

Grylls, Mr Michael
Debates etc
Finance Bill, 2R (08.07.87) 363
Finance Bill, Com (15.07.87) 1184-6, (16.07.87) 1325
Questions
British Airways, British Caledonian 1280-1

British Telecom 351-2

Gualin National Nature Reserve
Fishing 571-2w

Guinness
Scotland 36w

Gummer, Rt Hon John Selwyn, Minister of State for Agriculture, Fisheries & Food
Questions
Fishery agreements, Morocco 679w
Fishing quotas 679w
Poaching, Fish 296w

Gwent
Waste disposal 6

Gwynedd Health Authority
NHS finance 971-2

Gynaecology
Hospital consultants 307w
Women 307w

Gypsies
Caravan sites 392w
Caravan Sites Act 1968 391-2w
Scotland 392w

Hamilton, Mr Neil
Debates etc
Finance Bill, Com (16.07.87) 1314, 1335-6
Local Government Bill, 2R & Money res (06.07.87) 162
Points of order (14.07.87) 976
Today newspaper (06.07.87) 24, 31, 33-4, 51
Questions
Business statement 526-7
Coal mining, Productivity 695
Crash helmets, Safety standards 67-8w
Manufacturing industries, Balance of trade 344
Motorcycles, Crash helmets 17w
Prison staff, Housing 49-50w
VAT, Labour Party 501-2

Hampson, Dr Keith
Questions
Community charge 1127
Location of industry 343
Offensive weapons, Young people 1265
Student loans, Part-time education 177

Handicapped
Arts 353w
Day centres 464w
Disablement Services Authority 454w
Employment schemes 346w
Finland 118w
International conferences 117-8w
Job training scheme 346-7w
Local government expenditure 117-8w
Telephone operator services 76w, 360
United Nations 117w
Voluntary organisations 116w

Handicapped children
Mental health community care 126-7w

Handicapped drivers
Orange badge scheme 204w

Hanley, Mr Jeremy
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 162

Hannam, Mr John
Questions
Arts, Handicapped 353w
British Coal Corporation 334-5w
Disablement Services Authority 454w
Disablement Services Authority, Handicapped 454w
Overseas investment 255w
Special educational needs 281w

Hardy, Mr Peter
Debates etc
Finance Bill, Com (16.07.87) 1319-20
Questions
British Coal Corporation, Privatisation 335-6w
Bus services, Roads 322-3w
Crime 1267-8
Housing construction, Local government expenditure 533w
Manufacturing industries, South Yorkshire 172w
Public sector assets, Privatisation 251w
School buildings, Rotherham 111w

Hargreaves, Mr Ken
Questions
Mathematics National Curriculum Working Group 281-2w
MSC, Employment schemes 441w
"What to Do after a Death", Departmental leaflets 447w

Harlow
Local government expenditure 1127-8

Harman, Ms Harriet
Debates etc
Social workers (13.07.87) 902-5
Questions
Child minding, Exhibitions 521w
Mental patients, Southwark 113w

Harrier aircraft 63-4w
Defence expenditure 63-4w
Defence procurement 63w
USA 63-4w

Harris, Mr David
Debates etc
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1100
Questions
Sub post offices, Road tax 337-8
Trident, Costs 972

Harrogate
Ministry of Defence 963

Harwich Parkeston Quay Bill 1985/86
Debates etc
Order for consideration read (07.07.87) 175
Rep* (09.07.87) 497
3R* (13.07.87) 687

Haselhurst, Mr Alan
Questions
British Airports Authority, Privatisation 141-2w
Local education authorities, Schools 178

Hassan, King 429-30w

Hattersley, Roy
Economic recession 972

Hattersley, Rt Hon Roy
Debates etc
Prison overcrowding (16.07.87) 1298-9
Public order policing (17.07.87) 1417-21
Questions
Crime 1268-9
Sentencing, Insider trading 1264

Hayes, Mr Jerry
Debates etc
Cruelty to children, Cleveland (09.07.87) 530
Licensing (Northern Ireland) Order 1987 (14.07.87) 1070
Questions
Federation of Professional Railway Staff, Trade union recognition 15w
Local government expenditure, Harlow 1127-8
Rate support grants 225w

Hayhoe, Rt Hon Sir Barney
Questions
Members' pay 478w
North Circular road, Road traffic 327-8w

Haymarket Theatre, Leicester 700-1
Arts finance 700-1

Haynes, Mr Frank
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1372-3
Questions
Public libraries 354w
Subsidence, Compensation 687
Water authorities, Privatisation 560w

Hays Wharf
Planning permission (10.07.87) 676-86

Hayward, Mr Rob
Debates etc
Cruelty to children, Cleveland (09.07.87) 535
Questions
Boxing, Licensing 573-4w
British Telecom, Complaints 350
Electricity supply industry, Privatisation 337w
Regional health authorities, Public appointments 457-8w
Trident 431w

Hayward, Simon 50w
Evidence 50w
Prosecutions 50w

Hazardous materials
Child safety 581-2w

Hazardous wastes
Re-Chem 6
Waste disposal 529w

Health
Women 661-3w

Health & Safety Commission see Health & Safety Executive

Health & Safety Executive 86w, 197w
Civil service manpower 197w
Expenditure 197w

Health education
AIDS 627w

Health Education Authority
Manpower 167w

Health Education Council 167w

Health hazards
Lead plumbing 1122-3

Health service
Screening 266w

Health service ancillary staff
East Cumbria 162w

Health Service Commissioner 458w
Annual reports 458w

Health service staff
London allowance 162w
Mentally ill 393w
Nottingham 664-5w
Ogwr 413w
Screening 266w

Health services
AIDS 572w

Health services finance
Scottish health boards 397w

Health surveys
Radon gas 521w

Heart diseases
Hospital waiting lists 16

Heathcoat-Amory, Mr David
Questions
Beaches, Sea pollution 532-3w
Further education, EC nationals 277w
Higher education, EC countries 277w
Hinckley Point power station, Nuclear safety 598w
Ministry of Defence, Civil service dispersal 963
VAT 501

Heathrow
Duty free shops 15w
Railway transport 17w

Heddle, Mr John

Debates etc
Local Government Bill, 2R & Money res (06.07.87) 104-6
Questions
Canary Wharf, Contracts 670w
Clipsom, Irene, Attendance allowance 666w
Community charge 51w
Crime prevention, Inner city areas 411w
Education, Staffordshire 480w
Hospitals, West Midlands 663w
Members' facilities, Office equipment 582w
Rented housing, Empty housing 1121
Rowbottom, GL, Family income supplements 631w
Water authorities, Privatisation 577-8w

Heffer, Mr Eric S
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 667-70
Today newspaper (06.07.87) 25
Questions
Inner city areas, Liverpool 1119-20

Helicopters
Air safety 139w
Armed forces training 969
Defence procurement 436w
Electronic equipment 139w
Farmers 968-9
Sheep 968-9

Hellesdon Hospital 629-30w

Herald of Free Enterprise 15w, 594w

Hereditary diseases
Genetics 262w
Screening 262w

Hickey, Michael 615w
Inquiries 615w

Hicks, Mrs Maureen
Questions
Child benefit 461w
Job training scheme 590w

Hicks, Mr Robert
Questions
European monetary system, EC Finance Council 256w
Government assistance to industry, Plymouth 175w
Teachers, Industrial disputes 108w

HIDB see Highlands & Islands Development Board

Higgins, Rt Hon Terence
Debates etc
Finance Bill, 2R (08.07.87) 362, 367, 442
Questions
EC budget, UK contributions 503
VAT 1277-8

High Court of Justiciary 467w
Glasgow 467w

High Legh, Cheshire 49-50w

High technology 179w
Government assistance to industry 179w
Wales 11-2

Higher civil servants
House of Commons staff 145w
Private education 674w

Higher education
EC countries 277w
Educational qualifications 398-9w
Fees & charges 277w
Scotland 398-400w, 466w
Student numbers 321w

Higher education administration 185-6

Higher education colleges 186

Highlands & Islands Development Board 33w
Government grants 33w

Hill, Mr James
Debates etc
Aldemoor School Southampton (15.07.87) 1255-9
Questions
Business statement 520
City technology colleges, Southampton 154w
Rented housing 1122
Strategic defence initiative, Defence contracts 961

Hinckley Point B 598w

Hinckley Point power station
Nuclear safety 598w

Hind, Mr Kenneth
Questions
Commission for the New Towns, Publicity 159w
School governors, Schools & parents 105-6w
Sentencing, Court of Appeal 1263
Tax allowances, Glasshouse growers 256w
West, Nigel, National security 276w

Hip replacements 368w, 449w
Hospital waiting lists 368w, 449w
Leicester 449w

HM Chief Inspector of Prisons 617-9w
Prison riots 617-9w

HM Inspectorate of Schools 177

HM Land Registry see Land Registry Office

HMS Onyx 63w
Armed forces visits 63w

Hogg, Mr Douglas, Under-Secretary of State at the Home Office
Debates etc
Civil defence (13.07.87) 918-22
Peace convoy, Walden's farm, St Mary Cray (09.07.87) 615-20
Public order policing (17.07.87) 1428-34
Questions
Absent voting, Complaints 210w
Advertising, Metropolitan Police 659w
Amusement arcades 302w
Amusement arcades, Children 1265
Arson, Wales 611-4w
Black, John, Homicide 472w
Boundary Commission for England, Parliamentary constituencies 96w
Boundary Commissions 48w
Candidates, General Election 1987 359-60w
Constituency size, Boundary Commission for England 602w
Crime, Offensive weapons 145w
Crimes of violence, Women 94w
Drug crimes, Crime prevention 608w
Economic League, Inquiries 366w
Electoral register 302-3w
Electoral register, Computer privacy 88w
Electoral register, Disclosure of information 95w
Firearms 610w
Football, Hooliganism 1267
Free ports, Isle of man 49w
Identity cards 606w
Juries, Corruption 471w
Juries, Greater London 50w
Law enforcement, Amusement arcades 1264-5
Metropolitan Police 604w
Metropolitan Police, Embassies 212w
Metropolitan Police, Manpower 211w, 603w
Metropolitan Police, South Africa House 210-1w, 614w
Offensive weapons, Mail order selling 606w
Offensive weapons, Retail trade 605-6w
Offensive weapons, Young people 1265
Off-licenses, Licensing laws 95-6w
Police, Disclosure of information 365w
Police, Manpower 614-8w
Police, Norfolk 607w
Police, Recruitment 606w
Police, sc, Manpower 604w
Police & Criminal Evidence Act 1984, Police custody 144-5w
Police national computer, Missing persons 89w
Police national computer, Motor vehicle theft 88-90w
Police national computer, Police records 48w
Police pensions, Widows' benefits 1273
Police powers, Church buildings 211w
Police stations, Rural areas 606w
Police surgeons, Manpower 95w, 606w
Public relations, Metropolitan Police 659w
Road traffic control, Royal festivals & state occasions 363w
Safety, Sportsgrounds 1267
Security industry, Orders & regulations 657-8w
South Africa House, Arrests 212w
South Africa House, Demonstrations 211w
South Africa House, Public order policing 211-2w
Surveillance, General elections 471w
Tape recorded evidence, Police interrogation 359w
Thames Valley Police, Manpower 604w

Holiday accommodation
English Tourist Board 347w

Holidays
Carers 261w

Holland, Mr Stuart
Debates etc
Public order policing (17.07.87) 1413
Public service pensions (13.07.87) 858-9, 861

Holloway Prison 209w
Prison staff 209w

Holt, Mr Richard
Debates etc
Cruelty to children, Cleveland (09.07.87) 537
Points of order (14.07.87) 978
Questions
Business statement 1294-5
Cleveland County Council 342
Rate limitation, Parish councils 531w
Shipping, North East region 964

Holy Loch 395w
Planning permission 395w

Home Office 49-50w, 222w, 301-3w, 306-7w, 361-2w, 415w, 470-2w, 608w, 614w, 658-9w
Advertising 659w
Civil service manpower 301-2w
Data networks 471-2w
Public relations 658-9w
Queen's Speech 303w
Small businesses 470-1w
United Kingdom 608w
Women 47-8w, 306-7w

Home Robertson, Mr John
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 77, 166
Questions
A1, Road safety barriers 194w
Electoral register, Scotland 28w
Handicapped drivers, Orange badge scheme 204w
Poll cards, Scotland 28w
Sheep, Scotland 274w
University finance, Scotland 109w

Homelessness 371-2w
Council tenants 540-54w
Durham City Council 390w
Local authorities in Scotland 500-2w
Scotland 31w

Homesteading schemes 553-4w
Empty housing 553-4w

Homicide
Alcoholism & crime 360-1w
Black, John 472w

Hong Kong
China 10-1w
Elections 146w
Emigration 10w
Foreign policy 11w

International Court of Justice 9-10w
Legislation 10-1w
Sovereignty 9-10w

Hood, Mr Jimmy
Debates etc
Finance Bill, 2R (08.07.87) 419-21
Maiden speech (06.07.87) 96-8

Hooliganism
Football 616w, 1267

Hordern, Sir Peter
Questions
Business statement 1287

Horses
Road accidents 201w

Hospital admissions
Mental patients 507-8w
Psychiatry 496-7w
Schizophrenia 508w

Hospital beds 631w
District health authorities 377w
Gateshead 630w
Geriatric patients 630w
Liverpool 309w, 633w
Neurosurgery 121w
Regional health authorities 514-5w
Walton Hospital 121w

Hospital closures
Liverpool 379-80w, 633w
Nottingham 628w

Hospital consultants
Gynaecology 307w
NHS & private practice 373w

Hospital doctors
Medical research 175
Psychiatry 465w

Hospital patients
Dogs 307w

Hospital waiting lists 310w, 516-20w
Barnet Health Authority 665w
Cervical cancer 520-1w
Computers in National Health Service 15-6
Geriatric hospitals 425w
Heart diseases 16
Hip replacement 368w, 449w
Kidney patients 666-7w
Medical research 176
Mid Essex Health Authority 516w
North Down 425w
Northern Ireland 425w
Out-patients 340w
Scotland 182-6w
Scottish health boards 237-42w
South Tyrone Hospital 680w
Wales 15-6

Hospitals
Bacterial diseases 38w
Construction 508-14, 514-5w
Fees & charges 40w
Liverpool 309w
Norwich 629-30w
Planning 377w
Regional health authorities 508-14
Scotland 465w
West Midlands 663w

Hostels
Construction costs 534w
Costs 534w
Housing corporation 534w
Mentally ill 397w
Probation & aftercare 410w

Hotels
Codes of practice 444w
English Tourist Board 347w
Fees & charges 444w

HOTOL
Research 176w

House of Commons 13-4, 158w
Official stationery 14
Procurement 13, 15

House of Commons debates
Defence 958
European Council 147w

House of Commons Library
Speaker's rulings & statements (13.07.87) 715-6
"Spycatcher" (13.07.87) 706-10

House of Commons procedure
Scotland 561w

House of Commons questions
Antiaircraft missiles 3w
Prime Minister 660w

House of Commons Select Committees
Speaker's rulings & statements (14.07.87) 976

House of Commons staff
Higher civil servants 145w
Pay 145w

House of Commons Standing Committees (09.07.87) 543-6
Speaker's rulings & statements (15.07.87) 1142-4

House of Commons whips
Opposition 513

House of Fraser 268w
Takeovers 268w

House prices
Community charge 526w
London allowance 157w

House purchase
PRC Homes 526-7w

House renovation grants
Administrative delays 8
PRC Homes 526w
Wales 8

Households
Legal aid 316w

Housing 389w
Bramley Camp 964
Greater London 1130-2
London Docklands 1120
Mental health community care 454w
Overseas aid 602w
Per capita costs 413-4w, 422w
Prison staff 49-50w
Property transfer 49-50w
Public expenditure 422w
Wales 9, 413-4w

Housing Act 1985
Questions
Racial attacks 223w

Housing action trusts 138w

Housing & elderly
Inner city areas 533w

Housing & handicapped 116w
Private sector housing 133w
Public sector housing 133w
Scotland 464w

Housing associations
Normanton 294w, 423w
Wakefield 294w
Wales 25-6w

Housing benefits
Social security recipients 371w

Housing completions
Basildon Development Corporation 530w

Housing construction
Construction costs 539w
Greenbelt 224w
Local authorities in Scotland 503w
Local government expenditure 533w
Planning appeals 291-2w
Planning permission 223-4w
Private investment 503w
Private sector housing 536-7w
Public sector housing 536-7w
Radon gas 160-1w
Scotland 503w
Slaley 223-4w, 289w, 295w
VAT 82w
Wales 639w

Housing Corporation 534w
Hostels 534w
Housing finance 1122

Housing estates
Council housing 533w
Inner cities initiative 346

Housing finance
Durham City Council 390w
Housing Corporation 1122
Local authorities in Scotland 503w
Rented housing 1121-2
Scotland 466-7w

"Housing for Senior Management" 23w
Departmental circulars 23w

Housing (Homeless Persons) Act 1977
Scotland 500-2w
Questions
500-2w, 540-54w

Housing improvements
Inner city areas 523-4w

Housing insulation
Elderly 527-8w
Government grants 527-8w

Housing investment programmes
Durham City Council 389-90w
Merseyside 522-3w
Nottingham 148-9w

Housing management
Council estates 533w

Housing standards
Council housing 577w
Wales 8

Housing starts
Wales 8

Housing stocks
Wales 8

Housing tenure
Telford Development Corporation 532w

***Howard, Mr Michael,** Minister of State for Local Government*
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 92-3, 144-9, 166
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1204-7
Questions
Community charge 51w, 138w, 385w, 525-6w, 576w, 1125-7
Community charge, Administrative costs 524w
Community charge, Church buildings 56w
Community charge, Civil service manpower 382w
Community charge, Costs 56-7w, 1124-6
Community charge, House prices 526w
Community charge, Landlord & tenant 382w
Community charge, Leeds 295w, 525w
Community charge, Leeds City Council 382w
Community charge, Local authorities 526w, 1126
Community charge, Local government revenue 421w
Community charge, Metropolitan districts 222w
Community charge, Ministers of religion 56w, 383w, 421-2w
Community charge, Nottingham 50-1w
Community charge, Old people's homes 421w
Community charge, Parish councils 295w, 381-2w
Community charge, Religious Buildings 421w
Community charge, Second homes 421w
Community charge, Small businesses 420-1w

Community charge, Women 382w
Community charge rebates 525w
Community charges register 524w, 1125-6
Local authorities, Pension funds 138w
Local Government Bill 1987/88 531w
Local government expenditure 224-5w, 668-9w
Non-domestic rates 526w
Non-domestic rates, Local authorities 129w
Non-domestic rates, Local government revenue 129w, 158w
"Paying for Local Government Consultation Paper", Cooperative Union 558w
Poll taxes, OECD countries 386w
Rate limitation, Rate support grants 531w
Rates & rating, Local government revenue 381w
Rates & rating, Old people's homes 422w
Rates & rating, Religious buildings 423w
Rates & rating, West Yorkshire 526w

Howarth, Mr Alan, *An Assistant Whip*
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 675

Howarth, Mr George
Questions
Inner cities initiative, North West region 179w
Medical research, Hospital waiting lists 176

Howarth, Mr Gerald
Debates etc
Points of order (14.07.87) 976
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1361-3, 1368, 1371, 1379-80
Questions
Coal mining, Subsidence 687-8
European fighter aircraft 436w
Military exercises, Radioactivity 1138-9
Obscenity, Broadcasting 607w
Teachers, Industrial disputes 969-70

Howe, Rt Hon Sir Geoffrey, *Secretary of State for Foreign and Commonwealth Affairs*
Questions
EC Foreign Affairs Council 636w

Howell, Rt Hon David
Debates etc
Finance Bill, 2R (08.07.87) 402-4

Howell, Rt Hon Denis
Questions
Sports, Drug abuse 1124

Howell, Mr Ralph
Debates etc
Local government finance (13.07.87) 794-5, 801, 803, 808-10
Questions
Hospital beds, Regional health authorities 514-5w
Public expenditure, National income 252w

Howells, Mr Geraint
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1076
Sugar beet (13.07.87) 821
Questions
Agricultural Development & Advisory Service, Welsh language 413w
Agriculture, Wales 15
Beef & veal, Wales 340w
Cardigan bypass, Road construction 480w
Curriculum 108w
Dairy farming, Wales 70w
High technology, Government assistance to industry 179w
Low flying, Death 435w
Mid Wales Development, Finance 70w
Sheep, Wales 149w
Unemployment, Fishguard 4-5
VAT, Clothing 253w

Hoyle, Mr Doug
Questions
British Airways, British Caledonian 1281
Cervical cancer, Warrington 454w
Ferguson Group, Takeovers 419w
Manufactured exports 344
Manufactured goods, Balance of trade 503-4
Motor industry 180w
Spectrum Centre, Property transfer 160w

HSE see Health & Safety Executive

Hughes, Mr Robert
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 584, 588-91, 607-9
Questions
Merchant ships, Shipbuilding Intervention Fund 179w
University Grants Committee, Finance 111w

Hughes, Mr Robert G
Debates etc
BBC (13.07.87) 770-1
Questions
British Telecom 191
Domestic rates, Labour Party 1118

Hughes, Mr Roy
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 110-2
Questions
Housing, Wales 9
Manufacturing industries, Wales 171w
Roads, Cost benefit analysis 202w
Unemployment, Wales 4

Hughes, Mr Sean
Questions
Lead plumbing 530w

Hughes, Mr Simon
Debates etc
Cruelty to Children, Cleveland (09.07.87) 533
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 306-7
Hays Wharf, Planning permission (10.07.87) 676-81, 685-6
Local Government Bill, 2R & Money res (06.07.87) 84, 100-3
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 246-50, 258
Urban development corporations (15.07.87) 1223, 1242-4
Questions
Community charge 1117
Offensive weapons, Mail order selling 606w
Procurement, South Africa 13
Strategic defence initiative, Defence contracts 435w

Human embryo experiments
Legislation 512

Human organs 262-3w

Human rights
China 11w
Iran 331-2w
Treaties 11w

Hume, Mr John
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 203, 217, 229, 243-6
Questions
Action for Community Employment 487-8w
Action for Community Employment, Community care 488w
Action for Community Employment, Government grants 488w
Fuel aid, Supplementary benefits 120w

Hunt, Mr John
Questions
Economic growth 252w

Hunt, Mr & Mrs 576-7w

Hunter, Mr Andrew
Questions
Bramley Camp, Housing 964
Income tax, Tax rates & bands 82w
Income tax, Tax yields 18w
Mortgage relief, Tax yields 19w
Rented housing 1120-1
Student loans, Student numbers 176
Teachers 107w

Hurd, Rt Hon Douglas, *Secretary of State for the Home Department*
Debates etc
Prison overcrowding, Ministerial statements (16.07.87) 1296-309
Questions
Advertising, Home Office 659w
BBC, Police right of search 360w
Bombings, Birmingham 1261-2
Bombings, Convictions 1262-3
Bombings, Embassies 360w
Charity Commission, Efficiency scrutinies 366w
Civil defence, Military aircraft 305-6w
Civil service manpower, Home Office 301-2w
Crime, Detection rates 610w
Crime Prevention Ministerial Group 605w
Cruelty to children 1269-71
Cruelty to children, Sentencing 1270
Extradition, Belgium 616w
Forensic Science, Civil service 469w
Hayward, Simon, Evidence 50w
Home Office, Data networks 471-2w
Home Office, United Kingdom 608w
Metropolitan Police 608w
Metropolitan Police, Manpower 603w
Offensive weapons, Punishment 89-90w
Police & Criminal Evidence Act 1984 1272-3
Police Complaints Authority, Public appointments 96w
Prison riots, HM Chief Inspector of prisons 617-9w
Public relations, Home Office 658-9w
Queen's Speech, Home Office 303w
Sentencing, Court of Appeal 1263-4
Sentencing, Criminal appeals 1263
Sentencing, Insider trading 1264
Sentencing, Prison overcrowding 1263-4
Small businesses, Home Office 470-1w
Telephone tapping, Disclosure of information 47w
Telephone tapping, Interception warrants 602-3w
Television licences 213w
Terrorism 363-4w
Terrorism, Arrests 363w
Terrorism, Complaints against police 361w
Terrorism, Exclusion orders 361-2w
Terrorism, Police detention 361-2w

I spy strangers (06.07.87) 2-3

IAEA see International Atomic Energy Agency

IBA see Independent Broadcasting Authority

Identity cards 606w

IHV Industrial Investment
Company liquidations 420w

ILEA
Education 109w

ILEA see Inner London Education Authority

Illsley, Mr Eric
Debate etc
Redundant Mineworkers & Concessionary Coal (Payments schemes) (Amendment) Order 1987 (16.07.87) 1367-9
Questions
Food contamination, Radioactivity 152-3w
Public libraries, Community development 358w

Immigrant detainees
Tamils 604w

Immigrants' dependants
Immigration applications 301w
Immigration controls 609w

Immigration appeals
Batley 143w
Entry clearances 409w

Immigration applications
Immigrants' dependants 301w
Indian subcontinent 299w
Political refugees 298-300w

Immigration (Carrier's Liability) Act 1987
Questions
144w, 208-9w
Ferries 144w

Immigration controls
Computer applications 143w
Fines 208-9w
France 147w
Immigrants' dependants 609w
Pupils 147w

Immigration rules
Marriage 360w

Import controls
Chemical weapons 268w
Pit bulldogs 180w
Publishing 483-4w

Import duties
Japan 173-4w
Urea 481w

Imports
Textiles 339
Turtle products 652w
Urea 481-2w

In-flight refuelling
USA 440w

In-service training
Barristers 6w
Solicitors 6w

Income 19w
Forestry 18w, 35w
Magistrates' courts 360w
Oil companies 252w
Private patients 373w
Privatisation 251w
Public sector housing sales 424w

Income support scheme
Civil servants 665w

Income tax
Tax rates & bands 18-9w, 82w, 500, 505-6
Tax thresholds 445w, 592w
Tax yields 18w, 81w, 257w

Independent Broadcasting Authority 607w

Independent European Programme Group 434w

Index linking
Retirement pensions 125w

India
Visas 634w

Indian subcontinent
Entry clearance 300-2w
Immigration applications 299w

Indonesia
Foreign policy 147w

Industrial accidents
Building industry 641-2w
Manufacturing industries 641-2w

Industrial development
Leeds 417w
Regional planning & development 176w

Industrial disputes
Civil service 704
Customs officers 351w, 446-7w
Teachers 108w, 192, 969-70
VAT 19-20w, 254w

Industrial estates
Callywhite Lane 56w, 528w
Fires 56w, 528w

Industrial health & safety
Protective clothing 86w

Industrial investment
Development Board for Rural Wales 150w
Manufacturing industries 170-1w, 344
Mid Wales Development 150w
Ravenscraig steelworks 513-4

Industrial production 252w, 256w, 499
Exchange rates 499
Manufacturing industries 171w, 502

Industrial relations
Coal mining 697

Industrial research
Research finance 654w

Industrial tribunals
Coal mining 697

Industries
Jute 336
Northern region 173w

Inflation 255w, 674w
VAT 446w

Information
Plutonium 287w
Safety 1267

Information technology
Research 177w

Ingram, Mr Adam
Questions
Community charge, Costs 1124

Initial teacher training 26w

Injuries
Road accidents 324w

Inland Revenue 415w, 471-2w

Inner area programmes 384w, 574-5w
Nottingham 574-5w

Inner cities initiative 1w, 179w, 315w, 341, 346-7, 578w
Cabinet Office 315w
Civil service manpower 315w
Housing estates 346
North West region 179w
Politics 1w
Rate limitation 1129

Inner city areas 342-3, 524w
Armed forces cadets 676-7w
Business 1w
Crime prevention 411w
Education 109w
Government grants to local authorities 970-1
Housing & elderly 533w
Housing improvement 523-4w
Investment 1128-9
Liverpool 1119-20
Local government finance 970-1
Manufacturing industries 171-2w
Police (17.07.87) 1392-455
Private investment 131w, 175-6w, 190-1
Private sector housing 537-8w
Property development 161w, 493w
Rate support grants 342-3

Inner city programmes 51-2w
Costs 51w
Greenwich 51w
Inner London boroughs 51-2w

Inner London boroughs
Assured tenancies 136-7w
Inner city programmes 51-2w

Inner London Education Authority 109w

Inquiries
Economic League 366w
Hickey, Michael 615w
Low flying 962
MI5 972
Police custody 605w
Royal Ulster Constabulary 489w
Shipping accidents 330-1w, 594w
Wright, Peter 971

Insider trading
Dept of Trade & Industry 170w
Prison sentences 50w
Sentencing 50w, 1264

Institute of Health Service Management 374w

Insurance
Administrative costs 415w
Crash helmets 67-8w
Light aircraft 417w
Northern Ireland 415w
Securities & Investments Board 483w

Insurance Brokers' Registration Council 174w

Insurance companies
Crime prevention 607w

Integrated development programmes
Wales 216w

Intensive care
Nurses 112w

Interception warrants 602-3w
Telephone tapping 602-3w

Interest charges
Company liquidations 674w

Interest rates 251w, 506-7
Manufacturing industries 507
Privatisation 507-8

Intermediate treatment
Young offenders 625w

International Atomic Energy Agency 646-7w
Nuclear Installations Inspectorate 646-7w

International Classification of Diseases 264w
Regional health authorities 264w

International conferences
Aid financed trade 76w
Handicapped 117-8w
Middle East 475w

International cooperation
Defence 435w
Terrorism 474w

International Court of Justice 9-10w
Hong Kong 9-10w

International Digital Communications 319-20w
Mergers 319-20w

International Monetary Fund 600w

International Planned Parenthood Federation 12w
AIDS 12w

International relations
UK contributions 474w

International Society for Krishna Consciousness 660w

International Telecommunications of Japan 319-20w
Mergers 319-20w

Intervention Board for Agricultural Produce 678w
Administrative delays 678w

Intervention stocks 348w, 678w
Agricultural surpluses 407w, 584-9w
Expenditure 219w, 348-9w
Greater London 219w, 348-9w

Interviews
Exclusion orders 362w

Intimidation 311w
Army 311w

Invalid care allowances
Married women 163w
Social security benefits rules 461w
Social security benefits uprating 261w
Social security claims 368w
Take-up of benefits 163w

Invalidity benefits
European Court of Justice 378w
Myalgic encephalomyelitis 375w

Inverclyde
Severe weather payments 310-1w

Investment
British Rail 65w
Inner city areas 1128-9
Pension funds 138w

Investor protection
Financial services 482-3w

Iran
Arms trade 143w
Bahai sect 331w
Diplomatic service 332w
Human rights 331-2w
Political refugees 144w
Visas 143w

Iran-Iraq war 333-4w
League of Arab States 333-4w

Iraq
Political refugees 144w
Students 186

Irish Sailors & Soldiers Land Trust 643-4w

Irish Sailors & Soldiers Land Trust Act 1987
Questions
643-4w

Irish Sea
Radioactive waste disposal 1136

Iron & steel industry
Redundancy pay 420w

Irradiated food 522w
Food imports 379w
Testing 522w

Irving, Mr Charles
Questions
AIDS 627w
AIDS, Contraceptives 627w
AIDS, Drug abuse 515-6w
AIDS, Drugs 516w
AIDS, Health education 627w
Balderton Hospital, Mental patients 663w
Balderton Hospital, Operating costs 625w
Hostels, Construction costs 534w
Hostels, Costs 534w
Intermediate treatment, Young offenders 625w
Laboratories, Advertising controls 664w
Magistrates courts, Income 360w
Mental health community care 624-6w
Mental health community care, Housing 454w
Mental health services, Planning 508w
Mental patients, Diagnosis 507-8w
National Aids Trust, Public appointments 515w
Probation & aftercare, Hostels 410w
Schizophrenia, Diagnosis 508w
Special hospitals, Mental patients transfers 625w

Isle of Man
Free ports 49w

Isle of Thanet 561w
Economic situation 561w

Israel
Palestine Liberation Organisation 475w
Recognition of States 475w

ISTEL
Management buy-outs 2w

Jack, Mr Michael
Debates etc
Economic growth, North West region (13.07.87) 938-40
Questions
Business statement 526
European fighter aircraft, Rolls-Royce Aeroengines 958-9
Interest rates, Privatisation 507-8
Sizewell B, Procurement 695

Jackson, Mr Robert, Under-Secretary of State for Education and Science
Debates etc
University finance (16.07.87) 1385-90
Questions
Aberdeen University, University finance 110w
Birkbeck College, University finance 322w
Dundee University, University finance 186
Edinburgh University, University finance 102w
Further education, EC nationals 277w
Geology, Surveying 156w
Higher education, EC countries 277w
Medical education, NHS finance 176
Medical research, Hospital doctors 175
Medical research, Hospital waiting lists 176
Overseas students, Educational finance 177
Polytechnics 186
Polytechnics, Educational administration 102w, 278w
Polytechnics, Student numbers 185-6
Research finance, Brain drain 110w
Research finance, Edinburgh University 654-5w
Research finance, Universities 154w, 654w
Science & technology research, Research finance 654w
Student grants 109w, 177
Student grants, Fees & charges 655w
Student loans, Educational finance 176
Student loans, Part-time education 177
Student loans, Student numbers 176
Students, Iraq 186
Students, Wales 278-80w
Training, Speech therapy 322w
University College Cardiff 179
University finance 105w
University finance, Scotland 105w, 109w, 187
University Grants Committee, Finance 111w
University Grants Committee, Legal costs 155-6w
University of Wales, University finance 179
University teachers, Manpower 280-2w
Welsh language, University finance 564w

Jaguar Aircraft 60-2w, 344w
Air accidents 61-2w, 344w
Costs 61w
European fighter aircraft 959

Janman, Mr Tim
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 591-4, 605
Local government finance (13.07.87) 811
Maiden speech (09.07.87) 591-4, 605

Janner, Mr Greville
Questions
Asians, English language 40-1w
Business statement 523, 1294
Civil service, Management 701
Debts, Personal records 348
Departmental leaflets, Languages 42w
Ethnic minorities, Dept of Health & Social Security 41w
Ethnic minorities, Dept of Health & Social security local offices 41w
Ethnic minorities, Social security benefits 41w
Haymarket Theatre, Leicester, Arts finance 700-1
Hip replacements, Leicester 449w
Job centres, Recruitment 9w
Local government revenue, Council house sales 529w
M1, Road works 326-8w
School fees, Local education authorities 181
Social Fund, Exceptional needs payments 629w
Wages Inspectorate, Civil service manpower 9w
Wages Inspectorate, Manpower 288w
Wages Inspectorate, Prosecutions 9w
Water pollution, Pollution control 670w

Japan 173w
Import duties 173-4w
Leather and fur industries 173w
Overseas trade 173w, 340
Whisky 173-4w

Jessel, Mr Toby
Debates etc
Social workers (13.07.87) 898, 900-2, 907-8
Questions
Metropolitan Police, Manpower 603w
Royal Shakespeare Company, Arts Council grants 697-8

Job centres
Recruitment 9w

Job Release Act 1977 (Continuation) Order 1987
Debates etc
(08.07.87) 355

Job splitting scheme
Government grants 200w
Small businesses 200w

Job training scheme 288w, 346-7w, 369-70w, 499-500w, 590w
Handicapped 346-7w
Managing agents 288w
Scotland 499-500w
Supplementary benefits 369-70w

John, Mr Brynmor
Questions
Agricultural surpluses, Intervention stocks 407w, 584-9w
Council house waiting lists, Wales 9

Johnson, PJ
Members' correspondence 45w, 267w

Johnson Smith, Sir Geoffrey
Questions
Tanks, Artillery 437w

Johnston, Sir Russell
Questions
Ballachulish bridge, Repairs & maintenance 273-4w
Cervical cancer, Scotland 98w
Loch Ness, Ownership 273w

Joint southern access (08.07.87) 472-86

Jones, Mr Barry
Questions
Beaches, Wales 151w
Development Board for Rural Wales, Finance 149-50w
Development Board for Rural Wales, Industrial investment 150w
Employment level, Wales 22w
Regional planning & development, Wales 7
Road construction, Wales 12-3
Unemployment, Wales 12
Welsh Development Agency, Expenditure 150w
Welsh Development Agency, Finance 149w
Welsh Development Agency, Property transfer 150w

Jones, Mr Gwilym
Questions
Civil service, Performance related pay 701-2
Council housing, Wales 9
Economic growth 252w
Employment 7
Film, Conservation 355w
Hospital waiting lists, Wales 15-6

Jones, Mr Ieuan Wyn
Questions
A55, Road works 215w
Agricultural Development & Advisory Service, Wales 217w
Agricultural land, Vacant land 639w
Crime prevention 212w
Crime prevention, Government grants 213w
Crime prevention, Wales 212-3w
European Regional Development Fund, Wales 218w
Farm rents 678w
Farm rents, Wales 639w
Immigration (Carriers Liability) Act 1987, Ferries 144w
Integrated development programmes, Wales 216w

Junior hospital doctors, Working hours 263-4w
Marginal land, Ynys Mon 22w
Milk, Wales 568-9w
NHS finance, Wales 971-2
Prime Minister official engagements 206w
RAF Valley, Civil service manpower 311w
Regional aid, Government assistance to industry 174w
Road works 215w
Road works, Wales 217w
Roads, Dual carriageways 202w
Roads, Wales 214-6w
Tertiary education, Educational finance 110-1w
Transport Supplementary grants, Wales 217w

Jones, Mr Martyn
Debates etc
Finance Bill, 2R (08.07.87) 421-2
Maiden speech (08.07.87) 421-2
Questions
Gas storage, Demolition 149w
VAT 500-1

Jopling, Rt Hon Michael
Debates etc
Recess motions, Summer adjournment (13.07.87) 718-20
Questions
Kendal Hospital, Construction 664w
Low flying, Inquiries 962
Staveley bypass, Road construction 491w

Jordan
Diplomatic service 429w
Waldheim, Kurt 429w

Junior hospital doctors
Working hours 263-4w

Juries
Corruption 471w, 476w
Disclosure of information 475w
Greater London 50w
Northern Ireland (07.07.87) 316-27

Jury Trial (Amendment) (Northern Ireland) Order 1987
Debates etc
(07.07.87) 316-27

Jute
Industries 336

Juvenile courts
Crown Prosecution Service 83w
Lawyers 83w
Training 83w

Karposis sarcoma 370-1w

Kaufman, Rt Hon Gerald
Questions
Absent voting, General elections 521w
General Election 1987, Public expenditure 19w

Keble College Oxford Bill (HL) 1986/87
Debates etc
2R order read (07.07.87) 175, (09.07.87) 497, (16.07.87) 1261

Keeni Meeni Services 660w
Government Contracts 660w

Kellett-Bowman, Mrs Elaine
Debates etc
Finance Bill, Com (14.07.87) 1058
Prison overcrowding (16.07.87) 1307

Kendal Hospital 664w
Construction 664w

Kennedy, Mr Charles
Debates etc
BBC (13.07.87) 776
Questions
Offshore suppliers, Contracts 692

Kerb crawling 95w
Law enforcement 95w
Liverpool 95w

Key, Mr Robert
Debates etc
Prison overcrowding (16.07.87) 1303
Questions
Alternative Land use in the Rural Environment, Finance 555w
Council for Small Industries in Rural Areas, Development Commission 554w
Council for Small Industries in Rural Areas, Manpower 554-5w
Helicopters, Armed forces training 969
Porton Down, Armed forces 595-6w
School transport, Fees & charges 183
Water, Licensing 1115-6

Kidney machines
Medical treatments 42-3w

Kidney patients 42-3w, 45-6w, 311w, 666-7w
Hospital waiting lists 666-7w
Leeds 666-7w
Medical treatments 45-6w, 311w

Kidneys
Transplant surgery 381w

Kilfedder, Mr James
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 275-8
Licensing (Northern Ireland) Order 1987 (14.07.87) 1082-3
Questions
Abortion, Northern Ireland 372w
Army in Northern Ireland, Cross border cooperation in Ireland 433w
Beaches, Northern Ireland 425w
Beaches, Orlock 425-8w
Fires, Shopping centres 426w
Hospital waiting lists, North Down 425w
Hospital waiting lists, Northern Ireland 425w
Insurance, Northern Ireland 415w
Northern Ireland Housing Executive, Public sector housing sales 423-4w
Pupil-teacher ratios, North Down 680w
Retirement pensions, Northern Ireland 426w
Teachers, Northern Ireland 487w
Unemployment benefits, Northern Ireland 426w
Western Sahara, Peace negotiations 334w
Youth unemployment, Northern Ireland 487w

King, Mr Roger
Questions
Falkland Islands, Airports 967
Health Service Commissioners Annual reports 458w

King, Rt Hon Tom, *Secretary of State for Northern Ireland*
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 198-205, 208
Questions
Equal opportunities, Northern Ireland 488-9w
Royal Ulster Constabulary, Inquiries 489w

Kinnock, Rt Hon Neil
Debates etc
Clerk of the House, Retirement (13.07.87) 712-3
Oral question time point of order (09.07.87) 514
Questions
Business statement 515-6, 1283-5
Community charge 188
VAT, Clothing 1274-5
Wright, Peter, National security 970

Kirkhope, Mr Timothy
Questions
NATO, USA 434-5w

Kirkwood, Mr Archy
Debates etc
BBC (13.07.87) 762-5
Finance Bill, Com (14.07.87) 990, 1017, (15.07.87) 1160-1, 1165-6, 1174
Questions
Acid rain, Air pollution control 557-8w
Agency nurses, NHS finance 627w
Cruelty to children 1270-1
Data Protection Act 1984 1273-4
Debts, Personal records 347
Departmental coordination, AIDS 400w
Health Education Authority, Manpower 167w
In-flight refuelling, USA 440w
Neighbourhood Nursing, Community nurses 368w
Nurses, Pay 626w
Nurses, Recruitment 626w
Overseas aid, Housing 602w
Overseas aid, Maps 601-2w
Teachers, Shortage subjects 100w

Klondykers (08.07.87) 356-448

Knapman, Mr Roger
Questions
Research finance, Edinburgh University 654-5w

Knight, Mr Greg
Questions
Cruelty to children 1269
Economic growth 251w
Independent European Programme Group 434w
Local government expenditure 529w
Parkfields School, School closures 111w
Police powers, Church buildings 211w
River pollution, Sewage 133-4w

Knight, Dame Jill
Questions
Bombings, Birmingham 1262
Educational finance, Deaf 184
Hong Kong, Elections 146w
Human embryo experiments, Legislation 512

Knox, Mr David
Questions
Coal mining, Productivity 335w
Council house sales, Council tenants 532w
Manufacturing industries, Industrial production 171w
National Gallery, Construction 358w
Prison population 605w
Road construction, Wales 5

Kuwait
Flags of convenience 645w

Labelling
Drug hazards 259w

Laboratories
Advertising controls 664w

Labour costs
Per capita costs 256w
Textile industry 581w

Labour mobility
London allowance 157w

Labour Party
Arms control treaties 958
Domestic rates 1118
European fighter aircraft 959
VAT 501-2
Wales 7

Lamont, Rt Hon Norman, *Financial Secretary to the Treasury*
Debates etc
Consolidated Fund (Appropriation) Bill, 1R (08.07.87) 449
Finance Bill, 2R (08.07.87) 439-44
Finance Bill, Com (14.07.87) 1028-59, (15.07.87) 1147-203, (16.07.87) 1335-8, 1340
Questions
Age allowances, Elderly 591w
British Petroleum, Government shareholding 350w
Budget March 1987 255w
Capital allowances 675w
Capital allowances, Company taxation 446w
Capital gains tax, Married people 81w

Income 19w
Income tax, Tax rates & bands 18-9w, 82w
Income tax, Tax thresholds 445w, 592w
Income tax, Tax yields 18w, 81w
Interest charges, Company liquidations 674w
Married personal allowance, Tax yields 445-6w, 675w
Mortgage relief 446w
Mortgage relief, Cohabitation 19w
Mortgage relief, Tax yields 19w
Occupational pensions, Tax yields 351w
Personal income, Married men 256w
Personal income, Wales 350-1w
Personal tax allowances, Married people 81w
Personal taxation 253w
Personal taxation, Tax yields 82w
Privatisation, Income 251w
Privatisation, Shareholders 275w, 674w
Public sector assets, Privatisation 251w
Shareholders 255w
Shareholders, Privatisation 157w
Tax allowances, Child minding 349-50w
Tax allowances, Glasshouse growers 256w
Tax allowances, Property development 493w
Tax allowances, Urban development corporations 275w
Tax yields 82-4w
Tax yields, Income tax 257w
Tax yields, Personal tax allowances 79w
VAT, Industrial disputes 19-20w

Land acquisition
Defence land 245-6w

Land ownership & tenure
London Docklands Development Corporation 555-6w
Metropolitan districts 54-5w

Land reclamation
British Coal Corporation Enterprise 693
Radioactive waste disposal 161w

Land registration
Administrative delays 476w
Nottingham 476w

Land Registry see Land Registry Office

Land Registry Office 476w

Land use
Agriculture 24w
Urban development corporations 131w

Land values
Canary Wharf 226w, 423w
London Docklands Development Corporation 160w

Landlord & tenant 9
Community charge 382w
Council tenants 161w
Rented housing 135-6w

Landlord & Tenant Act 1987 221w
Questions
221w

***Lang, Mr Ian,** Minister of State for Scotland*
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 875-80
Questions
Average earnings, Scotland 498w
Clydesdale Bank, Takeovers 648-9w
Community charge, Scotland 35w, 97w, 185-9w, 569w
Electricity supply industry, Scotland 571w
Factory closures, Renfrew 505w
Guinness, Scotland 36w
Highlands & Islands Development Board, Government grants 33w
Job training scheme, Scotland 499-500w
Local government staff, Scotland 468w
Low Pay, Scotland 498w
Mackinnons Knitwear, Ownership 36w
Non-domestic rates, Scotland 190w
Rates & rating, Scotland 190w
Redundancy, Renfrew 274w
Scottish Development Agency, Expenditure 506w
Scottish Development Agency, Renfrew 274w
Torness power station, Electricity generation 401w
Torness power station, Emergency planning 400w
Torness power station, Nuclear fuels 401w
Unemployment, Glasgow 27-8w
Unemployment, Greenock 97-8w, 571w
Unemployment, Renfrew 274-5w
Unemployment, Scotland 193w
Water charges, Scotland 402w
Youth training scheme, Argyll 402w
Youth unemployment, Scotland 193w

Languages
Departmental leaflets 42w

Latham, Mr Michael
Questions
Black, John, Homicide 472w
Bombings, Embassies 360w
Business statement 518-9, 1285
Collective worship, Schools 112w
Community charge 1116-7
Crown Prosecution Service, Leicestershire 477w
Curriculum 108-9w
Diplomatic service, Syrian Arab Republic 332w
General elections, Television programmes 973
Generators, Manufacturing industries 179-80w
Iran, Bahai sect 331w
Iran, Human rights 331-2w
Iran-Iraq war, League of Arab States 333-4w
Israel, Palestine Liberation Organisation 475w
Jordan, Diplomatic service 429w
Middle East, International conferences 475w
Middle East, Peace negotiations 477w
Prosecutions, Leicestershire 476-7w
RAF North Luffenham 435w
School transport, Fees & charges 184
Textiles, USA 579-80w
Tornado aircraft, Low flying 494w
Waite, Terry 315w
Young offenders, Leicestershire 476w

Law enforcement
Amusement arcades 1264-5
Kerb crawling 95w

Law reform
AIDS 604w

Lawrence, Mr Ivan
Debates etc
Legal profession (17.07.87) 1456-9
Prison overcrowding (16.07.87) 1302
Public order policing (17.07.87) 1409, 1425
Questions
Public libraries, Management techniques 20-1w
Royal Ulster Constabulary, Inquiries 489w
Sentencing, Court of Appeal 1264
Terrorism, International cooperation 474w

Lawson, Rt Hon Nigel, Chancellor of the Exchequer
Questions
Coinage 493w
European monetary system 508
Free movement of capital 508
General Election 1987, Public expenditure 19w
Income tax, Tax rates & bands 505-6
Interest rates 251w
National Economic Development Council 445w
Privatisation, Press advertising 591w

Lawyers
Juvenile courts 83w

LDDC see London Docklands Development Corporation

Lea Aviation
Air force 69w
Defence contracts 69w
Military aircraft 69w

Lead free petrol
Garages & petrol stations 392w
Merseyside 392w

Lead plumbing 36w, 273w, 292w, 530w, 1122-3
Health hazards 1122-3
Scotland 36w, 273w
Wales 292w

Lead pollution
Wales 3
Water supply 292w

Leadbitter, Mr Ted
Questions
School fees 183

League of Arab States 333-4w
Iran-Iraq war 333-4w

Leather & fur industries
Japan 173w

Lebanon
Peace keeping operations 282w
United Nations 282w

***Lee, Mr John,** Under-Secretary of State for Employment*
Questions
Average earnings, Men 441w
Community programme 287w, 473-4w
Community programme, Take-up of employment 473w
English Tourist Board, Slaley 289w
Fowler, Mike, Unemployment benefits 84w
Holiday accommodation, English Tourist Board 347w
Hotels, English Tourist Board 347w
Hotels, Fees & charges 444w
Job centres, Recruitment 9w
Job splitting scheme, Government grants 200w
MSC, Employment schemes 441w
Remploy 7-8w
Remploy, Manpower 8w
Textile industry, Manpower 642-4w
Tourism 444w
Tourism, Government grants 347w
Tourism, Private sector 347-8w
Tourism, Upper waiting hall 9w
Unemployment 640w
Unemployment, Carlisle 442-3w
Unemployment, Erith 197-8w
Unemployment, Monklands 441-2w
Unemployment benefits, Burnley 641w
Unemployment benefits, Carlisle 445w
Women, Average earnings 85-6w
Women, Unregistered unemployed 84-5w
Woollen industry, Yorkshire 473w
Working hours, Manufacturing industries 347w
Youth training scheme, Tourism 348w

Leeds
A1-M1 link 417w
Arts 358w
Community charge 295w, 525w
Family credit 45w
Industrial development 417w
Kidney patients 666-7w
Rented housing 1121
Social security benefits disqualification 447w

Leeds City Council
Community charge 382w

Legal advice & assistance
Expenditure 565-7w

Legal aid
Administrative delays 5w
Households 316w

Legal costs
Personal injury 142w
University Grants Committee 155-6w

Legal profession (17.07.87) 1456-62
Documents 7w
Professional qualifications 6w

Legal representation 209w, 276w
Prison discipline 209w
Prisoners on remand 276w

Legislation
Community charge 509-10
Hong Kong 10-1w
Human embryo experiments 512

Leicester
Armed forces cadets 344w, 676-7w
Hip replacements 449w

Leicestershire
Crown Prosecution Service 476-7w
Prosecutions 476-7w
Young offenders 476w

Leigh, Mr Edward
Questions
Armed forces pay, Armed forces medical services 562w
British Gas Corporation 339w
Business statement 525
Metropolitan Police 608w

Leighton, Mr Ron
Debates etc
Today newspaper (06.07.87) 42, 53-7, 69
Questions
Inner cities intitiative 346-7

Lestor, Miss Joan
Questions
Amusement arcades, Children 1265
Arts finance, North West region 352w
Prisoners, Babies 609w

Leukaemia
Scotland 245w, 498w

Lewis, Mr Terry
Questions
Crime, Detection rates 610w
Transport of radioactive materials, Salford 673w

Lewisham
Departmental leaflets 367w

Leysmill
Prime Minister domestic visits 100w

Library Association 355w

Libyan Arab Republic
Bombings 660w
Diplomatic relations 146w

Licensing
Boxing 573-4w
Opren 260w
Public service vehicles 492w
Taxis 66w
Water 1115-6

Licensing laws
Northern Ireland 5w
Off-licenses 95-6w

Licensing (Northern Ireland) Order 1987
Debates etc
(14.07.87) 1060-88

Life imprisonment
Diplock courts 636-7w
Prisoners' release 636-7w

Light aircraft
Insurance 417w
Passengers 417w

Light dues 200-2w

Lighthouses
Consolidated Fund debates (13.07.87) 881-94
Ships 417-8w

Lilley, Mr Peter, *Economic Secretary to the Treasury*
Debates etc
Finance Bill, Com (16.07.87) 1322-34
Questions
Clydesdale Bank, National Australia Bank 446w, 675w
Coinage 351w
Debts, Developing countries 256w
Economic growth 251-2w, 499
European monetary system, EC Finance Council 256w
Industrial production 252w, 499
Industrial production, Exchange rates 499
Inflation 255w
Interest rates 251w, 506-7
Interest rates, Manufacturing industries 507
Interest rates, Privatisation 507-8
Manufacturing industries, Foreign investment in UK 502
Manufacturing industries, Industrial production 502
Oil companies, Income 252w
Oil revenues, North Sea oil 275w
Overseas investment 255w
Self-employed 253w, 497-9

Limited list prescribing
Nobrium 376w

Listed buildings
Colne Valley 133w

Litherland, Mr Robert
Questions
Driving offences, Sentencing 364w
Manufacturing industries, Foreign investment in UK 502
Sports, Publicity 528w

Lithotripsy
Medical equipment 666w

Liverpool
Acute beds 379-80w
Cervical cancer 121w
Hospital beds 309w, 633w
Hospital closures 379-80w, 633w
Hospitals 309w
Inner city areas 1119-20
Kerb crawling 95w
Obstetrics 309w

Liverpool free port 350w
Employment opportunities 350w

Liverpool Health Authority 121w, (08.07.87) 487-96

Liverpool Royal Infirmary 379-80w

Livestock
Stray dogs 219w

Livingstone, Mr Ken
Debates etc
Maiden speech (07.07.87) 231-7, 510, 512-3
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 231-7
Questions
Livingstone, Ken, Maiden speeches 512-3
Shorthold tenancies 535w
Sports, Drug abuse 527w

Livsey, Mr Richard
Debates etc
Rate Support Grant (Wales) Supplementary (No 2) Report 1986/87 (15.07.87) 1227-30
Questions
Community charge, Local authorities 526w
Dairy farming, Production quotas 496w
Roads, Wales 21w
Water authorities, Privatisation 558-9w
Water supply, EC legislation 479-80w
Water supply, Government grants 558w
Water supply, Wales 477-9w

Lloyd, Sir Ian
Questions
Businss statement 1289
Semiconductor devices, Science & technology research 1275

Lloyd, Mr Tony
Debates etc
Economic growth, North West region (13.07.87) 923, 925, 928, 930-6, 940
Today newspaper (06.07.87) 19, 46
Questions
Education, Inner city areas 109w
Electricity supply industry, Privatisation 688
Immigrants' dependants, Immigration controls 609w
Inner city areas, Business 1w
Lead plumbing, Health hazards 1122
Nuclear weapons policy, Arms control treaties 436w

Lloyd's of London (08.07.87) 356-448, (15.07.87) 1146-203

Loans
British Coal Corporation Enterprise 83w

Local authorities
Community charge 526w, 1126
Contracts (06.07.87) 75-167
Departmental circulars 53-4w
Derelict land grants 55w, 227-38w
Dog wardens 51w
Non-domestic rates 129w
Orders & regulations 53-4w
Pension funds 138w
PRC Homes 526-7w
Publicity 189-90
Rate precepts 52-3w
Rent arrears 531w
Rented housing 135w

Local authorities in Scotland
Council house waiting lists 502w
Empty housing 503-5w
Homelessness 500-2w
Housing construction 503w
Housing finance 503w

Local authority associations 104w

Local education authorities
School fees 181
School transport 102w
Schools 103-4w, 177-9, 563w
Schools & parents 177

Local enterprise agencies
Business premises 444-5w

Local government
London Docklands 1120
Personal records 468w

Local Government Bill 1987/88
Debates etc
2R & money res (06.07.87) 75-167
Questions
531w

Local government expenditure 53w, 224-5w, 386-7w, 390w, 529w, 668-9w, 1127
Handicapped 117-8w
Harlow 1127-8
Housing construction 533w
Local government revenue 529w
Public libraries 354-6w
Rate limitation 55w
Rate precepts 52-3w
Teachers 573w

Local government finance 342, 558w
Community charge 188-9, 971
Consolidated Fund debates (13.07.87) 777-816
Inner city areas 970-1

Local government functions
Ceremonies 385w

Local government pensions
Pension funds 528w

Local government revenue
Community charge 421w
Council house sales 529w
Government grants to local authorities 573w
Local government expenditure 529w
Non-domestic rates 129w, 158w, 190w, 421w
Old people's homes 422w
Rates & rating 381w
Religious buildings 423w

Local government services
Privatisation 6-7

Local government social services
Cruelty to children 191

Local government staff
Personal records 226w
Scotland 468w

Location of Industry 343

Loch Ness 273w
Ownership 273w

Lofthouse, Mr Geoffrey
Questions
Arts finance, Yorkshire 358w
Community charge 525-6w
"Energy Select Committee on Hinkley Point A" 412w
Nuclear Installations Inspectorate, Civil service manpower 188, 411-2w
Nuclear Installations Inspectorate, Manpower 443-4w
Nuclear Installations Inspectorate, Pay 443w
Nuclear Installations Inspectorate, Sellafield 444w
REPLAN 110w

London
Canary Wharf 161w

London allowance
Health service staff 162w
House prices 157w
Labour mobility 157w
Teachers 654w

London Ambulance Service 309-10w

London Docklands
Energy efficiency 691
Housing 1120
Local government 1120

London Docklands Development Corporation 160w, 221w, 226w, 423w, 555-6w, 670w, (10.07.87) 676-86, 1119
Employment opportunities 1119
Land ownership & tenure 555-6w
Land values 160w
Property transfer 160w
Public access 221w
Public appointments 555w

London Docklands Railway (Beckton) Bill 1986/87
Debates
2R order read (09.07.87) 497, (16.07.87) 1261

London Regional Transport Bill 1986/87
Debates etc
Order for consideration read (09.07.87) 497, (16.07.87) 1261

London Residuary Body 532w

Long stay patients 127-8w

Lonrho (06.07.87) 17-74, 268-9w

Lord, Mr Michael
Debates etc
Sugar beet (13.07.87) 820-1
Questions
Electricity supply industry, Privatisation 411w
Water supply industry, Privatisation 293w

Lothian & Borders Police 28w, 569w
Manpower 28w, 569w

Low flying
Air accidents 60w
Air safety 435w
Armed forces training 961-2
Armed forces training 39w, 59w, 962-3
Complaints 59w
Cost effectiveness 60w
Death 435w
Disciplinary proceedings 59w
Disclosure of information 39w, 962
Inquiries 962
National parks 60w
Public opinion 59w
Scotland 962
Tornado aircraft 494w

Low incomes
Consumer expenditure 112w
Families 456w
Means tested benefits 114w
NHS charges exemption 114w
Statistics 456w

Low Pay
Scotland 498w

Loyden, Mr Eddie
Debates etc
Business questions point of order (09.07.87) 527
Questions
Inner city areas, Government grants to local authorities 970-1
Manufacturing industries, Industrial investment 170w

Luce, Rt Hon Richard, Minister of State Privy Council Office (Minister for the Arts)
Debates etc
Ministerial responsibility (06.07.87) 171-4
Questions
Art works, Exhibitions 148w
Art works, Export licensing 249-50w
Arts, Handicapped 353w
Arts, Leeds 358w
Arts, Tourism 355w
Arts finance 353w
Arts finance, Bristol 353w
Arts finance, Cardiff 356w
Arts finance, Charitable donations 358w
Arts finance, Glasgow 354w
Arts finance, Greater London 357w
Arts finance, North West region 352w
Arts finance, Northern region 353w
Arts finance, Scotland 356-7w
Arts finance, Student grants 698-9
Arts finance, Wales 356w
Arts finance, Yorkshire 358w
Arts sponsorship 355w
British Film Institute 353w
British Film Institute, Exhibitions 353w
British Museum, Shoreditch 20w
Central Purchasing Unit 349w
Civil servants, Training 703-4
Civil service, Cabinet Office 702
Civil service, Management 701
Civil service, Ministerial responsibility 349w
Civil service, Performance related pay 701-3
Civil service, Youth training scheme 704
Civil service unions 20w
Film, Conservation 355w
General Medical Council 349w
Haymarket Theatre Leicester, Arts finance 700-1
Higher civil servants, Private education 674w
Museums & Galleries 354w
Museums & galleries, Marketing 357w
Museums & galleries, Voluntary work 445w
Museums & galleries, Yorkshire & Humberside 257-8w
National Book Committee 353w
National Gallery, Construction 358w
Northern Regional Arts Association, Arts finance 358w
Objects in lieu of tax 248-50w
Objects in lieu of tax, Finance 699
Objects in lieu of tax, Museums & galleries 699
Opera 357w
Photography, Government grants 699-700
Photography, Private investment 700
Public libraries 354w
Public libraries, Community development 358w
Public libraries, Finance 355w
Public libraries, Local government expenditure 354-6w
Public libraries, Management techniques 20-1w
Royal Shakespeare Company, Arts Council grants 697-8
Royal Shakespeare Company, Arts finance 356w
Theatre, Wales 357w
Women, Office of Arts & Libraries 20w

Lyell, Sir Nicholas, Solicitor-General
Debates etc
Jury Trial (Amendment) (Northern Ireland) Order 1987 (07.07.87) 316-9, 324-6

M1 326-8w
Road works 326-8w

M4 67-8w
Road traffic 67-8w

M6 141w
Road works 141w

M20 16w
Public inquiries 16w

M25 66-8w, 203w, 327-8w
Motorway service areas 203w
Road traffic 66-8w

M42 328w
Road construction 328w

M66 13w
Road construction 13w

McAllion, Mr John
Questions
Jute, Industries 336
National Economic Development Council 175w

McCartney, Mr Ian
Debates etc
Civil defence (13.07.87) 913-8, 920
Questions
North Sea oil, Oil industry 337w
Water authorities, Privatisation 529-30w

McCrea, Rev William
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 281, 283, 293
Licensing (Northern Ireland) Order 1987 (14.07.87) 1072-3
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 237-43
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1094-7

McCrindle, Mr Robert
Debates etc
Finance Bill, Com (15.07.87) 1147-8, 1150, 1159-60
Questions
Blood donors, AIDS 207w
Blood donors, Tourists 207-8w
Capital allowances 675w
Capital allowances, Company taxation 446w
Credit rating 268w
Cystic fibrosis, Prescription charges exemptions 665-6w
Foreign visitors, Surgery 40w
Gazumping 533w
Hereditary diseases, Genetics 262w
Hospital waiting lists 310w, 516-20w
Hospitals, Fees & charges 40w
Income tax, Tax thresholds 445w, 592w
Insurance Brokers' Registration Council 174w
Investor protection, Financial services 482-3w
Married personal allowance, Tax yields 445-6w, 675w
Mortgage relief 446w
Motor Neurone Disease Association, Government grants 39w
NHS, Privatisation 456w
NHS administration 455w
Securities & Investments Board, Insurance 483w
Supplementary benefits, Community charge 455w
Tour operators, Finance 192
VAT, Inflation 446w
Visas, Disease control 48-9w

McCusker, Mr Harold
Questions
Anglo-Irish Agreement, Northern Ireland 190
Business statement 520-1
Television licences, Northern Ireland 209-10w

MacDonald, Mr Calum A
Debates etc
Finance Bill, 2R (08.07.87) 399-402
Maiden speech (08.07.87) 399-402
Questions
Caledonian MacBrayne, Ferries 36w
Interest rates 506
Shipping 18w
Stornoway airport 344w
Western Isles, Road equivalent tariff 36w

McFall, Mr John
Questions
Community charge rebates 525w

McGrady, Mr Eddie
Debates etc
Maiden speech (07.07.87) 223-7
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 223-7
Questions
Cancer, Northern Ireland 426w
Fisheries, Northern Ireland 487w
Northern Ireland Housing Executive, Central heating 424w
Northern Ireland Housing Executive, Repairs & maintenance 425w
Ports, Warrenpoint 427w
Radioactive waste disposal, Irish Sea 1136
School choice, Northern Ireland 680w

MacGregor, Rt Hon John, *Minister of Agriculture, Fisheries and Food*
Questions
Common agricultural policy 348w
Common agricultural policy, EC reform 679w
EC Agriculture Council 678-9w
EC Agriculture Council, EC budget 407-8w
Green pound, Beef & veal 153w
Intervention stocks 348w
Small businesses, Ministry of Agriculture Fisheries & Food 677-8w
Women, MAFF 46-7w

McKay, Mr Allen
Debates etc
Local government finance (13.07.87) 791, 803-6
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1215-7
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1376-7
Questions
Budget March 1987 255w
Business premises, Rates & rating 348-9
Central Electricity Generating Board 337w
Coal mining, Productivity 696
Development plans, Berkshire 534w
Regional development grants, Yorkshire & Humberside 177-8w

Mackay, Mr Andrew
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1083
Questions
Bankruptcy, Small businesses 348
Business statement 523
Inflation 255w
Overseas trade, Japan 173w
Schools, educational finance 104w
Sentencing, Criminal appeals 1263
Thames Valley Police, Manpower 604w

McKelvey, Mr William
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 76-7, 104-5
Questions
EC budget, UK contributions 503

Mackinnons Knitwear 36w, 345
Factory closures 345
Ownership 36w

McLeish, Mr Henry
Questions
Breast cancer, Scotland 397-8w
Cervical cancer, Scotland 466w
Community charge, Administrative costs 524w
Job training scheme, Scotland 499-500w
Supplementary benefits, Fife 448w
Unemployment, Statistics 441-2w
Unemployment benefits, Fife 371w
Youth training scheme, Scotland 442w

Maclennan, Mr Robert
Debates etc
Finance Bill, 2R (08.07.87) 392-5
Finance Bill, Com (14.07.87) 991-3, 997

McLoughlin, Mr Patrick
Debates etc
Cruelty to children, Cleveland (09.07.87) 537
Questions
Business statement 518
Community charge 1126-7
Crime, USA 610-1w
Inflation 255w
Peak Park Joint Planning Board, Ministers' domestic visits 530w
Police Complaints Authority, Public appointments 96w
Sixth form education, Schools 103w

McNair-Wilson, Mr Michael
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 203
Questions
Army in Northern Ireland 433w
Kidney patients, Medical treatments 45-6w, 311w
Medical malpractice, Compensation 970
Medical treatments, Costs 46w
Newbury bypass, Public inquiries 204w
NHS, Annual reports 378w
NHS, Manpower 378-9w
Nurses, Pay 265w
Organ donors 262-3w

McNair-Wilson, Mr Patrick
Questions
Self-employed 497-8

McNamara, Mr Kevin
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1066-7
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1092-3
Questions
Community charge, Departmental publications 524w
European fighter aircraft, Trident 959
Low flying, Armed forces training 962-3
University Grants Committee, Legal costs 155-6w

McWilliam, Mr John
Questions
Ammunition, Defence procurement 596w
Crime, Firearms 613w
Defence contracts, Prosecutions 597w
Defence contracts, Shells 597w
Hospital beds, Gateshead 630w
Legal advice & assistance, Expenditure 565-7w
Regional development grants, Northern region 177w

Madden, Mr Max
Questions
British embassies, Civil servants 645w
Cruelty to children 1269-70
Entry clearances, Foreign tourists 658w
Government contracts, Keeni Meeni Services 660w
Inner city areas 342
Procurement, House of Commons 15
Public libraries, Local government expenditure 354-6w
Schools, Bradford 105w
Students, Iraq 186
Textile industry 179w
VAT 254w

Madel, Mr David
Questions
Constituency size, Boundary Commission for England 602w
Local education authorities, Schools 177
PRC Homes, House renovation grants 526w
Public service vehicles, Licensing 492w

MAFF see Ministry of Agriculture, Fisheries & Food

Maginnis, Mr Ken
Questions
Republic of Ireland, Terrorism 513
South Tyrone Hospital, Hospital waiting lists 680w

Magistrates' courts
Agents 6w
Income 360w

Magnox reactors 286w
Smoke & chimney gases 286w

Mahon, Mrs Alice
Questions
Business statement 522-3
Defence Select Committee, Theatre nuclear weapons 437w
Departmental leaflets, Dept of Health & Social Security 262w
Estate Action 528w
Law enforcement, Amusement arcades 1264-5
Public libraries, Finance 355w

Maiden speeches
Arnold, Jacques (09.07.87) 599-601
Barnes, Harry (13.07.87) 787-90
Battle, John (06.07.87) 116-20
Boswell, Tim (08.07.87) 379-81
Bowis, John (13.07.87) 722-6
Bradley, Keith (08.07.87) 412-4
Butler, Chris (17.07.87) 1414-7
Campbell, Menzies (13.07.87) 784-5
Coombs, Anthony (17.07.87) 1421-4
Cummings, John (16.07.87) 1355-6
Darling, Alistair (06.07.87) 106-9
Davies, Quentin (08.07.87) 395-9
Evans, David (06.07.87) 109-10
Field, Barry (06.07.87) 98-100
Gordon, Mildred (15.07.87) 1245-50
Grant, Bernie (06.07.87) 96-8
Hood, Jimmy (08.07.87) 419-21
Janman, Tim (09.07.87) 591-4, 605
Jones, Martyn (08.07.87) 421-2
Livingstone, Ken (07.07.87) 231-7, 510, 512-3
Macdonald, Calum A (08.07.87) 399-402
Martlew, Eric (06.07.87) 159-61
McGrady, Eddie (07.07.87) 223-7
Michie, Ray (13.07.87) 716-8
Moonie, Lewis (16.07.87) 1363-6
Morgan, Rhodri (08.07.87) 381-6
Morley, Elliot (06.07.87) 137-9
Mowlam, Marjorie (09.07.87) 560-2
Nicholson, Emma (09.07.87) 557-60
Patnick, Irvine (17.07.87) 1400-3, 1435
Reid, John (08.07.87) 425-9
Riddick, Graham (13.07.87) 735-7
Speaker's rulings & statements (07.07.87) 236, (14.07.87) 977-8
Taylor, Ian (13.07.87) 744-7
Tredinnick, David (10.07.87) 642-4
Walley, Joan (06.07.87) 127-8
Wilshire, David (06.07.87) 120-2
Wilson, Brian (13.07.87) 737-40
Wray, Jimmy (13.07.87) 726-9

Mail order selling
Offensive weapons 606w

Major, Rt Hon John, *Chief Secretary to the Treasury*
Debates etc

Finance Bill, 2R (08.07.87) 356-64
Questions
Civil service manpower, Government departments 592w
Economic growth 251-2w
Economic growth, Oil prices 253w
Forestry, Income 18w
Income tax, Tax rates & bands 500
Industrial production 256w
Inflation 674w
Labour costs, Per capita costs 256w
Manufactured goods, Balance of trade 252w
Overseas investment 255w
Overseas investment, Public sector assets 81w
Personal taxation, Tax burden 500
Privatisation 504-5
Privatisation, Income 251w
Privatisation, Working conditions 504
Public expenditure, Central government 252-3w
Public expenditure, National income 252w
Public sector borrowing requirement 254-5w
Unemployment benefits, Scotland 254w
Women, Treasury 79-80w

"Making a Reality of Community Care" 625-6w

Malaysia
Drug crimes 472w

Mallon, Mr Seamus
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 278-82
Licensing (Northern Ireland) Order 1987 (14.07.87) 1064, 1071-4
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 213-4, 216, 229, 241, 252-3
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1097-100, 1103-4
Questions
Business statement 1287-8

Management buy-outs
ISTEL 2w

Management techniques
Public libraries 20-1w

Managers
Women's employment 590w

Managing agents 288w
Job training scheme 288w

Manchester
Family practitioner committees 375-6w

Manchester Airport 66w, 181w, 272w
Railway network 66w, 77w, 181w, 272w

Manpower Services Commission 288w, 441w, 473w, 641w
Advertising 642w
Public appointments 473w
Public relations 641-2w

Mans, Mr Keith
Debates etc
Finance Bill, 2R (08.07.87) 438

Manufactured exports 344

Manufactured goods
Balance of trade 170-1w, 180-1w, 252w, 338-40, 503-4
UK trade with EC 170w

Manufacturing industries 338-9
Balance of trade 172w, 343-4
Competitiveness (10.07.87) 621-75
Employment opportunities 1277
Foreign investment in UK 502
Generators 179-80w
Industrial accidents 641-2w
Industrial investment 170-1w, 344
Industrial production 171w, 502
Inner city areas 171-2w
Interest rates 507
Motor industry 344-5
South Yorkshire 172w
Unfair trading practices 340-1
Wales 171w
Working hours 347w
Yorkshire & Humberside 171w

Maples, Mr John
Questions
Museums & galleries, Marketing 357w

Maps
Overseas aid 601-2w

Marek, Dr John
Debates etc
Cruelty to children, Cleveland (09.07.87) 538
Questions
British Rail, Privatisation 594w
EC Finance Council 253w
Hong Kong, Elections 146w
Manchester Airport, Railway network 272w
Ministers' domestic visits, North Wales 12
New Parliamentary building, Construction 391w
North East Wales Institute of Higher Education, Teacher training 26w
Nurses' training 151w
Nurses' training, Expenditure 169w
Nurses' training, Scotland 194w
Parrots, Nature conservation 294w
Road traffic control, Royal festivals & state occasions 363w
St Helena, Scholarships 101w
St Helena, Television 13w
Wales Advisory Body for Local Authority Higher Education 568w
Wales Advisory Body for Local Authority Higher Education, Public appointments 568w
Welsh language, University finance 564w

Margam mine
Shift work 8

Marginal land
Ynys Mon 22w

Market share 419w
Televisions 419w

Marketing
Museums & galleries 357w

Marlow, Mr Tony
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 456-7, 459, 461, 463
Calling of Members (15.07.87) 1143
Finance Bill, Com (14.07.87) 1056-9
Local Government Bill, 2R & Money res (06.07.87) 84, 90
Local Government Bill, House of Commons procedure (09.07.87) 543
Members' dress (07.07.87) 194, (08.07.87) 355
Orders & regulations (08.07.87) 354
Today newspaper (06.07.87) 31, 55, 61, 63
Questions
Business statement 521
Coal mining 335w
EC budget, Expenditure 503
Football, Hooliganism 1267
Military exercises, Radioactivity 1139
National Confederation of Parent Teacher Associations 110w
Occupational pensions, Tax yields 351w
Rent arrears, Local authorities 531w

Marriage
Immigration rules 360w

Married men
Personal income 256w

Married people 665w
Capital gains tax 81w
Personal tax allowances 81w

Married personal allowance
Tax yields 445-6w, 675w

Married women
Invalid care allowances 163w

Marshall, Mr David
Questions
Devolution, Scotland 561w
Prime Minister domestic visits, Strathclyde 205w

Marshall, Mr James
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 136-7
Points of order (14.07.87) 978

Marshall, Mr John
Questions
Business statement 1288
Council housing, Greater London 576w
Hospital waiting lists, Barnet Health Authority 665w
London Docklands Development Corporation, Employment opportunities 1119
Rent arrears, Greater London 576w

Marshall, Mr Michael
Questions
British National Space Centre, Space technology 180w
Computers in government departments, Data processing 415w
Data networks, Computers in government departments 493w
Dept of Health & Social Security, Computers in Government departments 627-8w
Government contracts, Data networks 492w
Home Office, Data networks 471-2w
Overseas trade, Japan 340

Martial arts 605-6w
Offensive weapons 605-6w

Martin, Mr David
Questions
Export of live animals, Codes of practice 495w
Invalid care allowances, Social security benefits rules 461w

Martin, Mr Michael J
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 863-7, 873, 877
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 278
Questions
Community charge, Scotland 524-5w
Guinness, Scotland 36w

Martlew, Mr Eric
Debates etc
Local Government Bill, 2R & money res (06.07.87) 159-61
Maiden speech (06.07.87) 159-61
Questions
Cars, Safety belts 323-4w
Health service ancillary staff, East Cumbria 162w
Road accidents, Injuries 324w
Safety belts, Children 324w
Social security abuse, Carlisle 164w
Unemployment, Carlisle 442-3w
Unemployment benefits, Carlisle 445w
Water authorities, Privatisation 1130

Mater Hospital 425w

Maternity benefits 168w
Bristol 164w
Social Fund 168w, 257-8w
Social security recipients 116w, 164w, 257-8w

Maternity leave
Small businesses 198w

Maternity services 164w

Mathematics National Curriculum Working Group 281-2w

Matrimonial & Family Proceedings (Northern Ireland) Order 1986 637-8w

Maude, Mr Francis, *Under-Secretary of State for Corporate and Consumer Affairs*
Debates etc
Today newspaper (06.07.87) 45, 66-70
Questions
Agriculture, Bankruptcy 219-20w
Clydesdale Bank, Takeovers 320-1w, 653w
Consumer goods, EC action 486w
Credit insurance, EC action 485w
Credit rating 268w
Debts, Personal records 347-8
Door-to-door selling 418w
Electrical safety, Upper waiting hall 318w
Financial Services Act 1986 318w
Hazardous materials, Child safety 581-2w
House of Fraser, Takeovers 268w
IHV Industrial Investment, Company liquidations 420w
Insider trading, Dept of Trade & Industry 170w
Insurance Brokers' Registration Council 174w
Investor protection, Financial services 482-3w
Mock Auctions Act 1961 651w
Mock Auctions Act 1961, Prosecutions 651-2w
Monopolies & Mergers Commission, Administrative costs 319w
Monopolies & Mergers Commission, Public appointments 320w
Net Book Agreement 481-2w
Origin marking, Consumer protection 270w
Securities & Investments Board, Insurance 483w
Textiles, EC action 484-5w
Williams, Ivor, Complaints 486w

Mawhinney, Dr Brian, *Under-Secretary of State for Northern Ireland*
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 257-61
Questions
Education, Northern Ireland 98-9w
Pupil-teacher ratios, North Down 680w
School choice, Northern Ireland 680w

Maxton, Mr John
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 872-5, 877, 879
Local Government Bill, 2R & money res (06.07.87) 78, 80, 85, 113-4, 146
Questions
Arts finance, Glasgow 354w
Business statement 527
Community charge, Scotland 509-10

Maxwell-Hyslop, Mr Robin
Debates etc
Points of order, House of Commons procedure (09.07.87) 539
Questions
Business statement 525
Members' correspondence 206w

Mayhew, Rt Hon Sir Patrick, *Attorney-General*
Debates etc
Legal profession (17.07.87) 1459-62
Questions
Contracts, Gazumping 142w
Crown Prosecution Service 5-6w
Crown Prosecution Service, Disclosure of information 205w
Crown Prosecution Service, Juvenile courts 83w
Crown Prosecution Service, Leicestershire 477w
Electoral register, Community charge 414-5w
Family Law Reform Act 1987 316w
Juries, Corruption 476w
Juries, Disclosure of information 475w
Juvenile courts, Lawyers 83w
Land registration, Nottingham 476w
Legal advice & assistance, Expenditure 565-7w
Legal aid, Administrative delays 5w
Legal aid, Households 316w
Legal profession, Document 7w
Legal profession, Professional qualifications 6w
Legal representation, Prisoners on remand 276w
Magistrates courts, Agents 6w
Personal injury, Trials 142w
Prosecutions, Leicestershire 476-7w
Rothschild, Lord, Prosecutions 205w
Social Security Commissioners, Wales 565w
Solicitors, In-service training 6w
West, Nigel, National security 276w
Women, Attorney-General 275-6w
Young offenders, Leicestershire 476w

Meacher, Mr Michael
Debates etc
Cruelty to children, Cleveland (09.07.87) 529-30
Questions
Family practitioner committees, Manchester 375-6w

Meale, Mr Alan
Questions
Combined heat & power 336w

Means tested benefits
Low incomes 114w

Meat & Livestock Commission Levy Scheme (Confirmation) Order 1987
Debates etc
(14.07.87) 979

Medical appeal tribunals
Glasgow 310w

Medical education
Expenditure 151w
Family practitioner services 176
NHS finance 176

Medical equipment
Brain 121w
Lithotripsy 666w
Pensioners 664w
Prescription charges exemptions 664w
Road accidents 121w

Medical malpractice
Compensation 970

Medical research
AIDS 175, 458w
Edinburgh University 654-5w
Hospital doctors 175
Hospital waiting lists 176

Medical Research Council 654-5w

Medical treatments
Costs 46w
Kidney machines 42-3w
Kidney patients 45-6w, 311w
Microwaves 367w
Road accidents 40w

Mellor, Mr David, *Minister of State for Foreign and Commonwealth Affairs*
Questions
Albania, Diplomatic relations 146w
Diplomatic service, Syrian Arab Republic 332w
France, Neutron bomb 634w
France, Theatre nuclear weapons 634w
Iran, Bahai sect 331w
Iran, Human rights 331-2w
Iran-Iraq war, League of Arab States 333-4w
Kuwait, Flags of convenience 645w
Lebanon, United Nations 282w
Libyan Arab Republic, Diplomatic relations 146w
Morocco, State visits 334w
Prisoners, USSR 474-5w
Syrian Arab Republic, Foreign policy 646w
Terrorism, International cooperation 474w
Western Sahara, Peace negotiations 334w
Western Sahara, Recognition of states 475w
Wright, Peter, National security 285w, 333w

Mells, Mrs G C 294w

Members
Electoral register 414-5w

Members' conduct
Speaker's rulings & statements (07.07.87) 197

Members' correspondence 206w
Allison, Neil 330w
Johnson, P J 45w, 267w
Patel, Chacadben 208w
Southgarth West 389w
Upton, Gladys 631w
Water authorities 1116

Members' dress
Speaker's rulings & statements (07.07.87) 194, (08.07.87) 355

Members' facilities
Communication 334w
Office equipment 582w

Members' Fund (14.07.87) 1106

Members' interests
Speaker's rulings & statements (06.07.87) 129-32, (07.07.87) 195-7

Members' interventions
Speaker's rulings & statements (06.07.87) 85, (10.07.87) 662, (13.07.87) 952

Members' pay 478w
Members' pensions 3-4w
Prime Minister 1276

Members' pensions
Members' pay 3-4w

Members' speeches
Parliamentary privilege 510
Speaker's rulings & statements (17.07.87) 1400

Men
Average earnings 441w
Education 321w

Mendis, Viraj 211w

Mental health community care 624-6w
Elderly 465-6w
Handicapped children 126-7w
Housing 454w
Scotland 464w

Mental health services
Planning 508w
Scotland 396-7w

Mental hospitals
Capital investment 496w
Child patients 127-8w, 463w
Geriatric patients 261w
Scotland 393-4w, 463w, 496w

Mental patients
Age 463w
Balderton Hospital 663w
Diagnosis 507-8w
Ethnic minorities 113w
Hospital admissions 507-8w
Scotland 393-4w, 496-7w
Southwark 113w

Mental patients transfers 625w
Special hospitals 625w

Mentally ill
Health service staff 393w
Hostels 397w
Occupational therapists 394w
Scotland 393w, 397w

Merchant Shipping (Light Dues) (Amendment No 2) Regulations 1987
Debates etc
(14.07.87) 979

Merchant ships
Shipbuilding Intervention Fund 179w

Mergers
Airlines 1278

British Airways 1279-82
International Digital Communications 319-20w
International Telecommunications of Japan 319-20w

Merseyside
Education support grants 564-6w
Government assistance to industry 178w
Housing investment programmes 522-3w
Lead free petrol 392w
Rate support grants 522-3w
Road accidents 141w

Merseyside Development Corporation (15.07.87) 1233-54

Metropolitan districts
Community charge 222w
Derelict land 54-5w
Land ownership & tenure 54-5w

Metropolitan Police 210-2w, 361-5w, 471w, 603-4w, 608w, 611-2w, 614-8w, 659w
Advertising 659w
Costs 211w
Demonstrations 210-1w
Economic League 365w
Embassies 212w
Finance 603w
Manpower 211w, 603w
Public relations 659w
South Africa House 210-1w, 614w

Meyer, Sir Anthony
Questions
Foreign investment in UK, North Wales 12
Labour costs, Per capita costs 256w
Unemployment, Wales 6

MI5
Inquiries 972

Michael, Mr Alun
Questions
Public expenditure, Wales 108w
Research finance 174w

Michie, Mr Bill
Questions
Business statement 1293-4
Pharmacists, Billing 378w
World Student Games, Sheffield 523w

Michie, Mrs Ray
Debates etc
Maiden speech (13.07.87) 716-8
Recess motions, Summer adjournment (13.07.87) 716-8
Questions
Youth training scheme, Argyll 402w

Microlight aircraft 969

Microwaves
Medical treatments 367w
Radiation hazards 367w

Mid Essex Health Authority
Hospital waiting lists 516w

Mid Glamorgan Health Authority 413w
NHS finance 11

Mid Wales Development 70w, 149-50w
Finance 70w, 149-50w
Industrial investment 150w

Middle East
International conferences 475w
Peace negotiations 477w

Midland link motorways
Motorway service areas 16w
Orders & regulations 16w

Midwives
Manpower 506w
Recruitment 506w

Military aircraft
Air accidents 598w
Armed forces training 61w
Civil defence 305-6w
Falkland Islands 967
Lea Aviation 69w

Military discipline (08.07.87) 451-71

Military exercises
Neutron bomb 58w
Radioactivity 1133-41

Milk
Production quotas 568-9w
Wales 568-9w

Millan, Rt Hon Bruce
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 551, 565-8
British Shipbuilders (Borrowing Powers) Bill, Rem stages (16.07.87) 1342-3
Finance Bill, Com (16.07.87) 1327, 1329, 1337-9
Local Government Bill, House of Commons procedure (09.07.87) 544
Questions
Brittany Ferries, Procurement 172w

Mills, Mr Iain
Questions
EC Trade Mark Office 1w, 12w
EC Trade Mark Office, Government grants 1w

MINIS
Financial mangement initiative 964-5
Ministry of Defence 964-5
Territorial Army 965

Ministerial responsibility
Civil service 349w
Parliamentary procedure (06.07.87) 168

Ministerial speeches
Speaker's rulings & statements (10.07.87) 672

Ministerial statements (09.07.87) 528-38
Prison overcrowding (16.07.87) 1296-309
Speaker's rulings & statements (09.07.87) 527

Ministers
Pay 582-4w

Ministers' correspondence 37w
Conservative Central Office 37w, 655w
General Election 1987 37w, 655w

Ministers' domestic visits
News International 268w, 581w
North Wales 12
Peak Park Joint Planning Board 530w
Rhondda Valley 21w
School buildings 110w
Schools 563-4w
Wales 21w

Ministers of religion
Community charge 56w, 383w, 421-2w

Ministers' visits abroad
Defence 442-4w

Ministry of Agriculture Fisheries and Food 46-7w, 495w, 677-8w
Civil service manpower 495w
Small businesses 677-8w
Women 46-7w

Ministry of Defence 222w, 245-6w, 311-3w, 433w, 494w, 675-6w, 963-5
Advertising 675-6w
Civil service dispersal 963-4
Civil service manpower 199w, 312-3w
Harrogate 963
MINIS 964-5
Northern Ireland 963-4
Public relations 676w
Women 965
Woolwich 963

Missing persons
Police national computer 89w

Mitchell, Mr Austin
Debates etc
Finance Bill, 2R (08.07.87) 405-8
Finance Bill, Com (14.07.87) 986-90, 1002-3, 1015-8, (15.07.87) 1188
Questions
Cabinet Committees, Disclosure of information 205-6w
Contract cleaning, NHS 261-2w
Economic League, Inquiries 366w
Economic summit conferences, Unemployment 206w
Land reclamation, Radioactive waste disposal 161w
Nuclear submarines, Radioactive waste disposal 247w
Nurses, Privatisation 261w
Police, Disclosure of information 365w
Prime Minister visits abroad, Economic summit conferences 206w
Radioactive waste disposal, Contracts 222w
Radioactive waste disposal, Costs 221-2w

Mitchell, Mr David, *Minister of State for Transport*
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 472, 483-5
Channel Tunnel Bill 1985/86 (08.07.87) 472-86
Lighthouses (13.07.87) 887-94
Questions
Allison, Neil, Members' correspondence 330w
British Rail, Derelict land 14w, 416w
British Rail, Investment 65w
British Rail, Passengers 65-6w
British Rail, Privatisation 594w
British Rail, Public service obligation grant 671w
British Rail, Railway accidents 14w
British Rail, Railway timetables 14w, 139w
British Rail, Railway transport 672w
British Rail Engineering, Crewe 417w
Bus services, Roads 322-3w
Channel ferries, Shipping accidents 15w, 330-1w
Channel tunnel, Mobility of disabled 17w
Docklands Light Railway, Thamesmead 271w
Federation of Professional Railway Staff, Trade union recognition 15w
Light dues 200-2w
Manchester airport, Railway network 66w, 272w
Railway network 329w
Railway network, Bradford 203w
Railway network, Burscough 329w
Railway network, Scotland 203w
Railway sidings, Government grants 202w
Railway timetables, Statistics 416w
Shipping 18w
Shipping registration 593w
South Wales, Railway transport 17w
Taxis, Licensing 66w

Moate, Mr Roger
Debates etc
Dartford-Thurrock Crossing Bill, 2R (09.07.87) 582, 604-6

Mobility of disabled
Channel tunnel 17w

Mock Auctions Act 1961 651w
Questions
Prosecutions 651-2w

MOD see Ministry of Defence

Molyneaux, Rt Hon James
Debates etc
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 202, 204, 207, 222, 250-3
Questions
Business statement 1286

Monklands
Unemployment 441-2w

Monopolies & Mergers Commission (06.07.87) 17-74, 269-70w, 319-21w, 653w, 1279-80
Administrative costs 319w
Public appointments 320w
Today newspaper 269-70w

Monro, Sir Hector
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 468
Questions
A74, Road works 194-6w
Fishery protection, Scotland 99w
Sheep, Scotland 97-8w
Sheep premiums, Scotland 572w

Moonie, Dr Lewis
Debates etc
Maiden speech (16.07.87) 1363-6
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1363-6
Questions
Board & lodging charges, Residential care 507w
Common Services Agency, Construction 465w
Community care, Scotland 465w
Community charge 1126
Computers in National Health Service, Scotland 465w
Elderly, Scotland 465-6w
Leukaemia, Scotland 498w
Primary health care, Scotland 245w
Psychiatry, Scotland 465w
Scottish health boards, Health services finance 397w
Supplementary benefits, Old people's homes 462w

Moore, Rt Hon John, *Secretary of State for Social Services*
Questions
Advertising, Dept of Health & Social Security 667w
Civil service manpower, Dept of Health & Social Security 308w
Dept of Health & Social Security, Small businesses 453w
Public relations, Dept of Health & Social Security 667w
Regional health authorities, Public appointments 457-8w

Morgan, Mr Rhodri
Debates etc
Finance Bill, 2R (08.07.87) 381-6
Maiden speech (16.07.87) 1363-6
Questions
Arts finance, Cardiff 356w
Hospital waiting lists, Wales 16
Manufactured goods, Balance of trade 171w
University College Cardiff 179

Morley, Mr Elliot
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 137-9
Maiden speech (06.07.87) 137-9
Questions
Manufactured goods, Balance of trade 171w
Water authorities, Privatisation 530w

Morocco
Arms exports 440w, 494w
European Communities 429w
Fishery agreements 679w
State visits 334w
Western Sahara 415w

Morris, Rt Hon Alfred
Questions
Channel tunnel, Mobility of disabled 17w
Disabled Persons (Services Consultation & Representation) Act 1986 116-7w
Handicapped, International conferences 117-8w
Handicapped, Local government expenditure 117-8w
Handicapped, United Nations 117w
Handicapped, Voluntary organisations 116w
Housing & handicapped 116w
Manchester Airport, Railway network 66w, 77w, 181w
"Paying for Local Government Consultation Paper", Cooperative Union 558w
Public sector housing, Housing & Handicapped 133w

Morris, Rt Hon John
Debates etc
Cruelty to children, Cleveland (09.07.87) 531
Oral questions, Welsh Office (06.07.87) 18
Wright, Peter, Standing Order No 20 applications (13.07.87) 705
Questions
Prison sentences 145w
Unemployment, Wales 5

Morris, Mr Michael
Debates etc
Finance Bill, Com (16.07.87) 1318-9
Questions
Interest rates 507
Local government staff, Personal records 226w

Morrison, Mr Charles
Questions
Fish diseases, Scotland 570w

Morrison, Mr Peter, *Minister of State for Energy*
Questions
British Gas Corporation 339w
Combined heat & power 336w
Combined Heat & Power Association 336w
Energy efficiency 338w
Energy efficiency, Buildings 690-1
Energy efficiency, Conferences 690
Energy efficiency, London Docklands 691
Gas disconnections, Wales 648w
Gas tariffs, Discounts 336w
North Sea oil, Oil industry 337w
North Sea oil, Petroleum production 337w
Offshore Energy Technology Board 338w
Offshore suppliers, Contracts 692
Offshore suppliers, Exports 693-4
Petroleum exploration licences 338w
Petroleum production 692
Petroleum production, Employment 691

Mortgage relief 446w
Cohabitation 19w
Tax allowances 19w
Tax yields 19w

Mortgages
Repossession orders 649w
Supplementary benefits 457w
Wales 649w

Motor components industry 180w

Motor industry 180w
Manufacturing industries 344-5

Motor neurone disease 39w
Research finance 39w

Motor Neurone Disease Association 39w
Government grants 39w

Motor vehicle testing
Secondhand cars 204-5w

Motor vehicle theft
Police national computer 88-90w

Motorcycles
Crash helmets 17w

Motorway service areas
Crime 271-2w
M25 203w
Midland link motorways 16w

Motorways
Roads 202w
Speed limits 672w
Vandalism 15w

Mowlem, Miss Marjorie
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 560-2
Cruelty to children, Cleveland (09.07.87) 536
Maiden speech (09.07.87) 560-2
Urban development corporations (15.07.87) 1241, 1254
Questions
Northern Regional Arts Association, Arts finance 358w

Moynihan, Mr Colin, *Under-Secretary of State for the Environment (Sport)*
Questions
Acid rain, Air pollution control 557-8w
Alternative Land use in the Rural Environment, Finance 555w
Beaches, Pollution control 420w
Beaches, Sea pollution 532-3w
Bees, Pest control 527w
Boxing, Licensing 573-4w
Conifers, Acid rain 557w
Council for Small Industries in Rural Areas, Development Commission 554w
Council for Small Industries in Rural Areas, Manpower 554-5w
Cricket 532w
Cricket, South Africa 292w
Dog wardens, Local authorities 51w
Football, European Court of Justice 134w
Football Association 530w
Hazardous wastes, Waste disposal 529w
Land reclamation, Radioactive waste disposal 161w
Lead free petrol, Merseyside 392w
Lead plumbing 530w, 1123
Lead plumbing, Health hazards 1122-3
Listed buildings, Colne Valley 133w
Olympic Games 293w
Parrots, Nature conservation 224w, 294w
Playgrounds, Safety 535w
Polychlorinated biphenyls 534w
Property development, Birmingham City Council 161w
Public footpaths 531-2w
Radioactive waste disposal 52w
Radioactive waste disposal, Coastal areas 388w
Radioactive waste disposal, Contracts 222w
Radioactive waste disposal, Costs 221-2w
Radon gas, Housing construction 160-1w
River pollution, Sewage 133-4w
Rural development areas, Government grants 293w
Sea pollution, EC law 556w
South West Water Authority, Privatisation 556-7w, 669-70w
Sports, Drug abuse 527w, 1123-4
Sports, Publicity 528w
Turtle products, Cayman Islands 670-1w
Water, Licensing 1115-6
Water authorities, Members' correspondence 1116
Water authorities, Privatisation 529-30w, 558-60w, 1115-6
Water charges 391w
Water pollution 560w
Water pollution, Compensation 556w
Water pollution, EC law 559-60w
Water pollution, Pollution control 670w
Water resources, Birmingham 293w
Water supply 391w
Water supply, Government grants 558w
Water supply, Water pollution 130-1w
Water supply industry, Environment protection 292w
Water supply industry, Privatisation 293w
World Student Games, Sheffield 523w

MRC see Medical Research Council

MSC
Employment schemes 441w

MSC see Manpower Services Commission

Mullin, Mr Chris
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 574-6
Parliamentary broadcasting (16.07.87) 1312
Questions
Bombings, Birmingham 1261-2
Ravensbourne College, Fees & charges 37w
Student grants, Fees & Charges 655w

Murdoch, Rupert (06.07.87) 17-74, 268w, 580-1w
Official engagements 268w

Murphy, Mr Paul
Questions
Hazardous wastes, Waste disposal 529w
Panteg Hospital 218w
Public appointments, Wales 214w
Re-Chem, Hazardous wastes 6

Museums & galleries 354w
Bradford 223w
Expenditure 567-8w
Government grants 257-8w
Marketing 357w
Objects in lieu of tax 699
Voluntary work 445w
Wales 567-8w
Yorkshire & Humberside 257-8w

Musselburgh bypass 194w

Myalgic encephalomyelitis 375w
Diagnosis 375w
Invalidity benefits 375w

Myalgic Encephalomyelitis Association 375w

Nairac, Robert (07.07.87) 198-263, 513
Neave, Airey 512-3

Namibia
Uranium 648w

National Aids Trust
Finance 515w
Public appointments 515w

National Assistance Act 1948
Questions
117w

National Australia Bank 320-1w, 446w, 648-9w, 653w, 675w
Clydesdale Bank 446w, 675w
Takeovers 320-1w, 648-9w, 653w

National Book Committee 353w

National Coal Board see British Coal Corporation

National Confederation of Parent Teacher Associations 110w

National Economic Development Council 175w, 445w

National Economic Development Office see National Economic Development Council

National finance see Treasury

National Foundation for Conductive Education 45w

National Gallery 358w
Construction 358w

National income
Overseas aid 75w
Public expenditure 252w
Research finance 579-80w

National Library of Wales 568w
Expenditure 568w

National Museum of Wales 568w
Expenditure 568w
Government grants 289-90w

National parks
Low flying 60w

National Provident Institution Bill (HL) 1986/87
Debates etc
2R* (07.07.87) 175

National Rivers Authority 577-8w

National security
West, Nigel 276w
Wright, Peter 285w, 333w, 483-4w, 970-4

National Trust 515w

NATO 61w, 157-8w, 246-7w, 343w, 432w, 434-5w, 596w, 634w, (13.07.87) 835-54, 958-9
Armed forces strength 157-8w
Chemical weapons 596w
Defence 434-5w
Nuclear weapons 343w
USA 434-5w
Warsaw Pact 966

Natural gas production
Employment 691

Naturalisation
Elderly 305w
Exservicemen 49w, 305w
Fees & charges 49w, 305w

Nature Conservancy Council 34-5w, 571-2w
Forestry Commission 34w
Tree planting 34-5w

Nature conservation
Bees 670w
Parrots 224w, 294w

Naval bases
Defence contracts 248w
Trident 248w

Navy
Destroyers 437-40w
Frigates 437-40w
Fuels 434w

NCB see British Coal Corporation

Neave, Airey (07.07.87) 198-263, 512-3
Nairac, Robert 512-3

NEDC see National Economic Development Council

NEDO see National Economic Development Office

Needham, Mr Richard, *Under-Secretary of State for Northern Ireland*
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1060-6, 1084-6
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1089-92, 1101-4
Questions
Beaches, Northern Ireland 425w
Beaches, Orlock 425-6w
Cancer, Northern Ireland 426w
Fires, Shopping centres 426w
Floods, Newtownbredas road 638w
Hospital waiting lists, North Down 425w
Hospital waiting lists, Northern Ireland 425w
Licensing laws, Northern Ireland 5w
Northern Ireland Housing Executive, Central heating 424w
Northern Ireland Housing Executive, Public sector housing sales 423-4w
Northern Ireland Housing Executive, Repairs & maintenance 425w
Ports, Warrenpoint 427w
Retirement pensions, Northern Ireland 426w
South Tyrone Hospital, Hospital waiting lists 680w
Unemployment benefits, Northern Ireland 426w
Water charges, Northern Ireland 427-8w
Water supply, Northern Ireland 428w

Negligence
Aboul-Hosn, Samir 970

Neighbourhood nursing
Community nurses 368w

Neighbourhood watch schemes 610w

Nellist, Mr Dave
Debates etc
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 308-10
Questions
Conductive education, Finance 45w
Council housing, Housing standards 577w
Prime Minister, Members' pay 1276
Privatisation, Civil service manpower 180w
Schools, Coventry 104w
South Africa, Trade union membership 12-3w
Tamils, Entry clearances 604w

Net Book Agreement 481-2w

Neurosurgery 121w
Hospital beds 121w

Neutron bomb
Armed forces training 58w
France 634w
Military exercises 58w

Neville, Adam 186

New Parliamentary building
Construction 391w

New towns development corporations
Public sector assets 388w
Public sector housing 387-8w

Newbury bypass 204w
Public inquiries 204w

Newham
Dept of Health & Social Security local offices 38-9w

News International (06.07.87) 17-74, 268-9w, 581w
Ministers' domestic visits 268w, 581w

News on Sunday 528w

Newspaper press (06.07.87) 17-74, (07.07.87) 193

Newton, Mr Tony, *Minister of State for Health*
Debates etc
Cruelty to children (09.07.87) 528-38
Questions
Abortion 165-6w, 264-6w
Abortion, Northern Ireland 372w
Agency nurses, NHS finance 627w
AIDS 121w, 627w
AIDS, Contraceptives 627w
AIDS, Death 119-20w
AIDS, Drug abuse 515-6w
AIDS, Drugs 119-20w, 516w
AIDS, EC action 516w
AIDS, Health education 627w
AIDS, Medical research 458w
AIDS, Screening 373-4w
AIDS, Statistics 370-1w
Child minding, Exhibitions 521w
Contraceptives, Young people 39w
Contract cleaning, NHS 261-2w
Dentistry, AIDS 370w
Drug hazards, Labelling 259w
Drugs, Clinical trials 258w
Drugs, NHS 258-60w
Drugs, Prices 258w
Family practitioner committees, Manchester 375-6w
Health service ancillary staff, East Cumbria 162w
Health Service Commissioner, Annual reports 458w
Health service staff, London allowance 162w
Health service staff, Nottingham 664-5w
Hip replacements, Leicester 449w
Hospital consultants, NHS & private practice 373w
Hospital waiting lists 310w, 516-20w
Hospital waiting lists, Barnet Health Authority 665w
Hospital waiting lists, Hip replacements 368w
Hospital waiting lists, Mid Essex Health Authority 516w
Junior hospital doctors, Working hours 263-4w
Kidney patients, Leeds 666-7w
Medical equipment, Pensioners 664w
Medical equipment, Prescription charges exemptions 664w
Midwives, Manpower 506w
National Aids Trust, Public appointments 515w
Neighbourhood Nursing, Community nurses 368w
NHS, Annual reports 378w
NHS, Competition 628w
NHS, Expenditure 162w

NHS, Manpower 378-9w
NHS, Privatisation 456w
NHS, Scientists 447w
NHS administration 455w
NHS finance 374w
NHS finance, Pay settlements 630-1w
NHS finance, Population 462-4w
NHS finance, Population studies 374-5w
NHS finance, Telephone charges 376-7w
Nobrium, Limited list prescribing 376w
Nottingham Health Authority, Agency nurses 628w
Nottingham Health Authority, Competition 628w
Nottingham Hospital, Competition 628-9w
Nurses, Intensive care 112w
Nurses, Pay 265w, 626w
Nurses, Privatisation 261w
Nurses, Recruitment 626w
Nurses, Whipp's Cross Hospital 113w
Nurses' training, Expenditure 169w
Opren, Drug side effects 260w
Opren, Licensing 260w
Pharmacists, Billing 378w
Pharmacists, NHS 632-3w
Primary health care 262w
Residential Care Finance Working Party 372w
Speech therapists, Vacancies 372w
Speech therapy, Durham 667w
Trent Regional Health Authority, NHS finance 516w

Newtownbreda Road
Floods 638w

NHS
Annual reports 378w
Competition 628w
Contract cleaning 261-2w
Drugs 258-60w
Eli Lilley 258-9w
Expenditure 162w
Food hygiene 521-2w
Manpower 378-9w
Obstetrics 662-3w
Pharmacists 632-3w
Privatisation 456w
Scientists 447w

NHS administration 455w

NHS & private practice
District health authorities 619-22w
Fees & charges 373w
Hospital consultants 373w

NHS charges exemption
Low incomes 114w

NHS finance 46w, 374w
Agency nurses 627w
AIDS 516w
British Telecom 376-7w
Community care 465w
Crown immunity 521-2w
Gwynedd Health Authority 971-2
Medical education 176
Mid Glamorgan Health Authority 11
Pay settlements 630-1w
Population 462-4w
Population studies 374-5w
Tay-Sachs disease 114w
Telephone charges 376-7w
Trent Regional Health Authority 516w
Wales 971-2

NI Office see Northern Ireland Office

Nicaragua
Export credit guarantees 338
Foreign policy 289w
Overseas trade 338

Nicholls, Mr Patrick, Under-Secretary of State for Employment
Questions
Conditions of employment 199w
Conditions of employment, Parents 345-6w
Employment, EC action 590-1w
Industrial accidents, Manufacturing industries 641-2w
Job splitting scheme, Small businesses 200w
Maternity leave, Small businesses 198w
Parental leave, EC law 198w
Part time employment, Small businesses 199w
Wages Inspectorate, Civil service manpower 9w
Wages Inspectorate, Manpower 288w
Wages Inspectorate, Prosecutions 9w, 199w
Women, Part-time employment 345w
Women, Youth training scheme 345w
Women's employment, Managers 590w

Nicholson, Mr David
Questions
VAT, Company registration 254w

Nicholson, Miss Emma
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 557-60
Maiden speech (09.07.87) 557-60
Questions
Industrial production 256w

Nigeria
Visas 298w

No strike agreements
Professional Association of Teachers 969-70
Teachers 974

Nobrium
Limited list prescribing 376w

Noise
Chelmsford bypass 492w

Noise control
Aircraft noise 491-2w
Goods vehicles 491w

Non-domestic rates 53w, 526w
Business premises 190w
Local authorities 129w
Local government revenue 129w, 158w, 190w, 421w
Scotland 190w
Teeside 341

Non-governmental organisations 3-4w, 600w
Development aid 600w
Government grants 3-4w

Norfolk
Police 607w

Normanton
Housing associations 294w, 423w

North Atlantic Treaty Organisation see NATO

North Circular road 327-8w
Public inquiries 327w
Road traffic 327-8w

North Devon 170w
Assisted areas 170w

North Down 425w, 680w
Hospital waiting lists 425w
Pupil-teacher ratios 680w

North East region 420w, 509
Regional development grants 420w
Shipping 964

North East Wales Institute of Higher Education 26w
Teacher training 26w

North Korea 11w
Diplomatic relations 11-2w
Entry clearances 48w
Visas 48w

North Sea oil
Oil industry 337w
Oil revenues 275w
Petroleum production 337w

North Wales 12, 218-9w
Foreign investment in UK 12
Ministers' domestic visits 12
Sheep 218-9w

North West Arts Association 352w

North West region
Arts finance 352w
Consolidated Fund debates (13.07.87) 923-44
Inner cities initiative 179w
Regional development grants 178w
Road accidents 201w
Unemployment 1274

Northern Arts 358w

Northern Ireland
Abortion 372w
Action for Community Employment 489-91w
Anglo-Irish Agreement 190
Beaches 425w
Cancer 426w
Community charge 189
Education 98-9w
Electricity supply (07.07.87) 301-15
Employment schemes 487-8w
Equal opportunities 488-9w
Fisheries 487w
Hospital waiting lists 425w
Insurance 415w
Juries (07.07.87) 316-27
Licensing Laws 5w
Ministry of Defence 963-4
Public expenditure (07.07.87) 264-300
Retirement pensions 426w
School choice 680w
Teachers 487w
Television licences 209-10w
Terrorism 1277
Unemployment 213-4w
Unemployment benefits 426w
Water charges 427-8w
Water supply 428w
Youth unemployment 213w, 487w

Northern Ireland Act 1974 (Interim Period Extension) Order 1987
Debates etc
(07.07.87) 198-263

Northern Ireland Electricity (07.07.87) 301-15

Northern Ireland government (07.07.87) 198-263

Northern Ireland Housing Executive 423-5w, 643-4w
Central heating 424w
Ex-servicemen 643-4w
Public sector housing sales 423-4w
Repairs & maintenance 425w

Northern Ireland Office 148w, 486-7w
Civil service manpower 486-7w
Expenditure 486-7w
Women 148w

Northern region 341, 353w
Arts finance 353w
Government assistance to industry 172w
Industries 173w
Regional development grants 177w

Northern Regional Arts Association 358w
Arts finance 358w

Norwich
Hospitals 629-30w

Nottingham
Beechdale Engineering 576w
Community charge 50-1w
Health service staff 664-5w
Hospital closures 628w
Housing investment programmes 148-9w
Inner area programmes 574-5w
Land registration 476w
Rate support grants 575-6w

Nottingham Health Authority 628w
Agency nurses 628w
Competition 628w

Nottingham Hospital 628-9w
Competition 628-9w

Nuclear accidents
Armed forces training 1133-41
France 339w

Sellafield 188

Nuclear disarmament
Consolidated Fund debates (13.07.87) 835-54

Nuclear Energy Agency 647w
Nuclear safety 647w

Nuclear fuels
Torness power station 401w
Trawsfyndd power station 286-7w

Nuclear Installations Inspectorate 188, 401w, 411-2w, 443-4w, 598w, 646-7w
Civil service manpower 188, 411-2w
International Atomic Energy Agency 646-7w
Manpower 443-4w
Pay 443w
Recruitment 443w
Sellafield 444w

Nuclear power stations
Employment 694
Nuclear safety 287w
Safety 694

Nuclear reactors 338w

Nuclear safety
Gas-cooled reactors 153w
Hinckley Point B 598w
Nuclear Energy Agency 647w
Nuclear power stations 287w
Privatisation 690, 694
Uranium 647-8w

Nuclear submarines 247w
Radioactive waste disposal 247w

Nuclear weapons 343w
Armed forces training 1136
Arms control treaties 58w, 343w, 430w
Defence 246-7w
NATO 343w

Nuclear weapons deployment
Arms control treaties 634w
USA 676w

Nuclear weapons policy
Arms control treaties 436w

Nursery schools
Pre-school education 154-5w, 278w

Nurses
Berkshire 265w
Intensive care 112w
Manpower 112w
Pay 265w, 626w
Privatisation 261w
Psychiatry 497w
Recruitment 626w
Resignations 31w, 113w
Scotland 31w
Whipp's Cross Hospital 113w

Nurses' training 151w
Expenditure 169w
Scotland 194w

OAL see Office of Arts & Libraries

Objects in lieu of tax 248-50w
Finance 699
Museums & galleries 699

O'Brien, Mr William
Questions
A1-M1 link, Research 272w
Housing associations, Normanton 294w, 423w
Rates & rating, West Yorkshire 526w
Urban programme, West Yorkshire 1129

Obscene Publications Act 1959
Questions
Broadcasting 607w

Obscenity
Broadcasting 607w

Obstetrics
Liverpool 309w
NHS 662-3w
Women 662-3w

Occupational pensions
Tax yields 351w

Occupational Pensions Board (14.07.87) 980-1059

Occupational therapists
Mentally ill 394w
Scotland 394w, 497-8w

ODA see Overseas Development Administration

OECD countries
Poll taxes 386w

Off-licences
Licensing laws 95-6w

Offensive weapons
Crime 145w
Mail order selling 606w
Martial arts 605-6w
Punishment 89-90w
Retail trade 145w, 605-6w, 1266
Young people 605w, 1265

Office equipment
Members' facilities 582w

Office of Arts & Libraries 20w
Women 20w

Office of Fair Trading 481-2w, 486w
Administrative delays 486w

Office of Telecommunications 76w
Consumer protection 350-1

Offices
Quality Assurance Directorate 62w

Official cars
Vanuatu 87w

Official engagements
Murdoch, Rupert 268w

Official hospitality 223w
Dept of the Environment 223w
Prime Minister 660w
Turtle products 660w

Official stationery 14
House of Commons 14

Offshore Energy Technology Board 338w

Offshore suppliers
Contracts 692
Exports 693-4
Scotland 693

OFT see Office of Fair Trading

OFTEL see Office of Telecommunications

Ogwr
Health service staff 413w

Oil companies
Income 252w

Oil industry
North Sea oil 337w

Oil prices
Economic growth 253w

Oil revenues
North Sea oil 275w

Old people's homes
Community charge 414w, 421w
Local government revenue 422w
Rates & rating 422w
Supplementary benefits 462w

Olympic Games 293w

O'Neill, Mr Martin J
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 451-5, 460, 471
Nuclear disarmament (13.07.87) 842, 850-2
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1359-62
Today newspaper (06.07.87) 43-5
Questions
Chemical weapons, NATO 596w
Military exercises, Radioactivity 1139
Porton Down, Armed forces 595-6w
Type 23 frigates, Antiaircraft missiles 968

Onslow, Mr Cranley
Questions
Business statement 816-7
Common agricultural policy, Costs 189

Open questions
Speaker's rulings & statements (06.07.87) 11-2

Opencast mining
Planning appeals 128-30w

Opera 357w

Operating costs
Balderton Hospital 625w

Ophthalmic services
Family practitioner committees 375-6w

Oppenheim, Mr Phillip
Debates etc
Finance Bill, 2R (08.07.87) 429-31
Questions
Economic recession, Hattersley, Roy 972
Manufacturing industries, Balance of trade 343-4
Privatisation 504-5

Opposition
House of Commons whips 513

Opren
Death 260w
Drug side effects 260w
Licensing 260w

Oral questions
Speaker's rulings & statements (06.07.87) 17-8, (08.07.87) 335, 353, (13.07.87) 689, (15.07.87) 1128, (16.07.87) 1270

Orange badge scheme 204w
Handicapped drivers 204w

Orders & regulations
Coal Industry Act 1987 598-9w
Coal mining 335w
Computer privacy 88w
Local authorities 53-4w
Midland link motorways 16w
Security industry 657-8w
Speaker's rulings & statements (08.07.87) 354

Organ donors 262-3w

Origin marking
Consumer protection 270w
South Africa 14

Orlock
Beaches 425-6w

Orme, Rt Hon Stanley
Questions
British Coal Corporation 334w
Electricity supply industry, Privatistion 690

Out-patients
Hospital waiting lists 340w
Wales 340w

Outer London boroughs
Assured tenancies 136-7w

Overhead costs
Business 178w

Overseas aid
Ethiopia 602w
Housing 602w
Maps 601-2w
National income 75w
Pest control 602w
Women 285-6w

Overseas Development Administration 151-2w, 599w, 601w
Civil service manpower 601w
Departmental publications 599w
Disclosure of information 151-2w
Women 601w

Overseas investment 255w
Developing countries 75w

Private sector 81w
Public sector assets 81w

Overseas students
Educational finance 177
European communities 177

Overseas trade
Fertilisers 482w
Japan 173w, 340
Nicaragua 338
Saudi Arabia 347
Textiles 581w

Owen, Rt Hon David
Debates etc
Wright, Peter, Standing Order No 20 applications (13.07.87) 709
Questions
Arms control treaties 966
Firearms certificates 511-2

Ownership
Loch Ness 273w
Mackinnon's Knitwear 36w

PAC see Public Accounts Committee

Page, Mr Richard
Questions
Aid financed trade 349
AIDS, Disease control 604w
Coal mining, Employment opportunities 692
Election forecasting 971

Paisley, Rev Ian
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 286, 298
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 301
Licensing (Northern Ireland) Order 1987 (14.07.87) 1067-71, 1086
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 207, 211-5, 240, 257
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1094, 1098-103

Palace of Westminster
Furniture 158w
Property Services Agency 158w

Palestine Liberation Organisation
Israel 475w
Violence 477w

Panteg Hospital 218w

Parental contributions
Student grants 393w

Parental leave
EC law 198w

Parents
Conditions of employment 345-6w

Parish councils
Community charge 295w, 381-2w
Rate limitation 531w
Town & country planning 51w

Parkfields School 111w
School closures 111w

Parkhurst Prison 142-3w
Repairs & maintenance 142-3w

Parkinson, Rt Hon Cecil, Secretary of State for Energy
Questions
Advertising, Dept of Energy 647w
British Coal Corporation 334-5w
British Nuclear Fuels, Buy British 695
Central Electricity Generating Board 336-7w
Civil service manpower, Ministry of Defence 199w
Coal mining, Industrial relations 697
Coal mining, Termination of employment 697
Dept of Energy, Privatisation 338w
Electricity supply industry 337w
Electricity supply industry, Privatisation 21w, 337w, 411w, 481w, 688-90
Energy prices 286w
"Energy Select Committee on Hinkley Point A" 412w
Gas-cooled reactors, Nuclear safety 153w
Nuclear Installations Inspectorate, Civil service manpower 411-2w
Nuclear power stations, Employment 694
Nuclear power stations, Safety 694
Public relations, Dept of Energy 647w
Sizewell B, Procurement 695
Small businesses, Dept of Energy 412-3w

Parliamentary broadcasting
Speaker's rulings & statements (16.07.87) 1312

Parliamentary building maintenance & repair
Tenders 220w

Parliamentary constituencies
Boundary Commission for England 96w
Electorate 449-53w

Parliamentary Contributory Pension Fund (14.07.87) 1106

Parliamentary privilege
Members' speeches 510

Parliamentary procedure
Ministerial responsibility (06.07.87) 168

Parrots
Nature conservation 224w, 294w

Parry, Mr Robert
Questions
Acute beds, Liverpool 379-80w
Albania, Diplomatic relations 146w
Cervical cancer, Liverpool 121w
Compensation, Road accidents 608w
Diplomatic relations 207w
Free ports 350w
Heathrow, Duty free shops 15w
Hospital beds, Liverpool 309w, 633w
Hospital beds, Walton Hospital 121w
Hospitals, Liverpool 309w
Indonesia, Foreign policy 147w
Kerb crawling, Law enforcement 95w
Kerb crawling, Liverpool 95w
Libyan Arab Republic, Diplomatic relations 146w
Liverpool free port, Employment opportunities 350w
Medical equipment, Brain 121w
Military exercises, Radioactivity 1134-5
North Korea, Diplomatic relations 11-2w
Obstetrics, Liverpool 309w
Political refugees, Iran 144w
Prime Minister official engagements 101-2w, 206w
Road accidents, Merseyside 141w
South Korea 11w
Spain, Crimes of violence 332-3w
Spain, Death 333w
Unemployment, Northern Ireland 213-4w
Unemployment, Scotland 193w
VAT, Clothing 500-1
Vietnam, Foreign policy 146w
Visas, North Korea 48w
Youth unemployment, Northern Ireland 213w
Youth unemployment, Scotland 193w

Part-time education 107w
Student loans 177

Part-time employment
Small businesses 199w
Women 345w

Passengers
British Rail 65-6w
Gatwick 671w
Light aircraft 417w

Passport Office 90-4w
Passports 90-4w

Passports
Passport Office 90-4w

Patchett, Mr Terry
Questions
Cervical cancer, Screening 380-1w

Patel, Chacadben 208w
Members' correspondence 208w

Patnick, Mr Irvine
Debates etc
Maiden speech (17.07.87) 1400-3, 1435
Public order policing (17.07.87) 1400-3, 1435
Questions
Crime 1265-6

Patten, Mr Chris, Minister of State for Overseas Development
Questions
Aid financed trade, Bilateral aid 71w
Aid financed trade, Contracts 71-4w
Catholic Fund for Overseas Development, AIDS 12w
Crime 1268-9
Development, Women 599w
Development aid, Women 70w, 599-601w
International Planned Parenthood Federation, AIDS 12w
Overseas aid, Ethiopia 602w
Overseas aid, Housing 602w
Overseas aid, Maps 601-2w
Overseas aid, National income 75w
Overseas aid, Women 285-6w
Overseas Development Administration, Disclosure of information 151-2w
Overseas Development Administration, Women 601w
Technical assistance, Women 601w
Voluntary organisations, AIDS 12w

Patten Committee see Crime Prevention Ministerial Group

Patten, Mr John, Minister of State at the Home Office
Questions
AIDS, Disease control 604w
Alcoholism & crime 1268
Ashford Remand Centre, Prison visits 656-7w
Brown, Simon, Prisoners' transfers 565w
Compensation, Road accidents 608w
Crime 611-2w, 1265-8
Crime, Bristol 607w
Crime, Firearms 613w
Crime, USA 610-1w
Crime prevention 212w, 605w, 1268-9
Crime prevention, Government grants 213w
Crime prevention, Inner city areas 411w
Crime prevention, Insurance companies 607w
Crime prevention, Wales 212-3w
Dogs, Prosecutions 208w
Drinking & driving, Convictions 303w
Driving offences, Sentencing 364w
Drug crimes, Malaysia 472w
Hickey, Michael, Inquiries 615w
Homicide, Alcoholism & crime 360-1w
Kerb crawling, Law enforcement 95w
Kerb crawling, Liverpool 95w
Magistrates courts, Income 360w
Neighbourhood watch schemes 610w
Offensive weapons, Retail trade 1266
Parkhurst Prison, Repairs & maintenance 142-3w
Police cells, Prisoners 364-5w
Police cells, Prisoners on remand 365w
Police custody, Inquiries 605w
Police detention, Prisoners' rights 408w
Prison discipline, Legal representation 209w
Prison overcrowding 303w
Prison population 303w, 366w, 605w
Prison population, Council of Europe 469w
Prison population, Prisoners on remand 469w
Prison sentences 145w
Prison staff, Housing 49-50w
Prison staff, Women's prisons 209w
Prisoners, AIDS 603-4w
Prisoners, Babies 609w
Prisoners on remand 304w, 366w
Prisoners on remand, Women 304w
Prisons, Bicester 609w

Probation & aftercare, Hostels 410w
Remand centres, Prison overcrowding 410w
Remand in custody, Administrative delays 304w
Remand in custody, Police cells 408-10w
Sentencing, Insider trading 50w
Street crime 1266
Violence, Public houses 1266
Women, Home Office 47-8w, 306-7w
Youth custody, Feltham 410-1w

Pattie, Rt Hon Sir Geoffrey
Questions
International Digital Communications, Mergers 319-20w

Pawsey, Mr J F
Questions
Allison, Neil, Members' correspondence 330w
British Rail, Derelict land 14w, 416w
British Rail, Investment 65w
British Rail, Passengers 65-6w
British Rail, Railway accidents 14w
British Rail, Railway timetables 14w, 139w
Community charge, Parish councils 295w, 381-2w
Educational finance 182
Geology, Surveying 156w
Motorways, Vandalism 15w
Non-governmental organisations, Government grants 3-4w
Parish Councils, Town & country planning 51w
Railway timetables, Statistics 416w
School admission 220w
Secondary education, Educational finance 104w

Pay
Charitable donations 358w
Civil servants 156-7w, 645w
Clergy 10
House of Commons staff 145w
Ministers 582-4w
Nuclear Installations Inspectorate 443w
Nurses 265w, 626w
Prime Minister 4w
Retirement pensions 169w
Scientists 447w
Teachers 182
Urban development corporations 132-3w

Pay incentives
Profit sharing 1276

Pay settlement
Teachers 108w

Pay settlements
NHS finance 630-1w
Public sector employment 659w
Rate support grants 151w
Teachers 107-8w, 151w

Pay television 1271

"Paying for Local Government Consultation Paper" 558w
Cooperative Union 558w

Peace Convoy (09.07.87) 614-20
St Mary Cray (09.07.87) 614-20

Peace keeping operations
Lebanon 282w

Peace negotiations
Cyprus 206-7w
El Salvador 636w
Middle East 477w
Western Sahara 334w, 429-30w

Peacock, Mrs Elizabeth
Debates etc
Cruelty to children, Cleveland (09.07.87) 532
Manufacturing industries, Competitiveness (10.07.87) 635-8
Questions
Cervical cancer, Screening 167w
Contracts, Gazumping 142w
GCE A level, Curriculum 156w
Immigration appeals, Batley 143w
Privatisation, Shareholders 275w
Shareholders, Privatisation 157w
Woollen industry, Yorkshire 473w

Peacock Committee see BBC Advertising & Sponsorship Review

Peak Park Joint Planning Board
Ministers' domestic visits 530w

Pedestrian crossings
Blind 325w

Pembury bypass 16w
Road construction 16w

Pendle
Unemployment benefits 641w

Pendry, Mr Tom
Questions
Cricket, South Africa 292w
Football, European Court of Justice 134w
Football Association 530w
Water supply industry, Environment protection 292w

Pension funds
Investment 138w
Local authorities 138w
Local government pensions 528w

Pensioners
Concessionary television licences 210w, 1271-2
EC countries 121-2w
Medical equipment 664w
Personal income 447-8w, 668w
Scotland 632w
Supplementary benefits 120w, 632w
Television licences 359w
Wales 640w

Pensions
Prime Minister 4w

Per capita costs
Housing 413-4w, 422w
Labour costs 256w

Peres, Shimon 475w, 477w

Performance indicators 412-3w, 453w, 455w, 470-1w, 477-8w, 592-3w, 634w, 677-8w

Performance related pay 701-2
Civil service 701-3

Permanent education
Scotland 399-400w

Personal income
Married men 256w
Pensioners 447-8w, 668w
Scotland 350-1w
Wales 350-1w

Personal injury
Legal costs 142w
Trials 142w

Personal records
Debts 347-8
Fees & charges 1273-4
Local government 468w
Local government staff 226w

Personal tax allowances
Married people 81w
Tax yields 79w

Personal taxation 253w
Tax burden 500
Tax yields 82w

Pest control
Bees 527w
Overseas aid 602w

Pesticides
Water pollution 391w

Pesticides safety precautions scheme 533-4w

Petroleum exploration licences 338w

Petroleum production 692
Employment 691
North Sea oil 337w

Pharmaceutical Qualifications (EEC Recognition) Order 1987
Debates etc
(07.07.87) 197, (15.07.87) 197

Pharmacists
Billing 378w
Compensation 632-3w
NHS 632-3w
VAT 378w

Phoenix Theatre Leicester 700-1
Arts finance 700-1

Photography
Government grants 699-700
Private investment 700

Piers 648w
Foula 648w

Pike, Mr Peter
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 623-4, 633, 638-42, 665
Questions
Average earnings, Men 441w
Business statement 1292
District health authorities, NHS & private practice 619-22w
Electoral register 302-3w
Electricity supply industry 337w
Income tax, Tax rates & bands 506
Inner area programmes 384w
Local government revenue, Council house sales 529w
Manufacturing industries, Balance of trade 172w, 343
Metropolitan Police, South Africa House 210-1w
NATO, Nuclear weapons 343w
Prime Minister official engagements 102w, 206w, 415-6w
Remand centres, Prison overcrowding 410w
Road accidents, North West region 201w
School buildings, Educational standards 276w
Unemployment benefits, Burnley 641w

Pit bulldogs 180w
Import controls 180w

Planning 557w
Hospitals 377w
Mental health services 508w

Planning appeals
Housing construction 291-2w
Opencast mining 128-30w
Wales 291-2w
Wokingham District Council 52w

Planning authorities
Urban development corporations 132w

Planning permission
Birtenshaw Farm (07.07.87) 328-34
Brixham 134-5w
Greenbelt 528-9w
Hays Wharf (10.07.87) 676-86
Holy Loch 395w
Housing construction 223-4w
Welsh Office 639w

Playgrounds
Safety 535w
Schools 411w

Plutonium
Disclosure of information 287w
Exports 57w, 634-5w
France 634-5w
Information 287w
USA 57w

Plymouth
Government assistance to industry 175w

Pneumocystis carinii pneumonia 370-1w

Poaching
Fish 190-1w, 289w, 296w
Scotland 190-1w
Wales 289w

Points of order (09.07.87) 539-42
Speaker's rulings & statements (06.07.87) 1-2, (09.07.87) 514, (14.07.87) 975-9, (15.07.87) 1139, (16.07.87) 1293

Polaris missiles 432w

Police
Disclosure of information 365w
Inner city areas (17.07.87) 1392-455
Manpower 604w, 607w, 614-8w
Norfolk 607w
Recruitment 606w
Video recordings 471w

Police & Criminal Evidence Act 1984 1272-3
Questions
144-5w, 1272
Police custody 144-5w

Police cells 304w, 364-5w, 408-10w, 565w
Police detention 408w
Prisoners 364-5w
Prisoners on remand 365w
Remand in custody 408-10w
Women 408w

Police Complaints Authority 96w
Public appointments 96w

Police custody
Inquiries 605w
Police & Criminal Evidence Act 1984 144-5w

Police detention 361w, 401-2w, 408w
Police cells 408w
Prisoners' rights 408w
Terrorism 361-2w, 401-2w

Police interrogation
Tape recorded evidence 359w

Police national computer
Missing persons 89w
Motor vehicle theft 88-90w
Police records 48w

Police pensions
Widows' benefits 1273

Police powers
Church buildings 211w

Police records
Police national computer 48w

Police right of search
BBC 360w, 402w

Police stations
Rural areas 606w

Police surgeons 95w, 606w
Manpower 95w, 606w
Women 606w

Polisario Front 334w, 429-30w

Political parties
Government departments 101w

Political prisoners
South Africa 12-3w

Political refugees
Immigration applications 298-300w
Iran 144w
Iraq 144w

Politics
Inner cities initiative 1w

Poll cards 28w
General Election 1987 28w
Scotland 28w

Poll taxes 386w, 509-10
OECD countries 386w

Pollutants 534w

Pollution control
Beaches 151w, 420w, 425w
Coalfired power stations 153-4w
Exhaust emissions 159-60w
Sewage 133-4w
Smoke & chimney gases 153-4w, 159w
Water pollution 670w

Pollution monitoring
Radioactivity 341w

Polychlorinate biphenyls 534w

Polytechnics 186
Educational administration 102w, 278w
Educational finance 186
Research finance 654w
Student numbers 185-6

Population
NHS finance 462-4w

Population studies
NHS finance 374-5w

Port Glasgow 97-8w, 571w
Supplementary benefits 118-9w
Unemployment benefits 119-20w

Port Talbot
Unemployment 9-10

Porter, Mr Barry
Debates etc
Licensing (Northern Ireland) Order 1987 (14.07.87) 1064, 1073

Portillo, Mr Michael, *Under-Secretary of State for Health and Social Security*
Questions
Asians, English language 40-1w
Board & lodging charges, Supplementary benefits 126w
Children, Poverty 260-1w
Death grants 168w
Departmental leaflets, Dept of Health & Social Security 262w
Departmental leaflets, Dept of Health & Social Security local offices 367w
Departmental leaflets, Languages 42w
Departmental publications, Foreign languages 458w
Dept of Health & Social Security, Computers in Government departments 627-8w
Dept of Health & Social Security local offices, Newham 38-9w
Ethnic minorities, Dept of Health & Social Security 41w
Ethnic minorities, Dept of Health & Social Security local offices 41w
Ethnic minorities, Social security benefits 41w
Exceptional needs payments 167-8w
Family credit 45w
Fuel aid, Supplementary benefits 120w
Fuel direct scheme, Wales 667w
Homelessness 371-2w
Income support scheme, Civil servants 665w
Johnson, P J, Members' correspondence 45w, 267w
Maternity benefits 168w
Maternity benefits, Bristol 164w
Maternity benefits, Social Fund 168w
Maternity benefits, Social security recipients 116w
Motor Neurone Disease Association, Government grants 39w
Pensioners, Personal income 668w
Pensioners, Scotland 632w
Rowbottom, G L, Family income supplements 631w
Social security abuse, Carlisle 164w
Social security benefits disqualification, Leeds 447w
Social security claims, Scotland 113w
Social security recipients, Computer privacy 267w
Social security recipients, Housing benefits 371w
Supplementary benefits, Fife 448w
Supplementary benefits, Greenock 118-9w
Supplementary benefits, Pupils 40w
Supplementary benefits, Social security claims 369w
Supplementary benefits, Social security recipients 308w
Supplementary benefits, Wales 668w
Unemployment benefits, Fife 371w
Unemployment benefits, Greater London 633-4w
Unemployment benefits, Greenock 119-20w
Unemployment benefits, Social security benefits disqualification 374w
Upton, Gladys, Members' correspondence 631w
"What to Do after a Death", Departmental leaflets 447w

Porton Down 595-6w
Armed forces 595-6w

Ports
Brixham 134-5w
Warrenpoint 427w

Portsmouth
Export of live animals 495w

Post Office 359-60w, 484w

Poverty
Children 260-1w
Wales 668w

Powell, Mr Ray
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1374-5
Questions
Public libraries, Wales 339-40w
Unemployment, Wales 9-10

Powell, Mr William
Questions
Trident, Naval bases 248w

PRC Homes 526-7w
House purchase 526-7w
House renovation grants 526w
Local authorities 526-7w

Pregnancy 39w
Conditions of employment 965

Pre-school education
Nursery schools 154-5w, 278w

Prescription charges exemptions
Cystic fibrosis 665-6w
Medical equipment 664w

Prescriptions
Scotland 395-6w

Press advertising
British Airports Authority 593w
Privatisation 578-9w, 591w

Prevention of Terrorism (Temporary Provisions) Act 1984
Questions
361w, 363w

Prevention of Terrorism (Temporary Provisions) Acts
Questions
361-2w

Price, Sir David
Questions
AIDS 121w
AIDS, Death 119-20w
AIDS, Drugs 119-20w
Art works, Exhibitions 148w
Arts, Tourism 355w
Business statement 1286
Central Purchasing Unit 349w
Drug crimes, Crime prevention 608w
Medical research, Hospital doctors 175
Warships, Defence procurement 437w

Prices
Art work 699
Drugs 258w

Primarolo, Ms Dawn
Questions
Antenatal care 163-4w
Arts finance, Bristol 353w
Cervical cancer, Bristol 307-8w
Community programme 287w
Crime, Bristol 607w
Crimes of violence, Women 94w
Extracurricular activities, Pupils 163w

Maternity benefits, Bristol 164w
Maternity services 164w

Primary education
Pupil-teacher ratios 107-8w

Primary health care 262w
Scotland 245w

Prime Minister 2w, 4w, 100w, 475w, 561w, 660w, 1276
Bradford 561w
Civil servants 1276
House of Commons questions 660w
Members' pay 1276
Official hospitality 660w
Pay 4w
Pensions 4w
Television programmes 973
Westland Helicopters 660w, 969, 973

Prime Minister domestic visits 1276
Buckie 100w
Dufftown 205w
Leysmill 100w
Strathclyde 205w
York 1276

Prime Minister official engagements 101-2w, 206w, 415-6w, 562w

Prime Minister visits abroad 2w
Costs 206w
Economic summit conferences 206w

Prime Minister's questions
Speaker's rulings & statements (09.07.87) 508, (14.07.87) 972

Princess Diana Hospital, Bridgend
Construction 11

Prison administration
Manpower 192w
Scotland 192w

Prison discipline
Legal representation 209w

Prison education services
Scotland 191w, 244w

Prison medical services
Manpower 191-2w
Scotland 191-2w

Prison Officers Association 410-1w

Prison overcrowding 303w
Ministerial statements (16.07.87) 1296-309
Remand centres 410w
Sentencing 1263-4

Prison population 303w, 366w, 605w
Age 241w
Council of Europe 469w
Prisoners on remand 469w
Scotland 189-90w, 241-2w, 499w

Prison riots (16.07.87) 1261
HM Chief Inspector of prisons 617-9w
Scotland 395-6w

Prison sentences 145w
Insider trading 50w

Prison staff
Feltham 410-1w
Holloway prison 209w
Housing 49-50w
Manpower 192w
Scotland 192w
Women's prisons 209w

Prison visits
Ashford Remand Centre 656-7w
Brown, Simon 565w

Prisoners
AIDS 603-4w
Babies 609w
Educational qualifications 244w
Police cells 364-5w
Scotland 242w
USSR 474-5w
Women 242w

Prisoners on remand 304w, 366w
Legal representation 276w
Police cells 365w
Prison population 469w
Women 304w

Prisoners' release
Life imprisonment 636-7w

Prisoners' rights
Police detention 408w

Prisoners' transfers
Brown, Simon 565w

Prisons
Bicester 609w
Capital investment 242-4w
Scotland 242-4w
Training 191w

Private education
Higher civil servants 674w

Private health services
Fees 373w
Fees & charges 373w
Royal College of Obstetricians & Gynaecologists 373w
Screening 267w

Private hospitals
Clydebank 98w

Private investment
Housing construction 503w
Inner city areas 131w, 175-6w, 190-1
Photography 700
Sizewell B 689-90

Private Members' motions
Public order policing (17.07.87) 1392-455

Private notice questions
Speaker's rulings & statements (15.07.87) 1135-6, 1138

Private patients
Income 373w
Profits 373w

Private rented housing
Rents 137w
Repairs & maintenance 137-8w

Private sector
Civil service 701
Overseas investment 81w
Tourism 347-8w
Training 703-4

Private sector housing
Housing & handicapped 133w
Housing construction 536-7w
Inner city areas 537-8w
Scotland 503w

Privatisation 504-5
Armed forces 597-8w
Bank of England 504
British Airports Authority 141-2w, 593w
British Coal Corporation 335-6w
British Rail 594w
Civil service manpower 180w
COD Bicester 433w
Costs 689
Dept of Energy 338w
Electricity supply industry 21w, 337w, 411w, 481w, 571w, 688-90, 696
Energy prices 688-9
Income 251w
Interest rates 507-8
Local government services 6-7
NHS 456w
Nuclear safety 690, 694
Nurses 261w
Press advertising 578-9w, 591w
Public sector assets 251w
Rover Group 177w
Shareholders 157w, 275w, 674w
South West Water Authority 556-7w, 669-70w
Water authorities 529-30w, 558-60w, 577-8w, 1115-6, 1130
Water supply industry 292-3w
Welsh Water Authority 3
Working conditions 504

Probation & aftercare
Costs 410w
Hostels 410w

Procurators fiscal 402w
BBC 402w

Procurement
Boycott 13
British Nuclear Fuels 695
British Shipbuilders 178w
Brittany Ferries 172w
House of Commons 13, 15
Sizewell B 694-5
South Africa 13-4

Product liability
Drugs 258w

Production quotas
Dairy farming 496w
Milk 568-9w

Productivity
Coal mining 335w, 695-6

Professional Association of Teachers
No strike agreements 969-70

Professional misconduct 349w

Professional qualifications
Legal profession 6w

Profit sharing
Pay incentives 1276

Property development
Birmingham City Council 161w
Government grants 691
Inner city areas 161w, 493w
Tax allowances 493w
Warrenpoint 427w

Property Services Agency 158w
Palace of Westminster 158w

Property transfer
British Rail 416w
Council housing 385-6w
Defence land 245-6w
Development Board for Rural Wales 150w
Housing 49-50w
London Docklands Development Corporation 160w
Spectrum Centre 160w
Thamesmead Town 532w
Welsh Development Agency 150w

Prosecutions
Defence contracts 597w
Dogs 208w
End user certificates 597w
Hayward, Simon 50w
Leicestershire 476-7w
Mock Auctions Act 1961 651-2w
Rothschild, Lord 205w
Shipping accidents 15w
Television licences 209-10w
Wages Inspectorate 9w, 199w
West, Nigel 276w
Young offenders 476w

Protected tenancies
Greater London 535w

Protective clothing
Armed forces 314w
Defence contracts 314w
Industrial health & safety 86w
VAT 86w

PSA see Property Services Agency

Psychiatry
Hospital admissions 496-7w
Hospital doctors 465w
Nurses 497w
Scotland 465w, 497w

Public access 221w
London Docklands Development Corporation 221w

Public Accounts Committee (09.07.87) 613

Public appointments
London Docklands Development Corporation 555w

Manpower Services Commission 473w
Monopolies & Mergers Commission 320w
National Aids Trust 515w
Police Complaints Authority 96w
Regional health authorities 457-8w
Scottish health boards 396w
Universities Funding Council 398w
Urban development corporations 132-3w
Wales 214w
Wales Advisory body for Local Authority Higher Education 568w

Public Bills
Speaker's rulings & statements (06.07.87) 77-80

Public bodies 214w

Public expenditure
Canary Wharf 294w
Central government 252-3w
General Election 1987 19w
Housing 422w
National income 252w
Northern Ireland (07.07.87) 264-300
Wales 108w

Public footpaths 531-2w
Cycling 272w

Public houses
Defence land 494w
Violence 1266

Public enquiries
East London river crossing 271w
Glasgow Airport 466w
M20 16w
Newbury bypass 204w
North Circular road 327w

Public libraries 354w
Community development 358w
Expenditure 339-40w
Finance 355w
Local government expenditure 354-6w
Management techniques 20-1w
Wales 339-40w

Public opinion
Low flying 59w

Public order policing
Private Members' motions (17.07.87) 1392-455
South Africa House 211-2w

Public petitions
Elwood, Patrick (17.07.87) 1391

Public places 1267

Public relations
Cabinet Office 661w
Dept of Education & Science 655w
Dept of Employment 641-2w
Dept of Energy 647w
Dept of Health & Social Security 667w
Dept of the Environment 670w
Dept of Trade & Industry 653w
Dept of Transport 673w
Expenditure 639w, 641-2w, 645-7w, 649w, 653w, 658-9w, 661w, 667w, 670w, 673w, 675-6w
Foreign & Commonwealth Office 645-6w
Home Office 658-9w
Manpower Services Commission 641-2w
Metropolitan Police 659w
Ministry of Defence 676w
Scottish Office 649w
Treasury 675w
Welsh Office 639w

Public sector assets
New towns development corporations 388w
Overseas investment 81w
Privatisation 251w

Public sector borrowing requirement 254-5w

Public sector employment
Pay settlements 659w

Public sector housing
Housing & handicapped 133w
Housing construction 536-7w
New towns development corporations 387-8w

Public sector housing sales
Income 424w
Northern Ireland Housing Executive 423-4w

Public service obligation grant 671w
British Rail 671w

Public service pensions
Consolidated Fund debates (13.07.87) 755-62

Public service vehicles
Appeals 492w
Licensing 492w

Public Utility Transfers & Water Charges Bill 1987/88
Debates etc
1R (16.07.87) 1312

Publicity
British Gas Corporation 189-90
Commission for the New Towns 159w
Development aid 599w
Local authorities 189-90
Sports 528w
Youth training scheme 7w

Publishing
Import controls 483-4w
USA 285w, 333w
Wright, Peter 704

Punishment
Offensive weapons 89-90w
Water pollution 556w

Pupil-teacher ratios
Basildon 107w
Educational visits 322w
North Down 680w
Primary education 107-8w
Scotland 244-6w
Secondary education 107-8w
Special education 107w

Pupils
Extracurricular activities 163w
Immigration controls 147w
State education 278w
Supplementary benefits 40w
Work experience 40w

Quality Assurance Directorate 62w
Offices 62w

Queen's Speech
Addresses to the Crown (07.07.87) 175
Dept of Education & Science 106w
Dept of the Environment 131w
Dept of Trade & Industry 176w
Home Office 303w

Quin, Ms Joyce
Debates etc
British Shipbuilders (Borrowing Powers) Bill, Rem stages (16.07.87) 1344-6
Questions
Arts finance, Northern region 353w
Community charge 576w
Community charge, House prices 526w
Employment, EC action 590-1w
Parental leave, EC law 198w
Regional development grants, North East region 420w
Special education, Deaf 185
Youth training scheme, Educational standards 84w

Racial attacks 223w
Housing Act 1985 223w

Radiation hazards
Atomic Weapons Research Establishment 67-8w
Microwaves 367w
ROF Burghfield 67-8w
Standing Order No 20 applications (15.07.87) 1141

Radice, Mr Giles
Questions
School admission, Examinations 178
School fees, Education Act 1944 183

Radioactive waste disposal 52w
Coastal areas 388w
Contracts 222w
Costs 221-2w
Irish Sea 1136
Land reclamation 161w
Nuclear submarines 247w

Radioactivity
Dounreay 467w
Food contamination 70w, 152-3w
Military exercises 1133-41
Pollution monitoring 341w
Sheep 97-8w, 218-9w, 274w, 342w
Wales 341w

Radon gas 160-1w, 521w, 556w
Construction 556w
Health surveys 521w
Housing construction 160-1w

RAF Boulmer
Armed forces married quarters 596w

RAF Cottesmore 494w

RAF Fairford 58w

RAF Lakenheath 58w

RAF Molesworth 430w
Cruise missiles 430w

RAF North Luffenham 435w

RAF St Mawgan 676w
Fires 676w

RAF Stornoway 344w

RAF Upper Heyford 58w

RAF Valley 311w
Civil service manpower 311w

Raffan, Mr Keith
Debates etc
Calling of Members (15.07.87) 1142-3
Rate Support Grant (Wales) Supplementary (No 2) Report 1986/87 (15.07.87) 1222-4, 1227-8
Questions
Delyn enterprise zone 23w
Housing stocks, Wales 8
Sheep, North Wales 218-9w
Teachers, Pay settlements 151w
Unemployment, Wales 4

Railway accidents
British Rail 14w

Railway network 329w
Bradford 203w
Burscough 329w
Manchester Airport 66w, 77w, 181w, 272w
Scotland 203w

Railway sidings
Government grants 202w

Railway timetables
British Rail 14w, 139w
EC countries 14w
Statistics 416w

Railway transport
British Rail 672w
Heathrow 17w
South Wales 17w, 22w

Railway travel
Consumer protection 65-6w

Railways Act 1974
Questions
202w

Raison, Rt Hon Timothy
Questions
Community charge 1125
Motorway service areas, Crime 271-2w

Randall, Mr Stuart
Debates etc
Sugar beet (13.07.87) 825-6
Questions
Fishing quotas 679w

Rape
Abortion 165-6w
Alcoholism & crime 360-1w

Rate limitation
Inner city areas 1129
Local government expenditure 55w
Parish councils 531w
Rate support grants 531w

Rate precepts 52-3w
Local authorities 52-3w
Local government expenditure 52-3w

"Rate Support Grant (England) Supplementary (No 2) Report, 1986/87" (15.07.87) 1204-19

"Rate Support Grant (Wales) Supplementary (No 2) Report, 1986/87" (15.07.87) 1220-32

Rate support grants 225w, 522w, (15.07.87) 1204-19
Inner city areas 342-3
Merseyside 522-3w
Nottingham 575-6w
Pay settlements 151w
Rate limitation 531w
Wales (15.07.87) 1220-32

Rates & rating
Business premises 348-9
Charities 28-9w
Local government revenue 381w
Old people's homes 422w
Religious buildings 423w
Scotland 190w, 275w
West Yorkshire 526w

Rathbone, Mr Tim
Debates etc
BBC (13.07.87) 765, 768
Questions
Community charge 525w
General Certificate of Secondary Education, Educational finance 181

Ravensbourne College 37w
Fees & charges 37w

Ravenscraig steelworks 513-4
Industrial investment 513-4

Recess motions
Summer (13.07.87) 715-55

Re-Chem 6
Hazardous wastes 6

Recognition of States
Israel 475w
Western Sahara 475w

Recruitment
Job centres 9w
Midwives 506w
Nuclear Installations Inspectorate 443w
Nurses 626w
Police 606w

Redmond, Mr Martin
Questions
Community charge 1278
Community charge, Costs 1124-5
VAT, Clothing 191

Redundancy
Coal mining 693
Renfrew 274w, 505w
Scotland 33-4w
Wales 6-7

Redundancy pay
Iron & steel industry 420w

Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987
Debates etc
(16.07.87) 1351-80

Redundant mineworkers' payments scheme (16.07.87) 1351-80

Redwood, Mr John
Debates etc
Finance Bill, Com (14.07.87) 990-1
Local Government Bill, 2R & Money res (06.07.87) 164
Questions
Health service staff, London allowance 162w
London allowance, House prices 157w
Planning appeals, Wokingham District Council 52w
Teachers, Berkshire 654w

Rees, Rt Hon Merlyn
Debates etc
Wright, Peter, Standing Order No 20 applications (13.07.87) 708-9
Questions
Community charge, Northern Ireland 189
Rented housing, Leeds 1121

Refugees
Western Sahara 429w

Regional aid
Expenditure 174-6w
Government assistance to industry 174w

Regional development grants
North East region 420w
North West region 178w
Northern region 177w
Yorkshire & Humberside 177-8w

Regional health authorities
Hospital beds 514-5w
Hospitals 508-14
International Classification of Diseases 264w
Public appointments 457-8w

Regional investigation teams 164w
Social security abuse 164w

Regional planning & development
Industrial development 176w
Wales 7

Registration of Clubs (Northern Ireland) Order 1987
Debates etc
(14.07.87) 1089-106

Reid, Dr John
Debates etc
Finance Bill, 2R (08.07.87) 425-9
Maiden speech (08.07.87) 425-9
Questions
Business statement 519

Reinsurance to close (08.07.87) 356-448, (15.07.87) 1146-203

Religious broadcasting 609w

Religious buildings
Community charge 414w, 421w
Local government revenue 423w
Rates & rating 423w

Remand centres
Conditions of employment 410w
Prison overcrowding 410w

Remand in custody
Administrative delays 304w
Police cells 408-10w

Remploy 7-8w
Manpower 8w

Renfrew
Factory closures 505w
Redundancy 274w, 505w
Scottish Development Agency 274w, 506w
Severe weather payments 310-1w
Supplementary benefits 308-9w
Unemployment 274-5w

Rent arrears
Council tenants 640w
Greater London 576w
Local authorities 531w

Rent control 390w

Rented housing 136w, 1120-2
Empty housing 1121
Greater London 135w
Housing finance 1121-2
Landlord & tenant 135-6w
Leeds 1121
Local authorities 135w

Renton, Mr Tim, Minister of State at the Home Office
Questions
British citizenship, Supplementary benefits 363-4w
Broadcasting finance 1271
Commercial broadcasting 607w
Computer privacy, Fees & charges 88w
Concessionary television licences 610w
Concessionary television licences, Pensioners 210w, 1271-2
Criminal records, Computer applications 143w
Data Protection Act 1984 1273-4
Entry clearance, Indian subcontinent 300-2w
Entry clearances 603w
Entry clearances, Foreign tourists 409-10w, 658w
Entry clearances, Immigration appeals 409w
Immigrants' dependants, Immigration applications 301w
Immigrants' dependants, Immigration controls 609w
Immigration appeals, Batley 143w
Immigration applications, Indian subcontinent 299w
Immigration (Carriers Liability) Act 1987, Ferries 144w
Immigration controls, Fines 208-9w
Immigration rules, Marriage 360w
Naturalisation, Elderly 305w
Naturalisation, Fees & charges 49w, 305w
Obscenity, Broadcasting 607w
Passports, Passport Office 90-4w
Political refugees, Immigration applications 298-300w
Political refugees, Iran 144w
Religious broadcasting 609w
Tamils, Entry clearances 604w
Television, Council of Europe 47-8w
Television licences, Northern Ireland 209-10w
Television licences, Pensioners 359w
Visas, Disease control 48-9w
Visas, Ghana 298w
Visas, Iran 143w
Visas, North Korea 48w
Visas, Sri Lanka 297w

Rents
Private rented housing 137w

Repairs & maintenance
Ballachulish bridge 273-4w
British Rail Engineering 417w
British Telecom 315w
Council housing 137-8w, 161w
Northern Ireland Housing Executive 425w
Parkhurst Prison 142-3w
Private rented housing 137-8w
School buildings 105w

REPLAN 110w

Repossession orders
Mortgages 649w

Republic of Ireland
Abortion 372w
Exservicemen 643-4w
Terrorism 513

Rescue services
Branson, Richard 247w, 661w
Costs 247w, 661w

Research
A1-M1 link 272w
Electronics industry 177w
European Economic Community 174w
Foreign & Commonwealth Office 429w
HOTOL 176w
Information technology 177w

Research finance 174-5w
Brain drain 110w
Crime 607w
Defence research 579-80w

Edinburgh University 654-5w
Industrial research 654w
Motor neurone disease 39w
National income 579-80w
Polytechnics 654w
Satellites 318-9w
Science & technology research 654w
Universities 154w, 654w

Resettlement units 371-2w

Residential care
Board & lodging charges 507w
Supplementary benefits 128w

Residential Care Finance Working Party 372w

Resignations
Nurses 31w, 113w

Retail trade
Offensive weapons 145w, 605-6w, 1266

Retirement
Clerk of the House (13.07.87) 711-2

Retirement pensions 37-8w, 122-5w
Average earnings 125w
British residents abroad 121-2w
EC countries 169w, 369w
Expenditure 125w
Index linking 125w
Northern Ireland 426w
Pay 169w
Social security benefits uprating 368-70w
Supplementary benefits 426w

Rhodes James, Mr Robert
Debates etc
Clerk of the House, Retirement (13.07.87) 713
Questions
EC Foreign Affairs Council 636w

Rhondda Valley 21w
Ministers' domestic visits 21w

Rhys Williams, Sir Brandon
Debates etc
BBC (13.07.87) 768-70
Finance Bill, 2R (08.07.87) 386-92
Finance Bill, Com (14.07.87) 1026-56, (15.07.87) 1146-201, (16.07.87) 1339-41
Questions
Business statement 520
Educational finance, EC countries 321w
Free movement of capital 508
Landlord & Tenant Act 1987 221w
Local government expenditure 386-7w
Pensioners, Personal income 447-8w
Poll taxes, OECD countries 386w
Retirement pensions, Social security benefits uprating 368-70w
Social security benefits, Tax rates & bands 458-62w
Social security recipients, Housing benefits 371w
Supplementary benefits, Single people 622-3w
Supplementary benefits, Social security claims 369w
Tax allowances, Child minding 349-50w

Richardson, Ms Jo
Questions
Arts finance, Greater London 357w
Conditions of employment, Parents 345-6w
Consultative Committee on the Curriculum, Women 277w
Education, Men 321w
Family practitioner committees, Women 623-4w
Higher education, Student numbers 321w
Invalid care allowances, Social security claims 368w
Obstetrics, NHS 662-3w
Personal tax allowances, Married people 81w
Pre-school education, Nursery schools 278w
Women, Attorney-General 275-6w
Women, Dept of Trade & Industry 75-6w
Women, Dept of Transport 13w
Women, Health 661-3w
Women, Home Office 47-8w, 306-7w
Women, MAFF 46-7w
Women, Northern Ireland Office 148w
Women, Office of Arts & Libraries 20w
Women, Part-time employment 345w
Women, Scottish Office 27w
Women, Treasury 79-80w
Women, Youth training scheme 345w
Women's employment, Managers 590w

Riddick, Mr Graham
Debates etc
Maiden speech (13.07.87) 735-7
Recess motions, Summer adjournment (13.07.87) 735-7
Questions
Listed buildings, Colne Valley 133w

Ridley, Rt Hon Nicholas, *Secretary of State for the Environment*
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 79-87, 89
Public Utility Transfers & Water Charges Bill, 1R (16.07.87) 1312
Questions
Advertising, Dept of the Environment 670w
Bees, Nature conservation 670w
Canary Wharf, Contracts 670w
Civil service manpower, Dept of the Environment 221-2w
Community charge 295w, 1116-9
Community charge, Departmental publications 524w
Community charge, Government grants to local authorities 1116-7
Derelict land grants, Local authorities 55w, 227-38w
Domestic rates, Labour party 1118
Empty housing, Copeland 222w
"Environment Select Committee on Historic Buildings & Ancient Monuments" 390w
European Regional Development Fund, Enterprise boards 54w
Exhaust emissions, Pollution control 159-60w
Land ownership & tenure, Metropolitan districts 54-5w
Local authorities, Departmental circulars 53-4w
Local government expenditure 53w, 387w, 390w
Local government expenditure, Rate limitation 55w
Non-domestic rates 53w
Official hospitality, Dept of the Environment 223w
Peak Park Joint Planning Board, Ministers' domestic visits 530w
Pesticides, Water pollution 391w
Pollution control, Smoke & chimney gases 159w
Public relations, Dept of the Environment 670w
Queen's Speech, Dept of the Environment 131w
Rate precepts, Local government expenditure 52-3w
Rate support grants 225w
River pollution, Fish farming 1130
Southgarth West, Members' correspondence 389w
Turtle products, Cayman Islands 387w
Urban development corporations, Consett 1129-30
Urban development grants, Expenditure 53w
Water authorities, Privatisation 577-8w, 1130

Rifkind, Rt Hon Malcolm, *Secretary of State for Scotland*
Debates etc
Western Isles (Islands) Council (Vatersay Causeway) Order Confirmation Bill, 1R (09.07.87) 497
Questions
A74, Road works 194-6w
Advertising, Scottish Office 649-51w
Average earnings, Scotland 31-2w
Charities, Scotland 28-9w
Civil service manpower, Scottish Office 392-3w
Community charge, Scotland 185w, 402-6w
Council house sales, Scotland 30-2w
Council housing, Scotland 181-2w
Crime, Scotland 32-3w
Fishery protection, Scotland 99w
Homelessness, Scotland 31w
Hospital waiting lists, Scotland 182-6w
Housing finance, Scotland 466-7w
Lead plumbing, Scotland 36w
Lothian & Borders Police, Manpower 28w, 569w
Nurses, Scotland 31w
Prison population, Scotland 189-90w
Public relations, Scottish Office 649w
Rates & rating, Scotland 275w
Redundancy, Scotland 33-4w
Scottish Development Agency, Expenditure 505w
Scottish Development Agency, Government grants 33w, 572-3w
Sheep, Scotland 97-8w
Sheep premiums, Scotland 572w

Rifle ranges 246w
Ross, Warrant Officer 246w

Rights of way 531-2w

River pollution
Fish farming 1130
Sewage 133-4w

River Thames
Bridges (09.07.87) 582-612

Road accidents
Children 201w
Compensation 608w
Costs 203w
Death 141w, 329w
Drinking & driving 329w, 570-1w
Horses 201w
Injuries 324w
Medical equipment 121w
Medical treatments 40w
Merseyside 141w
North West region 201w
Safety belts 324w
Scotland 570-1w
Stracathro Hospital 244w

Road construction
A423 417w
A46-A47 16w
Airedale 203w
Burntwood bypass 17w
Cardigan bypass 480w
Construction costs 203w
Davenham bypass 201w
M42 328w
M66 13w
Pembury bypass 16w
Sidcup bypass 16w
Staveley bypass 491w
Stracathro 392w
Wales 5, 12-3

Road equivalent tariff 36w
Western Isles 36w

Road safety 204w
Cost effectiveness 203w
Road works 204w
Vandalism 15w

Road safety barriers
A1 194w

Road signs
Tourist attractions 329-30w

Road tax
Sub post offices 337-8

Road tolls
Estuaries 139-41w

Road traffic 417w
Dual carriageways 243w

M4 67-8w
M25 66-8w
North Circular road 327-8w
Scotland 243w

Road traffic control
Profits 5
Royal festivals & state occasions 363w

Road works 215w
A41 201-2w
A47 594w
A55 215w
A74 194-6w
Compensation 141w
EC grants & loans 218w
M1 326-8w
M6 141w
Road safety 204w
Transport supplementary grants 217w
Wales 215w, 217w

Roads
Bus services 322-3w
Cost benefit analysis 202w
Dual carriageways 202w
Expenditure 216w
Motorways 202w
Wales 21w, 214-6w

Roberts, Mr Allan
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 95
Urban development corporations (15.07.87) 1234, 1236-40, 1253
Questions
Business statement 521-2
Community charge 1127
Council housing, Empty housing 385-6w
F111 aircraft 432w
Rate support grants, Merseyside 522-3w

Roberts, Mr Wyn, Minister of State for Wales
Questions
A55, Road works 215w
CADW: Welsh Historic Monuments, Welsh language 24w
Cardigan bypass, Road construction 480w
European Regional Development Fund, Wales 218w
Gas storage, Demolition 149w
Mid Wales Development, Finance 70w
Museums & galleries, Wales 567-8w
National Museum of Wales, Expenditure 568w
National Museum of Wales, Government grants 289-90w
North East Wales Institute of Higher Education, Teacher training 26w
Road construction, Wales 5
Road works 215w
Road works, Wales 217w
Roads, Wales 21w, 214-6w
School leaving, Wales 69-70w
School population, Wales 290w
Television viewers, Wales 413w
Transport Supplementary grants, Wales 217w
Village schools, Wales 23w
Wales Advisory Body for Local Authority Higher Education 568w
Wales Advisory Body for Local Authority Higher Education, Public appointments 568w
Welsh language 218w

Robertson, Mr George
Questions
Community charges register 1125-6
Visas, Iran 143w

Robinson, Mr Peter
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 297-8

Roding Hospital 113w

Roe, Mrs Marion, Under-Secretary of State for the Environment
Debates etc
Hays Wharf, Planning permission (10.07.87) 682-5
Inner city areas, Birmingham (14.07.87) 1110-4
Planning permission, Birtenshaw Farm, Bolton (07.07.87) 331-4
Questions
Commission for the New Towns, Publicity 159w
Council housing, Housing estates 533w
Gazumping 533w
Gypsies, Caravan Sites Act 1968 391-2w
Housing completions, Basildon Development Corporation 530w
New towns development corporations, Public sector assets 388w
New towns development corporations, Public sector housing 387-8w
Rent arrears, Local authorities 531w
Spectrum Centre, Property transfer 160w
Telford Development Corporation, Housing tenure 532w
Truscon low rise houses, Defective housing 390w

ROF Burghfield 67-8w
Radiation hazards 67-8w

Rogers, Mr Allan
Debates etc
Calling of Members (15.07.87) 1142
Local Government Bill, 2R & Money res (06.07.87) 114-5, 129, 131-2
Oral questions, Welsh Office (06.07.87) 17
Questions
Arts finance, Wales 356w
Coal mining 335w
Coal mining, Subsidence 688
Energy efficiency, London Docklands 691
Ministers' domestic visits, Rhondda Valley 21w

Roll-over policy (16.07.87) 1313-41

Rollestone Camp (16.07.87) 1296-309

Rolls-Royce Aeroengines 578-9w, 958-9
European fighter aircraft 958-9

Rooker, Mr Jeff
Debates etc
Gold, World War II (13:07.87) 945-8
Inner city areas, Birmingham (14.07.87) 1107-11, 1114
Questions
Ammunition, Defence procurement 247w
Business statement 525-6
Community charge 1127
Educational visits, Death 322w
Educational visits, Pupil-teacher ratios 322w
Housing improvement, Inner city areas 523-4w
IHV Industrial Investment, Company liquidations 420w
Inner cities initiative, Politics 1w
M6, Road works 141w
Personal taxation, Tax burden 500
Property development, Birmingham City Council 161w
Rented housing, Housing finance 1121-2
Supplementary benefits, Pupils 40w
Tyres, Safety standards 328w
Urban regeneration grants 388-9w
Wages Inspectorate, Prosecutions 199w
Water resources, Birmingham 293w
Youth training scheme, Publicity 7w

Ross, Mr Ernie
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 76
Oral question time intervention (08.07.87) 336
Questions
Arms control treaties, Theatre nuclear weapons 432w
Dundee University, University finance 186
Manufacturing industries, Inner city areas 171-2w
Offshore suppliers, Exports 694

Ross, Warrant Officer 246w
Rifle ranges 246w

Ross, Mr William
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 268, 271-4, 276, 294
Licensing (Northern Ireland) Order 1987 (14.07.87) 1063, 1084
Registration of Clubs (Northern Ireland) Order 1987 (14.07.87) 1089, 1095-6

Rossi, Sir Hugh
Questions
"Environment Select Committee on Historic Buildings & Ancient Monuments" 390w

Rost, Mr Peter
Debates etc
Finance Bill, Com (16.07.87) 1320-1
Questions
Business statement 1289
Combined Heat & Power Association 336w
Electricity supply industry, Privatisation 689

Rosyth dockyard 434w
Defence contracts 434w

Rotherham
School buildings 111w

Rotherham Borough Council 111w

Rothschild, Lord 205w
Prosecutions 205w

Rover Group 2w, 177w
Privatisation 177w

Rowbottom, G L 631w
Family income supplements 631w

Rowe, Mr Andrew
Debates etc
Cruelty to children, Cleveland (09.07.87) 534-5
Oral questions, Welsh Office (06.07.87) 17
Social workers (13.07.87) 895-900, 903-4, 908, 912
Questions
Arts finance, Charitable donations 358w
Civil servants, Training 703-4
Crime prevention, Insurance companies 607w
General Certificate of Secondary Education, Educational standards 181
Public expenditure, Central government 252-3w

Rowlands, Mr Ted
Debates etc
Calling of Members (15.07.87) 1143
Questions
House renovation grants, Wales 8
Petroleum production 692
Welsh Water Authority 23w

Royal College of Nursing 374w

Royal College of Obstetricians & Gynaecologists 373w
Private health services 373w

Royal festivals & state occasions
Road traffic control 363w

Royal Liverpool Hospital 633w

Royal Shakespeare Company 356w, 697
Arts Council grants 697-8
Arts finance 356w

Royal Ulster Constabulary (07.07.87) 198-263, 489w
Inquiries 489w

RUC see Royal Ulster Constabulary

Ruddock, Mrs Joan
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 458-9
Questions
Arms control treaties, Theatre nuclear weapons 432w
Arts finance, Student grants 698-9

Binary chemical weapons, USA 58w
Conventional weapons, Warsaw Pact 57w
Cruise missiles, Air force bases 58w
Departmental leaflets, Dept of Health & Social Security local offices 367w
Entry clearance, Indian subcontinent 300-2w
Immigration applications, Indian subcontinent 299w
Immigration controls, Fines 208-9w
NATO, Armed forces strength 157-8w
Neutron bomb, Military exercises 58w
Nuclear weapons, Arms control treaties 58w
Political refugees, Immigration applications 298-300w
Trident missiles 58w
Trident missiles, Theatre nuclear weapons 57w
Visas, Ghana 298w
Visas, Sri Lanka 297w

Rumbold, Mrs Angela, *Minister of State for Education & Science*
Questions
Advertising, Dept of Education & Science 655-6w
City technology colleges, Cost per pupil 103w
City technology colleges, Curriculum 37w
City technology colleges, Southampton 154w
Civil service manpower, Dept of Education & Science 155w
Consultative Committee on the Curriculum, Women 277w
Curriculum 108-9w
Dept of Education & Science, Queen's Speech 106w
Education 281w
Education, Men 321w
Education support grants, Merseyside 564-6w
Educational finance, EC countries 321w
GCE A level, Curriculum 156w
General Certificate of Secondary Education, Educational equipment 180
General Certificate of Secondary Education, Educational finance 180-1
General Certificate of Secondary Education, Educational standards 181
Higher education, Student numbers 321w
Public relations, Dept of Education & Science 655w
Queen's Speech, Dept of Education & Science 106w
Schools, Fees & charges 102-3w
Schools, Swimming 103w
Small businesses, Dept of Education & Science 477-8w
Teachers 107w
Teachers, Berkshire 654w
Teachers, Industrial disputes 108w
Teachers, Pay settlements 108w

Rural areas
Police stations 606w
School transport 183-4
Schools 108w
Sub post offices 337

Rural development areas 293w
Governments grants 293w

Sackville, Mr Tom
Debates etc
Dyslexia, Special education (13.07.87) 951
Manufacturing industries, Competitiveness (10.07.87) 630, 647-9

Safety
Information 1267
Nuclear power stations 694
Playgrounds 535w
Sportsgrounds 1267

Safety belts
Cars 323-4w
Children 324w
Road accidents 324w

Safety measures
Buses 272w

Safety standards
Buses 672w
Crash helmets 67-8w
Fishing vessels 100w
Tyres 328w

Sainsbury, Mr Tim, *Under-Secretary of State for Defence Procurement*
Questions
Ammunition, Defence procurement 247w, 596w
Antiaircraft missiles, Afghanistan 63w
Armed forces, Protective clothing 314w
Armed forces deployment, West Germany 597-8w
Arms exports 342-3w
Arms exports, Morocco 440w, 494w
Arms imports, USA 64w
Challenger tanks 62-3w
Chemical weapons, Armed forces 596w
Chemical weapons, Defence expenditure 594-5w
Chemical weapons, Defence procurement 595w
Chemical weapons, Factory closures 64w
Chemical weapons, NATO 596w
Civil service manpower, Ministry of Defence 312-3w
COD Bicester, Privatisation 433w
COD Donnington, Contracts for services 312w
Defence contracts 312w
Defence contracts, Prosecutions 597w
Defence contracts, Shells 597w
Defence contracts, Small businesses 433w
Defence equipment, Exports 314w
Defence Export Services Organisation 312w
Defence Export Services Organisation, Finance 312w
Defence research, Defence expenditure 434w
Defence Select Committee, Theatre nuclear weapons 437w
Destroyers, Navy 437-40w
European fighter aircraft 436w
European fighter aircraft, Costs 959-60
European fighter aircraft, Jaguar aircraft 959
European fighter aircraft, Labour Party 959
European fighter aircraft, Rolls-Royce Aeroengines 958-9
European fighter aircraft, Trident 959
Harrier aircraft, Defence expenditure 63-4w
Harrier aircraft, USA 63w
Helicopters, Defence procurement 436w
Jaguar aircraft, Costs 61w
Nuclear submarines, Radioactive waste disposal 247w
Plutonium, Exports 57w
Porton Down, Armed forces 595-6w
Quality Assurance Directorate, Offices 62w
Radiation hazards, Atomic Weapons Research Establishment 67-8w
RAF Valley, Civil service manpower 311w
Rosyth dockyard, Defence contracts 434w
Ships, Design 313w
Strategic defence initiative, Defence contracts 435w
Submarines, Arms trade 430-1w
Submarines, Exports 62w
Tornado aircraft, Costs 62w
Trident 431w
Trident, Barrow-in-Furness 968
Trident, Scotland 967-8
Trident missiles 58w
Trident submarines, Defence contracts 63w, 594w
Trident submarines, Defence procurement 431w
Type 23 frigates, Antiaircraft missiles 968
Type 23 frigates, Defence procurement 345w, 431w
Warships, Defence procurement 437w

St Andrews Hospital, Norwich 629-30w

St Helena
Satellite broadcasting 13w
Scholarships 101w
Television 13w

St Mary Cray (09.07.87) 614-20
Peace convoy (09.07.87) 614-20

St Paul's Eye Hospital, Liverpool 379-80w, 633w

Salford
Transport of radioactive materials 673w

Salmond, Mr Alex
Debates etc
Finance Bill, Com (14.07.87) 1005, (15.07.87) 1187, (16.07.87) 1318
University finance (16.07.87) 1386, 1389
Questions
Airlines, Competition 1282
Business statement 1294
Clydesdale Bank, National Australia Bank 446w, 675w
Clydesdale Bank, Takeovers 320-1w, 648-9w, 653w
Economic growth, Oil prices 253w
Electricity supply industry, Scotland 571w
Fertilisers, Saudi Arabia 482w
Urea, Imports 481-2w
Urea, Saudi Arabia 481w

Sampson, Colin 489w

Satellite broadcasting
St Helena 13w

Satellites
Disclosure of information 360w
Research finance 318-9w
Surrey University 318-9w

Saudi Arabia
Fertilisers 482w
Overseas trade 347
Urea 481w

Sayeed, Mr Jonathan
Questions
Family income supplements, Civil servants 170w

Schizophrenia
Diagnosis 508w
Hospital admissions 508w
Scotland 394w

Scholarships
St Helena 101w

School admission 220w
Examinations 178
School catchment areas 187

School buildings 112w
Bradford 110w
Educational finance 111w
Educational standards 276w
Ministers' domestic visits 110w
Repairs & maintenance 105w
Rotherham 111w

School catchment areas
School admission 187

School choice 178
Comprehensive schools 187
Northern Ireland 680w
School fees 181
Scotland 500w

School closures
Grammar schools 155w
Parkfields School 111w
Village schools 23w

School fees 182-3
Education Act 1944 183
Local education authorities 181
School choice 181
Social security recipients 512

School governors 109w
Schools & parents 105-6w

School leaving 562-4w
Wales 69-70w

School meals
Fleckney Schools 155w

School population
Wales 290w

School transport
Fees & charges 183-4
Local education authorities 102w
Rural areas 183-4

Schools
Bradford 105w, 563-4w
Collective worship 112w
Coventry 104w
Educational finance 104w
Examinations 177
Fees & charges 102-3w
Local education authorities 103-4w, 177-9, 563w
Ministers' domestic visits 563-4w
Playgrounds 411w
Rural areas 108w
Sixth form education 103w
Southampton (15.07.87) 1255-60
Swimming 103w

Schools & parents
Local education authorities 177
School governors 105-6w

Science & technology research
European Economic Community 483w
Research finance 654w
Semiconductor devices 1275

Science National Curriculum Working Group 281-2w

Science Research Council 654w

Scientific civil service 702

Scientists
NHS 447w
Pay 447w

Scope of debate (14.07.87) 988, 990
Speaker's rulings & statements (06.07.87) 161-4, 169, (08.07.87) 456-7, 459, 464, 467, 476, 479, (14.07.87) 1100, (15.07.87) 1212, (16.07.87) 1354, 1357-8, 1362, 1368, 1370, 1374, (17.07.87) 1440

Scotland
Adult education 399-400w
AIDS 572w
Alcoholism 394w
Arts finance 356-7w
Average earnings 31-2w, 498w
Breast cancer 397-8w
Central institutions 497w
Cervical cancer 98w, 398w, 466w
Charities 28-9w
Community care 465w
Community charge 35w, 97w, 185-9w, 402-6w, 509-10, 524-5w, 569w
Compulsorily detained mental patients 243w
Computers in National Health Service 465w
Council house sales 30-2w
Council housing 181-2w
Crime 32-3w
Crossroads scheme 192-3w
Devolution 561w
Elderly 465-6w
Electoral register 28w
Electricity supply industry 571w
Fish diseases 570w
Fishery protection 9[illegible]w
Guinness 36w
Gypsies 392w
Higher education 398-400w, 466w
Homelessness 31w
Hospital waiting lists 182-6w
Hospitals 465w
House of Commons procedure 561w
Housing & handicapped 464w
Housing construction 503w
Housing finance 466-7w
Housing (Homeless Persons) Act 1977 500-2w
Job training scheme 499-500w
Lead plumbing 36w, 273w
Leukaemia 245w, 498w
Local government staff 468w
Low flying 962
Low Pay 498w
Mental health community care 464w
Mental health services 396-7w
Mental hospitals 393-4w, 463w, 496w
Mental patients 393-4w, 496-7w
Mentally ill 393w, 397w
Non-domestic rates 190w
Nurses 31w
Nurses' training 194w
Occupational therapists 394w, 497-8w
Offshore suppliers 693
Pensioners 632w
Permanent education 399-400w
Personal income 350-1w
Poaching 190-1w
Poll cards 28w
Prescriptions 395-6w
Primary health care 245w
Prison administration 192w
Prison education services 191w, 244w
Prison medical services 191-2w
Prison population 189-90w, 241-2w, 499w
Prison riots 395-6w
Prison staff 192w
Prisoners 242w
Prisons 242-4w
Private sector housing 503w
Psychiatry 465w, 497w
Pupil-teacher ratios 244-6w
Railway network 203w
Rates & rating 190w, 275w
Redundancy 33-4w
Road accidents 570-1w
Road traffic 243w
Schizophrenia 394w
School choice 500w
Severe weather payments 311w
Sheep 97-8w, 273-4w
Sheep premiums 572w
Social security claims 113w
Social security finance 667-8w
Student grants 393w
Students 278-80w
Supplementary benefits 113w
Terrorism 401-2w
Tertiary education 400w
Trident 967-8
Unemployment 193w
Unemployment benefits 254w
Universities 466w
Universities Funding Council 398w
University finance 105w, 109w, 187
Water charges 402w
Water supply 401w
Youth training scheme 442w
Youth unemployment 193w

Scotsman (07.07.87) 193
Standing Order No 20 applications (07.07.87) 193

Scott, Mr Nicholas, Minister of State for Social Security and the Disabled
Questions
Average earnings, Statistics 126w
Board & lodging charges, Residential care 507w
Carers, Holidays 261w
Child benefit 461w
Clipsom, Irene, Attendance allowance 666w
Consumer expenditure, Families 112w
Disabled Persons (Services Consultation & Representation) Act 1986 116-7w
Disabled Persons (Services Consultation & Representation) Act 1986, Voluntary organisations 519-20w
Disablement Services Authority 454w
Disablement Services Authority, Handicapped 454w
Exceptional needs payments, British citizenship 369w
Extracurricular activities, Pupils 163w
Family income supplements, Civil servants 170w
Handicapped, International conferences 117-8w
Handicapped, Local government expenditure 117-8w
Handicapped, United Nations 117w
Handicapped, Voluntary organisations 116w
Housing & handicapped 116w
Invalid care allowances, Married women 163w
Invalid care allowances, Social security benefits rules 461w
Invalid care allowances, Social security benefits uprating 261w
Invalid care allowances, Social security claims 368w
Invalidity benefits, European Court of Justice 378w
Low incomes, Families 456w
Low incomes, Statistics 456w
Means tested benefits, Low incomes 114w
Medical appeal tribunals, Glasgow 310w
Myalgic encephalomyelitis, Diagnosis 375w
Myalgic encephalomyelitis, Invalidity benefits 375w
Pensioners, Personal income 447-8w
Retirement pensions 37-8w, 122-5w
Retirement pensions, Average earnings 125w
Retirement pensions, British residents abroad 121-2w
Retirement pensions, EC countries 169w, 369w
Retirement pensions, Index linking 125w
Retirement pensions, Pay 169w
Retirement pensions, Social security benefits uprating 368-70w
Severe disablement allowance, European Court of Justice 377-8w
Severe weather payments 379w
Severe weather payments, Renfrew 310-1w
Severe weather payments, Scotland 311w
Severe weather payments, Social security reform 169w
Social Fund, Exceptional needs payments 629w
Social Fund Manual 114-5w
Social security appeals, Bournemouth 43-4w
Social security benefits, Tax rates & bands 458-62w
Social security finance, Wales 667-8w
Supplementary benefits, Average earnings 456-7w
Supplementary benefits, Community charge 455w
Supplementary benefits, Job training scheme 369-70w
Supplementary benefits, Mortgages 457w
Supplementary benefits, Old people's homes 462w
Supplementary benefits, Pensioners 120w
Supplementary benefits, Renfrew 308-9w
Supplementary benefits, Residential care 128w
Supplementary benefits, Single people 622-3w

Scottish Arts Council 354w, 356-7w

Scottish Development Agency 505-6w, 572-3w
Expenditure 274w, 505-6w
Government grants 33w, 572-3w
Renfrew 274w, 506w

Scottish health boards
Health services finance 397w
Hospital waiting lists 237-42w
Public appointments 396w

Scottish Office 27w, 392-3w, 649-51w
Advertising 649-51w
Civil service manpower 392-3w
Expenditure 392-3w
Public relations 649w
Women 27w

Scottish Trades Union Congress 499-500w

Scottish Vocational Education Council 398-9w

Screening
AIDS 373-4w
Breast Cancer 397-8w
Cervical cancer 98w, 121w, 167w, 266-7w, 307-8w, 380-1w, 454w, 466w
Health service 266w
Health service staff 266w
Hereditary diseases 262w
Private health services 267w

SDA see Scottish Development Agency

Sea pollution
Beaches 532-3w
EC law 556w

Seamens Dispensary 633w

Search warrants 209-10w

Second homes
Community charge 414w, 421w

Secondary education
Durham 104w
Educational finance 104w
Pupil-teacher ratios 107-8w

Secondhand cars 204-5w
Motor vehicle testing 204-5w
Unfair trading practices 204-5w

Securities & Investments Board 483w
Insurance 483w

Security industry
Orders & regulations 657-8w

Sedgemore, Mr Brian
Questions
Arts finance, Greater London 357w
Cruise missiles, RAF Molesworth 430w
Metropolitan Police 608w
Patel, Chacadben, Members' correspondence 208w

Select Committee reports 437w

Self-employed 253w, 497-9

Sellafield
Nuclear accidents 188
Nuclear Installations Inspectorate 444w

Selwyn College Cambridge Bill (HL) 1986/87
Debates etc
2R order read (07.07.87) 175, (09.07.87) 497, (16.07.87) 1261

Semiconductor devices
Science & technology research 1275

Sentencing
Court of Appeal 1263-4
Criminal appeals 1263
Cruelty to children 1270
Driving offences 364w
Insider trading 50w, 126
Prison overcrowding 1263-4

Service industries
Working hours 347w

Service voters
Electoral register 597w

Severe disablement allowance
Clarke, Jean Borrie 377-8w
European Court of Justice 377-8w

Severe weather payments 169w, 310-1w, 379w
Inverclyde 310-1w
Renfrew 310-1w
Scotland 311w
Social security reform 169w

Sewage
Beaches 425-6w
Pollution control 133-4w
River pollution 133-4w

Sexual Offences Act 1985
Questions
95w

Shareholders 255w
British Telecom 652-3w
Privatisation 157w, 275w, 674w

Shares
British Gas Corporation 336w

Shaw, Mr David
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 476-7
Questions
Channel ferries, Shipping accidents 594w
Prime Minister domestic visits 1276
Small businesses, Dept of Education & Science 477-8w
Small businesses, Dept of Energy 412-3w
Small businesses, Dept of Health & Social Security 453w
Small businesses, Dept of Trade & Industry 649-51w
Small businesses, Dept of Transport 592-3w
Small businesses, Foreign & Commonwealth Office 634w
Small businesses, Home Office 470-1w
Small businesses, Ministry of Agriculture Fisheries & Food 677-8w

Sheep 296-7w
Agricultural production 291w, 296w
Compensation 342w
Helicopters 968-9
North Wales 218-9w
Radioactivity 97-8w, 218-9w, 274w, 342w
Scotland 97-8w, 273-4w
Wales 149w, 290-1w, 342w

Sheep premiums
Scotland 572w
Wales 290w

Sheerman, Mr Barry
Questions
Drinking & driving, Convictions 303w
Drinking & driving, Driving licences 272w
International Classification of Diseases, Regional health authorities 264w
Road safety 204w
Road safety, Cost effectiveness 203w
Road safety, Road works 204w
Youth training scheme, Educational standards 84w

Sheffield
World Student Games 523w

Sheldon, Rt Hon Robert
Debates etc
Finance Bill, 2R (08.07.87) 376-9
Questions
Excise duties, Tax harmonisation 501
Objects in lieu of tax, Finance 699

Shells
Defence Contracts 597w
FH70 Howitzers 597w

Shelton, Mr William
Debates etc
Public order policing (17.07.87) 1407-10

Shephard, Mrs Gillian
Questions
Hospitals, Norwich 629-30w

Shepherd, Mr Colin
Debates etc
Sugar beet (13.07.87) 817-20
Questions
Police, Recruitment 606w
School admission, School catchment areas 187
Tax yields, Personal tax allowances 79w

Shepherd, Mr Richard
Questions
Burntwood bypass, Road construction 17w
Midland link motorways, Motorway service areas 16w
Midland link motorways, Orders & regulations 16w
Traffic censuses, Brownhills 17w

Shersby, Mr Michael
Questions
Ceremonies, Greater London Council 385w
Married people 665w
Personal income, Married men 256w

Shetland Islands Council 648w

Shift work
Coal mining 511
Margam mine 8

Shipbuilding (09.07.87) 547-81, (16.07.87) 1342-50
Foreign investment in UK 79w
Government assistance to industry 79w
Manpower 78w
Shipping 78w
Tenders 79-80w
Warships 78w

Shipbuilding Intervention Fund 77-8w, 179w
EC countries 77-8w
Merchant ships 179w

Shipping 18w
Defence industries employment 964
North East region 964
Shipbuilding 78w

Shipping accidents
Channel ferries 15w, 330-1w, 594w
Inquiries 330-1w, 594w
Prosecutions 15w

Shipping registration 593w

Ships
Design 313w
Disclosure of information 313w
Lighthouses 417-8w

Shopping centres
Fires 426w

Shoreditch
British Museum 20w

Short, Ms Clare
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 460-1
Cruelty to chidren, Cleveland (09.07.87) 532, 536
Members' dress (08.07.87) 355
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 206, 230
Prison overcrowding (16.07.87) 1306
Questions
Cruelty to children 1270
Diplock courts, Life imprisonment 636-7w
Entry clearance 603w
Manufacturing industries, Balance of trade 344
Ministry of Defence, Women 965
Self-employed 498
Sentencing, Prison overcrowding 1263-4
Textile industry, Government assistance to industry 346

Shortage subjects
Teachers 100w, 185

Shorthold tenancies 535w

Shotgun certificates 610w

Shotts Prison 35w
Government grants 35w

Sidcup bypass
Road construction 16w

Sign language
Deaf 184
Examinations 185

Sims, Mr Roger
Debates etc
Cruelty to children, Cleveland (09.07.87) 536
Rate Support Grant Supplementary Report (England) (No 2) 1986/87 (15.07.87) 1206-7, 1209-10
Questions
Teachers, Pay settlements 108w

Single people
Supplementary benefits 622-3w

Sixth form education
Schools 103w

Sizewell B 694
Private investment 689-90
Procurement 694-5

Skeet, Sir Trevor
Debates etc
Cruelty to children, Cleveland (09.07.87) 533
Finance Bill, Com (16.07.87) 1315-7, 1324
Questions
Nuclear power stations, Employment 694
Tax allowances, Urban development corporations 275w
Urban development corporations 131-2w
Urban development corporations, Finance 131w
Urban development corporations, Land use 131w
Urban development corporations, Planning authorities 132w

Skinner, Mr Dennis
Debates etc
Business questions intervention (09.07.87) 515
Business questions point of order (16.07.87) 1293
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 474
Finance Bill, 2R (08.07.87) 361-2, 366, 369
Local government finance (13.07.87) 790
Members' interests (07.07.87) 196
Oral question time intervention (13.07.87) 697, (16.07.87) 1278
Oral questions (16.07.87) 1310
Points of order, House of Commons procedure (09.07.87) 540-1
Prison overcrowding (16.07.87) 1306
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1358, 1361, 1369-72
Questions
British Coal Corporation 334w
Business statement 526, 1293
Civil service, Performance related pay 702-3
Debts 1128
Debts, Developing countries 256w
European monetary system 508
Telephone tapping, Interception warrants 602-3w

Slaley
Development Commission 295w
English Tourist Board 289w
Housing construction 223-4w, 289w, 295w

Small businesses
Bankruptcy 348
Community charge 420-1w
Defence contracts 433w
Dept of Education & Science 477-8w
Dept of Energy 412-3w
Dept of Health & Social Security 453w
Dept of Trade & Industry 649-51w
Dept of Transport 592-3w
Energy efficiency 412-3w
Foreign & Commonwealth Office 634w
Home Office 470-1w
Job splitting scheme 200w
Maternity leave 198w
Ministry of Agriculture Fisheries & Food 677-8w
Part time employment 199w
VAT 254w

Smith, Mr Andrew
Questions
Aid financed trade, Bilateral aid 71w
Aid financed trade, Contracts 71-4w
Aid financed trade, Developing countries 76w
Aid financed trade, International conferences 76w
France, Immigration controls 147w
Overseas aid, National income 75w
Public libraries 354w
Sugar, Export rebates 152w
Sugar beet, Common sugar regime 152w

Smith, Mr Chris
Debates etc
Public order policing (17.07.87) 1424-8
Questions
British Film Institute, Exhibitions 353w
Crime prevention 1268
Water pollution, EC law 559-60w

Smith, Mr Cyril
Questions
Community charge, Costs 1125

Smith, Sir Dudley
Debates etc
Recess motions, Summer adjournment (13.07.87) 729-32
Questions
Absent voting, Complaints 210w
Cyprus, United Nations 206-7w
Juries, Corruption 471w
Juries, Greater London 50w
Television, Council of Europe 47-8w
Water supply, Water pollution 130-1w

Smith, Rt Hon John
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 550
Today newspaper (06.07.87) 22, 26-35, 42, 50, 68
Questions
Manufactured goods, Balance of trade 340

Smith, Mr Tim
Debates etc
Finance Bill, 2R (08.07.87) 367, 371, 408-12
Finance Bill, Com (14.07.87) 986-7, 1007-8, 1010-1, 1015, 1019, 1022-4, (15.07.87) 1179, 1182-3, 1185
Questions
Economic growth 499
Electricity supply industry, Privatisation 337w
Financial Services Act 1986 318w
Income tax, Tax yields 81w
M25, Motorway service areas 203w
Personal taxation 253w
Personal taxation, Tax yields 82w
Rover Group, Privatisation 177w
School governors 109w
Tax yields, Income tax 257w
Thames Valley Police, Manpower 604w
Unemployment 640w

Smoke & chimney gases
Magnox reactors 286w
Pollution control 153-4w, 159w

Smyth, Rev Martin
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 291-5
Jury Trial (Amendment) (Northern Ireland) Order 1987 (07.07.87) 319-20
Licensing (Northern Ireland) Order 1987 (14.07.87) 1066, 1080-2, 1085
Prison overcrowding (16.07.87) 1304
Questions
Action for Community Employment, Northern Ireland 489-91w
Overseas students, Educational finance 177
Terrorism, Northern Ireland 1277

Snape, Mr Peter
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 479-80
Questions
Business statement 1290-1
Light aircraft, Insurance 417w

Soames, Mr Nicholas
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 88
Local government finance (13.07.87) 797
Questions
British Airways, British Caledonian 1280
Crime prevention 605w
Midwives, Manpower 506w
Nurses, Intensive care 112w
Prison riots, HM Chief Inspector of prisons 617-9w
Supplementary benefits, Residential care 128w

Social Fund
Exceptional needs payments 629w
Maternity benefits 168w, 257-8w

Social Fund Manual 114-5w

Social security abuse
Carlisle 164w
Regional investigation teams 164w

Social security adjudications 666w

Social security appeals
Administrative delays 43-4w
Bournemouth 43-4w

Social security benefits
Ethnic minorities 41w
Tax rates & bands 458-62w

Social security benefits disqualification
Leeds 447w
Unemployment benefits 374w, 633-4w
Youth training scheme 447w

Social security benefits rules
Invalid care allowances 461w

Social security benefits uprating
Invalid care allowances 261w
Retirement pensions 368-70w

Social security claims
Invalid care allowances 368w
Scotland 113w
Supplementary benefits 369w

Social Security Commissioners 565w
Wales 565w

Social security finance
Scotland 667-8w
Wales 667-8w

Social security recipients
Community charge 189, 371w
Computer privacy 267w
Disclosure of information 267w
Families 260-1w
Housing benefits 371w
Maternity benefits 116w, 164w, 257-8w
School fees 512
Supplementary benefits 308w

Social security reform
Severe weather payments 169w

Social workers
Consolidated Fund debates (13.07.87) 895-912

Soley, Mr Clive
Debates etc
Civil defence (13.07.87) 917-8, 920-1
Prison overcrowding (16.07.87) 1301-2
Public order policing (17.07.87) 1394, 1429, 1434-8
Questions
Crime prevention 605w
Local government expenditure 668-9w
Prison discipline, Legal representation 209w
Terrorism 363-4w
Terrorism, Arrests 363w
Terrorism, Complaints against police 361w
Terrorism, Exclusion orders 361-2w
Terrorism, Police detention 361-2w
Terrorism, Scotland 401-2w

Solicitors
In-service training 6w

South Africa
Cricket 292w
Electricity supply industry 647-8w
Free ports 49w
Origin marking 14
Political prisoners 12-3w
Procurement 13-4
Sporting tours 292w
Trade union membership 12-3w
Uranium 647-8w

South Africa House 210-1w, 614w
Arrests 212w
Demonstrations 211w, 614w
Metropolitan Police 210-1w, 614w
Public order policing 211-2w

South Glamorgan
Vacancies 22w

South Korea 11w

South of Scotland Electricity Board 153w, 443w, 648w

South Tyrone Hospital
Hospital waiting lists 680w

South Wales 17w, 22w
Railway transport 17w, 22w

South West Arts 353w

South West Water Authority 556-7w, 669-70w
Privatisation 556-7w, 669-70w

South Yorkshire
Manufacturing industries 172w

Southampton
City technology colleges 154w
Schools (15.07.87) 1255-60

Southgarth West
Members' correspondence 389w

Southwark
Council house sales 294w, 576-7w
Mental patients 113w

Sovereignty
Hong Kong 9-10w

Space technology
British National Space Centre 180w

Spain
Crimes of violence 332-3w
Death 333w

Speaker
Speaker's rulings & statements (10.07.87) 639

Speaker and his deputies, *For rulings & statements see separate heading Speaker's rulings & statements*
Debates etc
Amendments & new clauses (06.07.87) 17-8
Disallowed questions (06.07.87) 11,15, (09.07.87) 513, (15.07.87) 1136, (16.07.87) 1276
EC documents motions (14.07.87) 979
Orders & regulations motions (14.07.87) 979
Procedure (06.07.87) 75-9, 85, 90, 114, 135, 144, 162, (08.07.87) 264, 297-8, (07.07.87) 327, (08.07.87) 451-2, (09.07.87) 534, (10.07.87) 655, (13.07.87) 860-1, 901, (15.07.87) 1241, 1254, (16.07.87) 1306
Ruling that inquiries will be made into why proceedings following Home Secretary's statement failed to be relayed to BBC (16.07.87) 1312
Standing Order No 20 applications, Armed forces training (15.07.87) 1141
Standing Order No 20 applications, British Rail (15.07.87) 1140
Standing Order No 20 applications, Scotsman Publications (07.07.87) 193
Standing Order No 20 applications, Wright, Peter (13.07.87) 705
Questions
Economic recession, Hattersley, Roy 972
High technology, Wales 11-2
House of Commons whips, Opposition 513
Prime Minister domestic visits 1276
Radioactive waste disposal, Irish Sea 1136

Speaker's rulings & statements (09.07.87) 539-46
Adjournment debates (10.07.87) 672, (13.07.87) 952
Amendments & new clauses (06.07.87) 77
Boothroyd, Betty (13.07.87) 766
Business questions (09.07.87) 519, 525, (16.07.87) 1310-1
Calling of Members (15.07.87) 1142-4, (16.07.87) 1309
Consolidated Fund debates (13.07.87) 852, 855
Constituencies (06.07.87) 88
House of Commons Library (13.07.87) 715-6
House of Commons Select Committees (14.07.87) 976
House of Commons Standing Committees (15.07.87) 1142-4
Maiden speeches (07.07.87) 236, (14.07.87) 977-8
Members' conduct (07.07.87) 197
Members' dress (07.07.87) 194, (08.07.87) 355
Members' interests (06.07.87) 129-32, (07.07.87) 195-7
Members' interventions (06.07.87) 85, (10.07.87) 662, (13.07.87) 952
Members' speeches (17.07.87) 1400
Ministerial speeches (10.07.87) 672
Ministerial statements (09.07.87) 527
Open questions (06.07.87) 11-2
Oral questions (06.07.87) 17-8, (08.07.87) 335, 353, (13.07.87) 689, (15.07.87) 1128, (16.07.87) 1270
Orders & regulations (08.07.87) 354
Parliamentary broadcasting (16.07.87) 1312
Points of order (06.07.87) 1-2, (09.07.87) 514, (14.07.87) 975-9, (15.07.87) 1139, (16.07.87) 1293
Prime Minister's questions (09.07.87) 508, (14.07.87) 972
Private notice questions (15.07.87) 1135-6, 1138
Public Bills (06.07.87) 77-80
Scope of debate (06.07.87) 161-4, 169, (08.07.87) 456-7, 459, 464, 467, 476, 479, (14.07.87) 1100, (15.07.87) 1212, (16.07.87) 1354, 1357-8, 1362, 1368, 1370, 1374, (17.07.87) 1440
Speaker (10.07.87) 639
Sub judice (13.07.87) 706-10
Summer adjournment (16.07.87) 1295
Supplementary questions (14.07.87) 961, 973
Unparliamentary expressions (09.07.87) 499, 509
Welsh Office (06.07.87) 17-8

Spearing, Mr Nigel
Debates etc
Orders & regulations (08.07.87) 354
Public order policing (17.07.87) 1396
Sugar beet (13.07.87) 823-5, 827, 833
Urban development corporations (15.07.87) 1244
Questions
Ambulance services, Greater London 309-10w, 380w
Canary Wharf, Land values 226w
Canary Wharf, London 161w
City technology colleges, Cost per pupil 103w
City technology colleges, Curriculum 37w
European Council, EC budget 2w
European Council, House of Commons debates 147w
General Medical Council 349w
London Docklands Development Corporation, Land ownership & tenure 555-6w
London Docklands Development Corporation, Land values 160w
London Docklands Development Corporation, Public appointments 555w
Overseas aid, Ethiopia 602w
Treaty of Rome 147w
VAT, EC budget 503

Special education
Deaf 184-5
Dyslexia (13.07.87) 949-56
Pupil-teacher ratios 107w
Speech therapy 322w

Special educational needs 281w, (13.07.87) 949-56

Special hospitals
Mental patients transfers 625w

Spectrum Centre 160w
Property transfer 160w

Speech therapists
Vacancies 372w

Speech therapy
Durham 667w
Special education 322w
Training 322w

Speed, Mr Keith
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 466
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 478-9
Questions
Challenger tanks 62-3w
M20, Public inquiries 16w
Mortgage relief, Cohabitation 19w
Pembury bypass, Road construction 16w

Speed limits
Motorways 672w

Speller, Mr Tony
Questions
Assisted areas, North Devon 170w
Electricity supply industry, Privatisation 690
Food imports, Irradiated foods 379w
Freedom of the city, Armed forces 536w
Irradiated foods, Testing 522w
Tobacco, Children 632w

Spicer, Mr Jim
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 670-2

Spicer, Mr Michael, *Under-Secretary of State for Energy*
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1351-2, 1370, 1378-80
Questions
Advisory Committee on the Safety of Nuclear Installations Report, 1986/87 646w
British Coal Corporation 335-6w
British Coal Corporation, Privatisation 335-6w
British Coal Corporation Enterprise 692
British Coal Corporation Enterprise, Land reclamation 693
British Coal Corporation Enterprise, Loans 83w
Coal fired power stations, Construction 339w
Coal Industry Act 1987, Orders & regulations 598-9w
Coal mining 335w
Coal mining, Employment opportunities 692-3
Coal mining, Government assistance to industry 336w
Coal mining, Orders & regulations 335w
Coal mining, Production 696-7
Coal mining, Productivity 335w, 695-6
Coal mining, Subsidence 687-8
Electricity supply industry, Privatisation 337w
Electricity supply industry, South Africa 647-8w
Fast reactors, Energy research 339w
France, Plutonium 634-5w
Hinkley Point power station, Nuclear safety 598w
Magnox reactors 286w
Magnox reactors, Smoke & chimney gases 286w
Nuclear accidents, France 339w
Nuclear Installations Inspectorate, International Atomic Energy Agency 646-7w

Nuclear reactors 338w
Nuclear safety, Nuclear Energy Agency 647w
Plutonium, Disclosure of information 287w
Plutonium, Information 287w
Smoke & chimney gases, Pollution control 153-4w
Subsidence, Compensation 687
Tidal power 338-9w
Trawsfynydd power station, Air pollution 286w
Trawsfynydd power station, Nuclear fuels 286-7w
Uranium, Nuclear Safety 647-8w
Uranium, South Africa 648w

Sponsorship
Action for Community Employment 489-91w

Sporting tours
South Africa 292w

Sports
Drug abuse 527w, 1123-4
Publicity 528w

Sports boycotts 292w

Sportsgrounds
Safety 1267

"Spycatcher"
House of Commons Library (13.07.87) 706-10

Squatting
Building repairs 553w

Squire, Mr Robin
Debates etc
Local government finance (13.07.87) 806-8, 815
Questions
British rail, Public service obligation grant 671w
British Rail, Railway transport 672w
Community charge, Costs 1125

Sri Lanka
Tamils 147-8w
Visas 297w

SSEB see South of Scotland Electricity Board

Staffordshire
Education 480w

Staffordshire County Council 480w

Stanbrook, Mr Ivor
Debates etc
Peace convoy, Walden's farm, St Mary Cray (09.07.87) 614-5, 618-20
Prison overcrowding (16.07.87) 1309
Public service pensions (13.07.87) 855-7
Questions
Bees, Pest control 527w
Business statement 522
EC internal trade 1278
Home Office, United Kingdom 608w
Retirement pensions 37-8w

Standard of living
Supplementary benefits 622-3w

Standing Order No 20 applications (07.07.87) 193, (13.07.87) 705, (15.07.87) 1140-1
British Rail (15.07.87) 1140
Radiation hazards (15.07.87) 1141
Scotsman (07.07.87) 193
Wright, Peter (13.07.87) 705

Stanley, Rt Hon John, *Minister of State for Northern Ireland*
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 264-8
Questions
Civil service manpower, Northern Ireland Office 486-7w
Diplock courts, Life imprisonment 636-7w
Matrimonial & Family Proceedings (Northern Ireland) Order 1986 637-8w
Women, Northern Ireland Office 148w

State education
Pupils 278w

State visits
Morocco 334w

Statutory Instruments Joint Select Committee (09.07.87) 613

Statutory maternity pay 116w

Staveley bypass 491w
Road construction 491w

Steel, Rt Hon David
Debates etc
Today newspaper (06.07.87) 35
Questions
Airlines, Mergers 1278
British Airways, British Caledonian 1280
Charities, Scotland 28-9w
Community charge, Costs 189
Lothian & Borders Police, Manpower 28w, 569w
Medical treatments, Microwaves 367w
NHS, Scientists 447w
Wright, Peter, Inquiries 971

Steen, Mr Anthony
Questions
British Airways, British Caledonian 1281-2
Planning permission, Brixham 134-5w
Tourism 444w
Willsworthy shooting range, Dartmoor national park 432w

Steinberg, Mr Gerry
Questions
General Certificate of Secondary Education, Educational finance 181
Homelessness, Durham City Council 390w
Housing investment programmes, Durham City Council 389-90w
Speech therapy, Durham 667w
Telephone tapping, Disclosure of information 47w

Stern, Mr Michael
Questions
Caravans, Fire resistant materials 321w
Electricity supply industry, Privatisation 337w
European fighter aircraft, Labour Party 959
Inner cities initiative, Housing estates 346
Police pensions, Widows' benefits 1273
Prime Minister official engagements 101-2w, 206w
Rate limitation, Rate support grants 531w
Special education, Deaf 185

Stevens, Mr Lewis
Questions
Armed forces training, Defence expenditure 433w
Polytechnics, Educational administration 102w

Stewart, Mr Allan
Questions
Local government staff, Scotland 468w
Rates & rating, Scotland 275w
Rosyth dockyard, Defence contracts 434w

Stewart, Mr Andy
Debates etc
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1356-9, 1371, 1373-4
Questions
Coal mining, Productivity 696
Ministers, Pay 582-4w

Stewart, Mr Ian, *Minister of State for Defence*
Questions
Armed forces visits, Chile 63w
Armed forces visits, HMS Onyx 63w
Arms control treaties, Nuclear weapons 430w
Arms control treaties, Theatre nuclear weapons 432w
Army in Northern Ireland, Cross border cooperation in Ireland 433w
Binary chemical weapons 430w
Binary chemical weapons, USA 58w
Conventional weapons, Arms control treaties 437w
Conventional weapons, Warsaw Pact 57w
Cruise missiles, Air force bases 58w
Cruise missiles, RAF Molesworth 430w
Defence, Nuclear weapons 246-7w
Exercise Purple Warrior 431-2w, 598w
F111 aircraft 432w
Falkland Islands, Airports 967
Falkland Islands, Argentina 967
Falkland Islands, Defence 966-7
Falkland Islands, Military aircraft 967
NATO, Armed forces strength 157-8w
NATO, Nuclear weapons 343w
NATO, USA 434-5w
Nuclear weapons 343w
Nuclear weapons, Arms control treaties 58w
Nuclear weapons policy, Arms control treaties 436w
Polaris missiles 432w
Tanks, Artillery 437w
Trident missiles, Theatre nuclear weapons 57w
Trident submarines, Communication engineering 431w

Stobhill Hospital 500w

Stornoway Airport 344w

Stott, Mr Roger
Debates etc
Lighthouses (13.07.87) 892-3
Questions
Arts finance, North West region 352w
Privatisation, Income 251w

Stracathro
Road construction 392w

Stracathro Hospital
Road accidents 244w

Stradling Thomas, Sir John
Questions
Foreign investment in UK, Wales 8

Strang, Mr Gavin
Questions
AIDS, EC action 516w
Coal mining, Industrial relations 697
Coal mining, Termination of employment 697
Planning permission, Holy Loch 395w
Research finance 174w
Science & technology research, European Economic Community 483w
University finance 105w

Strategic defence initiative
Defence contracts 435w, 960-1

Strathclyde
Prime Minister domestic visits 205w

Straw, Mr Jack
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 130, 139-45

Stray dogs
Livestock 219w

Street crime 1266

Student grants 109w, 177
Arts finance 698-9
Fees & charges 655w
Parental contributions 393w
Scotland 393w

Student loans
Educational finance 176
Part-time education 177
Student numbers 176

Student numbers
Further education 321w
Higher education 321w
Polytechnics 185-6
Student loans 176

Students
Disclosure of information 186
Iraq 186
Scotland 278-80w
Universities 278w
Wales 278-80w

Sub judice
Speaker's rulings & statements (13.07.87) 706-10

Sub post offices 336-7
Road tax 337-8
Rural areas 337

Submarines
Arms trade 430-1w
Exports 62w
France 431w

Subsidence
Coal mining 687-8
Compensation 687-8

Sugar
Export rebates 152w

Sugar beet
Common sugar regime 152w
Consolidated Fund debates (13.07.87) 817-34

Sumberg, Mr David
Debates etc
Today newspaper (06.07.87) 41-2
Questions
Coal mining, Government assistance to industry 336w

Summer
Recess motions (13.07.87) 715-55

Summer adjournment
Speaker's rulings & statements (16.07.87) 1295

Summerson, Mr Hugo
Questions
Industrial production 252w

Supplementary Benefit (Requirements & Resources) Amendment & Uprating Regulations
Questions
120w

Supplementary benefits
Average earnings 456-7w
Board & lodging charges 126w
British citizenship 363-4w
Community charge 455w, 1276-7
Fife 448w
Fuel aid 120w
Fuel direct scheme 667w
Greenock 118-9w
Job training scheme 369-70w
Mortgages 457w
Old people's homes 462w
Pensioners 120w, 632w
Port Glasgow 118-9w
Pupils 40w
Renfrew 308-9w
Residential care 128w
Retirement pensions 426w
Scotland 113w
Single people 622-3w
Social security claims 369w
Social security recipients 308w
Standard of living 622-3w
Wales 668w

Supplementary questions
Speaker's rulings & statements (14.07.87) 961, 973

Supply Estimates (08.07.87) 448

Support for innovation scheme 649-51w

Surgery
Foreign visitors 40w

Surrey University 318-9w
Satellites 318-9w

Surveillance
General elections 471w

Surveying
Geology 156w

Swimming
Schools 103w

Syrian Arab Republic
Diplomatic service 332w
Embassies 366w
Foreign policy 646w

Tactical nuclear weapons
Conventional weapons 466

Taiwan
Textiles 484w

Takeovers
Clydesdale Bank 320-1w, 648-9w, 653w
Ferguson Group 419w
House of Fraser 268w
National Australia Bank 320-1w, 648-9w, 653w
Today newspaper 268-70w

Take-up of benefits
Invalid care allowance 163w

Take-up of employment
Community programme 473w

Tamils 147-8w
Entry clearances 604w
Immigrant detainees 604w
Sri Lanka 147-8w

Tanks
Artillery 437w

Tape recorded evidence
Police interrogation 359w

Tax allowances
Child minding 349-50w
Glasshouse growers 256w
Mortgage relief 19w
Property development 493w
Urban development corporations 275w

Tax burden
Personal taxation 500

Tax collection
VAT 254w

Tax harmonisation
Excise duties 501
VAT 101w

Tax rates & bands
Income tax 18-9w, 82w, 500, 505-6
Social Security Benefits 458-62w

Tax thresholds
Income tax 445w, 592w

Tax yields 82-4w
Corporation 257w
Corporation tax 81w
Income tax 18w, 81w, 257w
Married personal allowance 445-6w, 675w
Mortgage relief 19w
Occupational pensions 351w
Personal tax allowances 79w
Personal taxation 82w

Taxation (08.07.87) 356-448, (14.07.87) 980-1059, (15.07.87) 1146-203, (16.07.87) 1313-41

Taxis
Licensing 66w

Tay Sachs disease
NHS finance 114w
Testing 114w

Taylor, Mrs Ann
Questions
Community charge 524w
Examinations, Schools 127
Insider trading, Dept of Trade & industry 170w
Schools, Local education authorities 104w

Taylor, Mr Ian
Debates etc
Maiden speech (13.07.87) 744-7
Recess motions, Summer adjournment (13.07.87) 744-7
Questions
Gas tariffs, Discounts 336w
Gypsies, Caravan Sites Act 1968, 392-2w
Industrial production 489
Planning 557w

Taylor, Rt Hon John David
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 292
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 215-20
Questions
British Airways Authority, Press advertising 593w
Education, Northern Ireland 98-9w
Floods, Newtownbreda road 638w
Privatisation, Press advertising 578-9w, 591w

Taylor, Mr John Mark
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 654-5
Questions
Army, Intimidation 311w
Forestry Commission, Tree planting 570w
Gas tariffs 188
Intervention stocks 678w
Local enterprise agencies, Business premises 444-5w
London Docklands, Local government 1120
M42, Road construction 328w
Official stationery, House of Commons 14
Police & Criminal Evidence Act 1984, Police custody 144-5w
Prime Minister official engagements 206w, 415-6w, 562w

Taylor, Mr Matthew
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 563-5
Cruelty to children, Cleveland (09.07.87) 536
Today newspaper (06.07.87) 37
Questions
Cervical cancer, Hospital waiting lists 520-1w
EC Agriculture Council 678-9w
Ministers' correspondence, General Election 1987 37w, 655w
Police stations, Rural areas 606w
Post Office 484w
Radon gas, Construction 556w
Radon gas, Health surveys 521w
Radon gas, Housing construction 160-1w
RAF St Mawgan, Fires 676w
South West Water Authority, Privatisation 556-7w, 669-70w
Special education, Deaf 184
Sub post offices 336-7

Taylor, Mr Teddy
Debates etc
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 477-8, 484
Prison overcrowding (16.07.87) 1309
Questions
Common agricultural policy, EC reform 679w
Community charge, Costs 56-7w
EC law 87w
Intervention stocks 348w
Local authorities, Pension funds 138w
Manufactured goods, Balance of trade 170w, 180-1w
Non-domestic rates 526w
Pharmacists, NHS 632-3w
Protective clothing, VAT 86w
VAT, European Court of Justice 101w
VAT, Housing construction 82w

Taylor Committee see AIDS in Scotland Working Party

Teacher training
Deaf 184

North East Wales Institute of Higher Education 26w

Teachers 107w
Berkshire 654w
Conditions of employment 108w
Industrial disputes 108w, 192, 969-70
Local government expenditure 573w
London allowance 654w
No strike agreements 974
Northern Ireland 487w
Pay 182
Pay settlement 108w
Pay settlements 107-8w, 151w
Shortage subjects 100w, 185
Unemployment 487w

Technical assistance
Women 599w, 601w

Teesside
Non-domestic rates 341

Teignmouth Quay Company Bill 1985/86
Debates etc
2R order read (09.07.87) 497, (16.07.87) 1261

Telephone charges
NHS finance 376-7w

Telephone operator services
Blind 360
Fees & charges 76w
Handicapped 76w, 360

Telephone systems
British Telecom 351

Telephone tapping
Disclosure of information 47w
Interception warrants 602-3w

Television
Council of Europe 47-8w
St Helena 13w

Television licences 213w
Northern Ireland 209-10w
Pensioners 359w
Prosecutions 209-10w

Television programmes
Conservation 355w
General elections 973
Prime Minister 973

Television viewers
Wales 413w

Televisions
Market share 419w

Telford Development Corporation 532w
Housing tenure 532w

Temple-Morris, Mr Peter
Debates etc
BBC (13.07.87) 756-62
Questions
Lebanon, United Nations 282w

10 Downing Street 561w
Foreign policy 561w

Tenders 36w, 79-80w, 220w, 345w, 418w
Parliamentary building maintenance & repair 220w
Shipbuilding 79-80w

Termination of employment
Coal mining 697

Territorial Army
Armed forces recruitment 436w
MINIS 965

Terrorism 363-4w
Arrests 363w
Complaints against police 361w
Diplomatic service 332w
Exclusion orders 361-2w
International cooperation 474w
Northern Ireland 1277
Police detention 361-2w, 401-2w
Republic of Ireland 513
Scotland 401-2w

Tertiary education 110-1w, 400w
Educational finance 110-1w
Scotland 400w

Testing
Food imports 379w
Irradiated foods 522w
Tay-Sachs disease 114w

Textile industry 179w, 335-6
EC countries 317w
Exports 345-6
Government assistance to industry 317w, 346
Labour costs 581w
Manpower 642-4w
USA 339, 345-6

Textiles
EC action 484-5w
Imports 339
Overseas trade 581w
Taiwan 484w
UK trade with EC 581w
USA 579-80w

Thames Valley Police 604w
Manpower 604w

Thamesmead
Docklands Light Railway 271w

Thamesmead Town 532w
Property transfer 532w

Thatcher, Rt Hon Margaret, *Prime Minister, First Lord of the Treasury and Minister for the Civil Service*
Questions
Abortion 190
Advertising, Cabinet Office 661w
Airlines, Mergers 1278
Anglo-Irish Agreement, Northern Ireland 190
Antiaircraft missiles, House of Commons questions 3w
Armed forces pay, Armed forces medical services 562w
Arms exports, Disclosure of information 315w
Arms trade, Afghanistan 100w
Bombings, Libyan Arab Republic 660w
British Gas Corporation, Publicity 189-90
British Telecom 191
British Telecom, Repairs & maintenance 315w
Cabinet committees, Disclosure of information 205-6w
Cabinet Office, Inner cities initiative 315w
Coal mining, Shift work 511
Common agricultural policy, Costs 189
Community charge 188, 1275-6, 1278
Community charge, Costs 189
Community charge, Educational finance 188-9
Community charge, Local government finance 971
Community charge, Northern Ireland 189
Community charge, Scotland 509-10
Community charge, Supplementary benefits 1276-7
Community charge, Voting rights 189
Computers in government departments, Data processing 415w
Cruelty to children, Local Government Social Services 191
Departmental coordination, AIDS 100w
Devolution, Scotland 561w
EC internal trade 1278
Economic summit conferences, Unemployment 206w
Election forecasting 971
European Council, EC budget 2w
Firearms certificates 511-2
Fishing vessels, Safety standards 100w
Gas tariffs 188
General elections, Television programmes 973
Government contracts, Keeni Meeni Services 660w
Government departments, Political parties 101w
Human embryo experiments, Legislation 512
Inner city areas, Government grants to local authorities 970-1
Inner city areas, Private investment 190-1
Insurance, Northern Ireland 415w
International Society for Krishna Consciousness 660w
Isle of Thanet, Economic situation 561w
Livingstone, Ken, Maiden speeches 510, 512-3
Manufacturing industries, Employment opportunities 1277
Medical malpractice, Compensation 970
Members' correspondence 206w
Members' pensions, Members' pay 3-4w
Middle East, Peace negotiations 477w
Morocco, Western Sahara 415w
Nairac, Robert 513
Neave, Airey 512
NHS finance, Wales 971-2
Nicaragua, Foreign policy 289w
No strike agreements, Teachers 974
Non-governmental organisations, Government grants 3-4w
Nuclear Installations Inspectorate, Civil service manpower 188
Pay settlements, Public sector employment 659w
Prime Minister, Bradford 561w
Prime Minister, Members' pay 1276
Prime Minister, Official hospitality 660w
Prime Minister, Pay 4w
Prime Minister, Westland Helicopters 660w, 969, 973
Prime Minister domestic visits, Buckie 100w
Prime Minister domestic visits, Dufftown 205w
Prime Minister domestic visits, Leysmill 100w
Prime Minister domestic visits, Strathclyde 205w
Prime Minister domestic visits, York 1276
Prime Minister official engagements 101-2w, 206w, 415-6w, 562w
Prime Minister visits abroad 2w
Prime Minister visits abroad, Economic summit conferences 206w
Public relations, Cabinet Office 661w
Ravenscraig steelworks, Industrial investment 513-4
Republic of Ireland, Terrorism 513
Rescue services, Costs 661w
St Helena, Scholarships 101w
School fees, Social security recipients 512
Semiconductor devices, Science & technology research 1275
Teachers, Industrial disputes 192, 969-70
Teachers, Shortage subjects 100w
10 Downing Street, Foreign policy 561w
Terrorism, Northern Ireland 1277
Tour operators, Finance 192
Trident, Costs 972
Unemployment, North West region 1274
VAT 1277-8
VAT, Clothing 191, 1274-5
VAT, European Court of Justice 101w
Waite, Terry 315w
Wright, Peter, Inquiries 971
Wright, Peter, National security 970, 972-4

Theatre
Arts finance 356-7w
Wales 357w

Theatre nuclear weapons
Arms control treaties 58w, 432w
Defence Select Committee 437w
France 634w
Trident missiles 57w
West Germany 634w

Thomas, Mr D E
Debates etc
Clerk of the House, Retirement (13.07.87) 714
Local Government Bill, 2R & Money res (06.07.87) 148

Oral question time point of order (06.07.87) 1
Oral questions, Welsh Office (06.07.87) 17
Rate Support Grant (Wales) Supplementary (No 2) Report 1986-87 (15.07.87) 1226
Questions
Agricultural production, Wales 291w
CADW: Welsh Historic Monuments 24w
Welsh language 24w
Carers, Holidays 261w
Council tenants, Rent arrears 640w
Defence equipment, Exports 313w
Defence research, Defence expenditure 434w
Fuel direct scheme, Wales 667w
Gas disconnections, Wales 648w
Housing associations, Wales 25-6w
Housing starts, Wales 8
Invalid care allowances, Social security benefits uprating 261w
Magnox reactors 286w
Magnox reactors, Smoke & chimney gases 286w
Maternity leave, Small businesses 198w
Mortgages, Wales 649w
Parental leave, EC law 198w
Pensioners, Personal income 668w
Pensioners, Wales 640w
Planning appeals, Wales 291-2w
Planning permission, Welsh Office 639w
Plutonium, Disclosure of information 287w
Plutonium, Information 287w
Prime Minister official engagements 415-6w
Radiation hazards, Atomic Weapons Research Establishment 67-8w
Radioactivity, Wales 341w
Sheep 296-7w
Sheep, Agricultural production 296w
Sheep, Scotland 273w
Sheep, Wales 290-1w, 342w
Sheep premiums, Wales 290w
Social security finance, Wales 667-8w
Students, Wales 278-80w
Supplementary benefits, Wales 668w
Trawsfynydd power station, Air pollution 286w
Trawsfynydd power station, Nuclear fuels 286-7w
Treaties 634w
University teachers, Manpower 280-2w

Thompson, Mr Donald, *Parliamentary Secretary for Agriculture*
Debates etc
Sugar beet (13.07.87) 830-4
Questions
Agricultural surpluses, Intervention stocks 407w, 584-9w
Civil service manpower, Ministry of Agriculture Fisheries & Food 495w
Dairy farming, Production quotas 496w
Export of live animals, Codes of practice 495w
Farm rents 678w
Food contamination, Radioactivity 70w, 152-3w
Intervention Board for Agricultural Produce, Administrative delays 678w
Intervention stocks 678w
Intervention stocks, Greater London 219w, 348-9w
Livestock, Stray dogs 219w
Pesticides safety precautions scheme 533-4w
Sheep 296-7w
Sheep, Agricultural production 296w
Sugar, Export rebates 152w
Sugar beet, Common sugar regime 152w
2 4 5-T 585-6w

Thompson, Mr Jack
Questions
British Coal Corporation 335w
British Nuclear Fuels, Buy British 695

Thompson, Mr Patrick
Questions
Civil service, Performance related pay 702
Council housing, Housing estates 533w
Curriculum 108-9w
Hospitals, Norwich 629-30w
Manufacturing industries, Industrial production 502
Navy, Fuels 434w
Police, Norfolk 607w

Thurnham, Mr Peter
Debates etc
Economic growth, North West region (13.07.87) 931-2, 936-9
Planning permission, Birtenshaw Farm, Bolton (07.07.87) 328-31
Questions
Cash limits, Dept of Employment 642w
Civil service, Youth training scheme 704
Electrical safety, Upper waiting hall 318w
Polytechnics 186
Queen's Speech, Dept of Education and Science 106w
Queen's Speech, Dept of the Environment 131w
Queen's Speech, Dept of Trade & Industry 176w
Queen's Speech, Home Office 303w
Trident, Defence contracts 957

Tidal power 338-9w

Tipping of waste
Demolition 149w

Tobacco
Children 632w

Today newspaper (06.07.87) 17-74
Monopolies & Mergers Commission 269-70w
Takeovers 268-70w

Tornado aircraft 60w, 62w, 344w, 440w, 494w
Air accidents 62w, 344w
Complaints 494w
Costs 62w
European fighter aircraft 959
Low flying 494w

Torness power station 400-1w
Electricity generation 401w
Emergency planning 400w
Nuclear fuels 401w

Tour operators
Company liquidations 192
Finance 192

Tourism 444w
Arts 355w
Government grants 347-8w
Private sector 347-8w
Upper waiting hall 9w
Youth training scheme 348w

Tourist attractions 329-30w, 347w
Road signs 329-30w

Tourists
Blood donors 207-8w

Town & country planning
Parish Councils 51w

Townend, Mr John
Debates etc
Finance Bill, Com (15.07.87) 1184, 1186, 1198
Questions
Business statement 1291
Civil service manpower, Government departments 592w
Income tax, Tax rates & bands 500
Police & Criminal Evidence Act 1984 1272

Townsend, Mr Cyril D
Debates etc
BBC (13.07.87) 765, 768, 774

Tracey, Mr Richard
Debates etc
Rate Support Grant Supplementary Report (England) (No 2) 1986-87 (15.07.87) 1213

Tractors
Fuel duty rebate 509

Trade Descriptions Act 1972 14

Trade union membership
South Africa 12-3w

Trade union recognition
Federation of Professional Railway Staff 15w

Trades Union Congress 170w, 179w, 338

Traffic censuses 17w, 327-8w
Brownhills 17w

Trafford Park Development Corporation (15.07.87) 1233-64

Training
Civil servants 703-4
Juvenile courts 83w
Prisons 191w
Private sector 703-4
Speech therapy 322w

Transplant surgery
Babies 169-70w
Kidneys 381w

Transport Act 1985
Questions
322-3w

Transport of radioactive materials
Salford 673w

Transport supplementary grants
Road works 217w
Wales 217w

Trawsfynydd power station 286w
Air pollution 286w
Nuclear fuels 286-7w

Treasury 79-80w
Advertising 675w
Public relations 675w
Women 79-80w

Treaties 634w
Human rights 11w

Treaty of Rome 147w, 317w

Tredinnick, Mr David
Debates etc
Maiden speech (10.07.87) 642-4
Manufacturing industries, Competitiveness (10.07.87) 642-4
Public order policing (17.07.87) 1405, 1412, 1444, 1453-4

Tree planting
Caithness 34w
Forestry Commission 570w
Nature Conservancy Council 34-5w

Trent Regional Health Authority 516w
NHS finance 516w

Trials
Personal injury 142w

Trident 431w
Barrow-in-Furness 968
Costs 972
Defence contracts 957
Defence procurement 968
Employment opportunities 957, 967-8
European fighter aircraft 959
Naval bases 248w
Scotland 967-8

Trident missiles 58w
Arms control treaties 57w
Communication engineering 431w
Defence contracts 63w, 594w
Theatre nuclear weapons 57w

Trident submarines
Communication engineering 431w
Defence contracts 63w, 594w
Defence procurement 431w
France 431w

Tripartite Commission for the Restitution of Monetary Gold (13.07.87) 945-8

Trippier, Mr David, *Under-Secretary of State for the Environment*
Debates etc

Urban development corporations (15.07.87) 1233-6, 1252-4
Questions
Beechdale Engineering, Nottingham 576w
Canary Wharf, Land values 226w, 423w
Canary Wharf, London 161w
Canary Wharf, Public expenditure 294w
Development plans, Berkshire 534w
Enterprise zones, Government assistance to industry 388w
Industrial estates, Fires 56w, 528w
Inner area programmes 384w
Inner area programmes, Nottingham 574-5w
Inner city areas 524w
Inner city areas, Investment 1128-9
Inner city areas, Liverpool 1119-20
Inner city programmes, Greenwich 51w
Inner city programmes, Inner London boroughs 51-2w
London Docklands, Housing 1120
London Docklands, Local government 1120
London Docklands Development Corporation, Employment opportunities 1119
London Docklands Development Corporation, Land ownership & tenure 555-6w
London Docklands Development Corporation, Land values 160w
London Docklands Development Corporation, Public access 221w
London Docklands Development Corporation, Public appointments 555w
Museums & galleries, Bradford 223w
Planning appeals, Opencast mining 128-30w
Property development, Birmingham City Council 161w
Radon gas, Construction 556w
Rate limitation, Inner cities 1129
Urban development corporations 131-2w
Urban development corporations, Contracts 1119
Urban development corporations, Employment opportunities 388w
Urban development corporations, Finance 131w
Urban development corporations, Land use 131w
Urban development corporations, Planning authorities 132w
Urban development corporations, Public appointments 132-3w
Urban development grants 535-6w
Urban programme, Finance 523w
Urban programme, West Yorkshire 1129
Urban regeneration grants 388-9w

Trotter, Mr Neville
Questions
Brittania Royal Naval College, Armed forces training 343-4w
Community charge, Local government revenue 421w
Destroyers, Navy 437-40w
Hospitals, Construction 508-14

Truscon low rise houses 390w
Defective housing 390w

TUC see Trades Union Congress

Turtle products 387w, 652w, 670-1w
Cayman Islands 387w, 670-1w
Imports 652w
Official hospitality 660w

Twinn, Dr Ian
Questions
Defence contracts, Small businesses 433w
Equal opportunities, Northern Ireland 488-9w
Privatisation, Income 251w

2 4 5-T 585-6w

Type 23 frigates 345w, 431w
Antiaircraft missiles 968
Defence procurement 345w, 431w, 957-8

Tyres
Safety standards 328w

UGC see University Grants Committee

UKAEA see United Kingdom Atomic Energy Authority

Ulster Hospital 425w

UN see United Nations

UN Commission on Human Rights 331-2w

Underpayments 199w

Unemployed
Adult education 110w

Unemployment 640w
Carlisle 442-3w
Crayford 197-8w
Dyfed 5
Economic summit conferences 206w
Erith 197-8w
Fishguard 4-5
Glasgow 27-8w
Greenock 97-8w, 571w
Monklands 441-2w
North West region 1274
Northern Ireland 213-4w
Port Talbot 9-10
Renfrew 274-5w
Scotland 193w
Statistics 441-2w
Teachers 487w
Wales 4-6, 9-10, 12

Unemployment benefits
Burnley 641w
Carlisle 445w
Fife 371w
Fowler, Mike 84w
Greater London 633-4w
Greenock 119-20w
Northern Ireland 426w
Pendle 641w
Port Glasgow 119-20w
Scotland 254w
Social security benefits disqualification 374w, 633-4w

Unfair trading practices
Coal mining 696-7
Manufacturing industries 340-1
Secondhand cars 204-5w

United Kingdom
Home Office 608w

United Kingdom Atomic Energy Authority 153w, 648w

United Kingdom Warning & Monitoring Organisation 305-6w

United Nations 11w, 75-6w, 87-8w, 116-7w, 206-7w, 282w, 331w, 429w, 557w, 634w
Air pollution 557w
Cyprus 206-7w
Handicapped 117w
Lebanon 282w
Western Sahara 429w
Women 87-8w

Universities
Research finance 154w, 654w
Scotland 466w
Students 278w

Universities Funding Council 398w
Public appointments 398w
Scotland 398w

University College Cardiff 179

University College London Bill (HL) 1986/87
Debates etc
2R order read (14.07.87) 957, (15.07.87) 1115, (16.07.87) 1261

University finance 105w, (16.07.87) 1382-90
Aberdeen University 110w
Birkbeck College 322w
Dundee University 186
Edinburgh University 102w
Scotland 105w, 109w, 187
University of Wales 179
Welsh language 564w

University Grants Committee 105w, 111w, 155-6w, 564w, (16.07.87) 1382-90
Finance 111w
Legal costs 155-6w

University of Wales 179, 278-82w
University finance 179
University teachers 280-2w

University teachers
Manpower 280-2w
University of Wales 280-2w

Unparliamentary expressions
Speaker's rulings & statements (09.07.87) 499, 509

Unregistered unemployed
Women 84-5w

Upper waiting hall
Child minding 521w
Electrical safety 318w
Exhibitions 9w
Tourism 9w

Upton, Gladys 631w
Members' correspondence 631w

Uranium
Namibia 648w
Nuclear Safety 647-8w
South Africa 647-8w

Urban areas
Birmingham (14.07.87) 1107-14

Urban development corporations 131-2w, (15.07.87) 1233-54
Consett 1129-30
Contracts 1119
Employment opportunities 388w
Finance 131w
Land use 131w
Pay 132-3w
Planning authorities 132w
Public appointments 132-3w
Tax allowances 275w

Urban Development Corporations (Financial Limits) Order 1987
Debates etc
(08.07.87) 355, (15.07.87) 1233-54

Urban development grants 535-6w
Expenditure 53w

Urban planning
Wales 23w

Urban programme
Finance 523w
West Yorkshire 1129

Urban regeneration grants 388-9w, 537-8w

Urea
Import duties 481w
Imports 481-2w
Saudi Arabia 481w

US bases
Cruise missiles 58w

USA
Arms exports 64w
Arms imports 64w
Binary chemical weapons 58w
Crime 610-1w
Harrier aircraft 63-4w
In-flight refuelling 440w
NATO 434-5w
Nuclear weapons deployment 676w
Plutonium 57w
Publishing 285w, 333w
Textile industry 339, 345-6
Textiles 579-80w

USSR
Antiaircraft missiles 333w, 636w
Conventional weapons 965-6
Prisoners 474-5w

Vacancies
South Glamorgan 22w
Speech therapists 372w
Wales 22w

Vacant land
Agricultural land 639w
Value Added Tax (Construction of Buildings) (No 2) Order 1987
Debates etc
(07.07.87) 197, (16.07.87) 1381

Vandalism
Motorways 15w
Road safety 15w

Vanuatu
Conservative Party 87w
Diplomatic service 146w
Official cars 87w

VAT 253-4w, 500-1, 1277-8
Books 254w
Clothing 191, 253w, 500-2, 1274-5
Company registration 254w
EC budget 503
European Court of Justice 101w
Footwear 501, 1274-5
Housing construction 82w
Industrial disputes 19-20w, 254w
Inflation 446w
Labour Party 501-2
Pharmacists 378w
Protective clothing 86w
Small businesses 254w
Tax collection 254w
Tax harmonisation 101w

VAT registration 509

Vatersay causeway (09.07.87) 497

Vaz, Mr Keith
Questions
A46, Watermead country park 15-6w
A46-A47, Road construction 16w

Vickers Shipbuilding & Engineering 430-1w

Video recordings
Police 471w

Vietnam
Foreign policy 146w

Viggers, Mr Peter, *Under-Secretary of State for Northern Ireland*
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 295-8
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 301-2, 310-2
Questions
Action for Community Employment 487-8w
Action for Community Employment, Community care 488w
Action for Community Employment, Government grants 488w
Action for Community Employment, Northern Ireland 489-91w
Fisheries, Northern Ireland 487w
Teachers, Northern Ireland 487w
Unemployment, Northern Ireland 213-4w
Youth unemployment, Northern Ireland 213w, 487w

Village schools
School closures 23w
Wales 23w

Village schools & Pupil-teacher ratios 158w

Violence
Palestine Liberation Organisation 477w
Public houses 1266

Visas
Administrative delays 634w
Disease control 48-9w
Ghana 298w
India 634w
Iran 143w
Nigeria 298w
North Korea 48w
Sri Lanka 297w

Voluntary organisations
AIDS 12w
Disabled Persons (Services Consultation & Representation) Act 1986 519-20w
Handicapped 116w

Voluntary work
Museums & galleries 445w

Voting rights
Community charge 189

Wages Inspectorate 9w, 199w, 288w
Civil service manpower 9w
Manpower 288w
Prosecutions 9w, 199w

Waite, Terry 315w

Wakefield
Housing associations 294w

Wakeham, Rt Hon John, *Lord Privy Seal and Leader of the House of Commons*
Debates etc
Clerk of the House, Retirement (13.07.87) 711-2
Local Government Bill, House of Commons procedure (09.07.87) 545
Oral questions (16.07.87) 1310-1
Recess motions, Summer adjournment (13.07.87) 751-3
Questions
Business statement 515-27, 1283-95
Furniture, Eastern Europe 13
House of Commons procedure, Scotland 561w
Members' facilities, Communication 334w
Members' facilities, Office equipment 582w
Members' pay 478w
Ministers, Pay 582-4w
Official stationery, House of Commons 14
Origin marking, South Africa 14
Procurement, House of Commons 13, 15
Procurement, South Africa 13

Waldegrave, Mr William, *Minister of State for the Environment (Countryside & Local Government)*
Questions
Assured tenancies, Inner London boroughs 136-7w
Council house sales 53w
Council house sales, Council tenants 532w
Council house sales, Southwark 294w, 576-7w
Council house waiting lists 539-40w
Council housing, Empty housing 385-6w, 539w
Council housing, Greater London 576w
Council housing, Housing standards 577w
Council housing, Repairs & maintenance 137-8w
Council tenants 135w
Council tenants, Homelessness 540-54w
Council tenants, Landlord & tenant 161w
Defective housing 136w
Development Commission, Slaley 295w
Empty housing, Ealing 385w
Estate Action 528w
Greenbelt, Planning permission 528-9w
Homelessness, Durham City Council 390w
Homesteading schemes, Empty housing 553-4w
Hostels, Construction costs 534w
Hostels, Costs 534w
Housing 389w
Housing, Greater London 1130-2
Housing, Per capita costs 422w
Housing, Public expenditure 422w
Housing Act 1985, Racial attacks 223w
Housing action trusts 138w
Housing associations, Normanton 294w, 423w
Housing construction, Construction costs 539w
Housing construction, Greenbelt 224w
Housing construction, Local government expenditure 533w
Housing construction, Public sector housing 536-7w
Housing construction, Slaley 223-4w
Housing improvement, Inner city areas 523-4w
Housing insulation, Elderly 527-8w
Housing investment programmes, Durham City Council 389-90w
Housing investment programmes, Nottingham 148-9w
Landlord & Tenant Act 1987 221w
Parish Councils, Town & country planning 51w
Planning 557w
Planning appeals, Wokingham District Council 52w
Planning permission, Brixham 134-5w
PRC Homes, House purchase 526-7w
PRC Homes, House renovation grants 526w
Private rented housing, Rents 137w
Private sector housing, Inner city areas 537-8w
Public sector housing, Housing & Handicapped 133w
Rate support grants, Merseyside 522-3w
Rent arrears, Greater London 576w
Rent control 390w
Rented housing 136w, 1120-2
Rented housing, Empty housing 1121
Rented housing, Greater London 135w
Rented housing, Housing finance 1121-2
Rented housing, Landlord & tenant 135-6w
Rented housing, Leeds 1121
Rented housing, Local authorities 135w
Shorthold tenancies 535w
Squatting, Building repairs 553w

Walden's farm (09.07.87) 614-20

Waldheim, Kurt 429w
Jordan 429w

Wales
Agricultural Development & Advisory Service 217w
Agricultural production 291w
Agriculture 15, 24w
Alcoholism 24w
Arson 611-4w
Arts finance 356w
Beaches 151w
Beef & veal 340w
Community charge 414w
Council house sales 23w
Council house waiting lists 9
Council housing 9
Crime prevention 212-3w
Dairy farming 70w
Electrical industry 214w
Electricity disconnections 648w
Electronics industry 214w
Employment level 22w
Employment opportunities 6
European Regional Development Fund 218w
Farm rents 639w
Foreign investment in UK 4, 8
Fuel direct scheme 667w
Further education 69-70w
Gas disconnections 648w
Government grants 12
High technology 11-2
Hospital waiting lists 15-6
House renovation grants 8
Housing 9, 413-4w
Housing associations 25-6w
Housing construction 639w
Housing standards 8
Housing starts 8
Housing stocks 8
Integrated development programmes 216w
Labour Party 7
Lead plumbing 292w
Lead pollution 3
Manufacturing industries 171w
Milk 568-9w
Ministers' domestic visits 21w
Mortgages 649w
Museums & galleries 567-8w
NHS finance 971-2
Out-patients 340w
Pensioners 640w

Personal income 350-1w
Planning appeals 291-2w
Poaching 289w
Poverty 668w
Public appointments 214w
Public expenditure 108w
Public libraries 339-40w
Radioactivity 341w
Rate support grants (15.07.87) 1220-32
Redundancy 6-7
Regional planning & development 7
Road construction 5, 12-3
Road works 215w, 217w
Roads 21w, 214-6w
School leaving 69-70w
School population 290w
Sheep 149w, 290-1w, 342w
Sheep premiums 290w
Social Security Commissioners 565w
Social security finance 667-8w
Students 278-80w
Supplementary benefits 668w
Television viewers 413w
Theatre 357w
Transport supplementary grants 217w
Unemployment 4-6, 9-10, 12
Urban planning 23w
Vacancies 22w
Village schools 23w
Water charges 340-1w
Water pollution 3, 292w, 480w
Water supply 477-9w
Water supply disconnections 341w

Wales Advisory Body for Local Authority Higher Education 568w
Public appointments 568w

Walker, Mr Bill
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 75, 162, 165-6
Points of order (14.07.87) 977
Questions
AIDS, Scotland 572w
Community charge 1125
Leukaemia, Scotland 245w
Local education authorities, Schools 179
Low flying, Armed forces training 962

Walker, Mr A Cecil
Debates etc
Appropriation (No 2) (Northern Ireland) Order 1987 (07.07.87) 282-8

Walker, Rt Hon Peter, *Secretary of State for Wales*
Debates etc
Rate Support Grant (Wales) Supplementary (No 2) Report 1986/87 (15.07.87) 1220-1, 1229-32
Questions
Advertising, Welsh Office 640w
Agricultural Development & Advisory Service, Wales 217w
Agricultural Development & Advisory Service, Welsh language 413w
Agricultural land, Vacant land 639w
Agricultural production, Wales 291w
Agriculture, Wales 15, 24w
Beef & veal, Wales 340w
Community charge, Wales 414w
Dairy farming, Wales 70w
Development Board for Rural Wales, Finance 149-50w
Development Board for Rural Wales, Industrial investment 150w
Electrical industry, Wales 214w
Employment 7
Employment level, Wales 22w
Farm rents, Wales 639w
Foreign investment in UK, North Wales 12
Foreign investment in UK, Wales 8
Integrated development programmes, Wales 216w
Marginal land, Ynys Mon 22w
Milk, Wales 568-9w
Ministers' domestic visits, North Wales 12
Ministers' domestic visits, Rhondda Valley 21w
Ministers' domestic visits, Wales 21w
Poaching, Wales 289w
Princess Diana Hospital, Bridgend, Construction 11
Public appointments, Wales 214w
Public expenditure, Wales 108w
Public relations, Welsh Office 639w
Radioactivity, Wales 341w
Railway transport, South Wales 22w
Redundancy, Wales 6-7
Regional planning & development, Wales 7
Road construction, Wales 12-3
Sheep, North Wales 218-9w
Sheep, Wales 149w, 290-1w, 342w
Sheep premiums, Wales 290w
Teachers, Pay settlements 151w
Unemployment, Dyfed 5
Unemployment, Fishguard 4-5
Unemployment, Wales 4-6, 9-10, 12
Urban planning, Wales 23w
Vacancies, Wales 22w
Welsh Development Agency, Expenditure 150w
Welsh Development Agency, Finance 149w
Welsh Development Agency, Property transfer 150w
Welsh Office, Civil service manpower 290w

Wallace, Mr James
Debates etc
Abolition of Domestic Rates Etc (Scotland) Act (13.07.87) 875
Channel Tunnel Bill, Motion to refer Lords amendts to the Examiners (08.07.87) 475
Electricity Supply (Amendment) (Northern Ireland) Order 1987 (07.07.87) 302
Lighthouses (13.07.87) 881-7, 890
Local Government Bill, 2R & Money res (06.07.87) 76
Redundant Mineworkers & Concessionary Coal (Payments Schemes) (Amendment) Order 1987 (16.07.87) 1366-7, 1369
Questions
British Petroleum, Government shareholding 350w
Electricity supply industry, Privatisation 689-90
Fast reactors, Energy research 339w
Military exercises, Radioactivity 1133-41
Piers, Foula 648w
Pupil-teacher ratios, Scotland 244-6w
Radioactivity, Dounreay 467w
Research finance, Universities 154w
Shipping registration 593w
Strategic defence initiative, Defence contracts 960
VAT, Books 254w

Waller, Mr Gary
Questions
Customs officers, Industrial disputes 351w, 446-7w
Goods vehicles, Noise control 491w
Mock Auctions Act 1961 651w
Mock Auctions Act 1961, Prosecutions 651-2w
North Sea oil, Petroleum production 337w
Textile industry, USA 339

Walley, Ms Joan
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 127-8
Maiden speech (06.07.87) 127-8
Questions
Community charge 525-6w
Public libraries, Finance 355w

Walsall Metropolitan Borough Council 17w

Walton Hospital 121w
Hospital beds 121w

Ward, Mr John
Questions
Arms control treaties, Chemical weapons 966
Coal mining, Productivity 695-6
Community charge, Local government finance 971
Defence, France 435w
Lighthouses, Ships 417-8w

Wardell, Mr Gareth
Questions
"Housing for Senior Management", Departmental circulars 23w
Police surgeons, Manpower 95w
Sports, Drug abuse 1123

Wardle, Mr Charles
Questions
Shareholders 255w

Ware-Travelsted, G 670w

Wareing, Mr Robert N
Debates etc
Cervical cancer, Liverpool Health Authority (08.07.87) 493
Questions
Government assistance to industry, Merseyside 178w
Monopolies & Mergers Commission, Administrative costs 319w
Monopolies & Mergers Commission, Public appointments 320w
Schools, Fees & charges 103w
Truscon low rise houses, Defective housing 390w
VAT 253w

Warrenpoint
Ports 427w
Property development 427w

Warrington
Cervical cancer 454w

Warrington & Runcorn Development Corporation 160w

Warrington Borough Council 160w

Warsaw Pact 57w, 157-8w, 437w
Armed forces strength 157-8w
Conventional weapons 57w
NATO 966

Warships
Armed forces visits 63w
Defence procurement 437w
Shipbuilding 78w

Waste disposal
Gwent 6
Hazardous wastes 529w

Water
Licensing 1115-6

Water authorities (16.07.87) 1312
Members' correspondence 1116
Privatisation 529-30w, 558-60w, 577-8w, 1115-6, 1130

Water charges 391w
Community charge 402-6w
Northern Ireland 427-8w
Scotland 402w
Wales 340-1w

Water pollution 560w
Compensation 556w
Cornwall 556-7w
EC law 559-60w
Fish 480w
Pesticides 391w
Pollution control 670w
Punishment 556w
Wales 3, 292w, 480w
Water supply 130-1w

Water resources
Birmingham 293w

Water storage
Environment protection 530w

Water supply 391w
EC law 558w
EC legislation 479-80w
Government grants 558w
Lead pollution 292w
Northern Ireland 428w
Scotland 401w
Wales 477-9w

Water pollution 130-1w

Water supply disconnections 341w
Wales 341w

Water supply industry
Environment protection 292w
Privatisation 292-3w

Watermead country park
A46 15-6w

Watts, Mr John
Debates etc
Finance Bill, Com (15.07.87) 1147, 1164, 1172-6
Questions
Cycling, Public footpaths 272w
Police, Manpower 604w

WDA see Welsh Development Agency

Welfare of Battery Hens Regulations 1987
Debates
(15.07.87) 1145

Wells, Mr Bowen
Debates etc
Finance Bill, 2R (08.07.87) 422-5
Questions
Aid financed trade 349
Business statement 1291
Polytechnics, Student numbers 186
Social security recipients, Computer privacy 267w

Welsh, Mr Andrew
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 78, 133-4, 144
Questions
Community charge, Scotland 569w
Gypsies, Scotland 392w
Prime Minister domestic visits, Leysmill 100w
Road accidents, Stracathro Hospital 244w
Road construction, Stracathro 392w
Road traffic, Scotland 243w

Welsh Arts Council 356-7w

Welsh Development Agency 7, 149-50w
Expenditure 149-50w
Finance 149w
Property transfer 150w

Welsh language 218w
Agricultural Development & Advisory Service 413w
CADW: Welsh Historic Monuments 24w
University finance 564w

Welsh Office 290w, 639-40w
Advertising 640w
Civil service manpower 290w
Expenditure 290w
Planning permission 639w
Public relations 639w
Speaker's rulings & statements (06.07.87) 17-8

Welsh Water Authority 23w, 292w
Privatisation 3

West, Nigel 276w
National security 276w
Prosecutions 276w

West Germany
Armed forces deployment 597-8w
Crime 610-1w
Theatre nuclear weapons 634w

West Midlands
Hospitals 663w

West Yorkshire
Rates & rating 526w
Urban programme 1129

Western European Union 634w

Western Isles
Road equivalent tariff 36w

Western Isles Island Council (Vatersay Causeway) Order Confirmation Bill 1987/88
Debates etc
1R (09.07.87) 497
Rep* (15.07.87) 1115
3R* (16.07.87) 1261

Western Sahara
Fisheries 429w
Morocco 415w
Peace negotiations 334w, 429-30w
Recognition of states 475w
Refugees 429w
United Nations 429w

Westland Helicopters 660w
Prime Minister 660w, 969, 973

WEU see Western European Union

"What to Do after a Death" 447w
Departmental leaflets 447w

Wheeler, Mr John
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 649-52
Prison overcrowding (16.07.87) 1301
Public order policing (17.07.87) 1404, 1425, 1451-3
Questions
Coinage 493w
Crime prevention 1268
Empty housing, Ealing 385w

Whipp's Cross Hospital 113w
Nurses 113w

Whisky
Japan 173-4w

WHO see World Health Organisation

Widdicombe, Miss Ann
Debates etc
Peace convoy, Walden's farm, St Mary Cray (09.07.87) 616-8
Questions
Community charge, Small businesses 420-1w
United Nations, Women 87-8w

Widows' benefits
Police pensions 1273

Wiggin, Mr Jerry
Debates etc
Finance Bill, 2R (08.07.87) 362

Wigley, Mr Dafydd
Debates etc
Finance Bill, 2R (08.07.87) 363
Local Government Bill, 2R & Money res (06.07.87) 82
Oral question time point of order (06.07.87) 1-2
Rate Support Grant (Wales) Supplementary (No 2) Report 1986 87 (15.07.87) 1224-7, 1231
Questions
Conditions of employment 199w
Electrical industry, Wales 214w
Helicopters, Sheep 968-9
Housing, Per capita costs 422w
Housing, Public expenditure 422w
Housing, Wales 413-4w
Housing finance, Scotland 466-7w
Industrial development, Regional planning & development 176w
Job splitting scheme, Government grants 200w
Job splitting scheme, Small businesses 200w
Maternity leave, Small businesses 198w
Ministers' domestic visits, Wales 21w
Part time employment, Small businesses 199w
Personal income, Wales 350-1w
Prime Minister official engagements 101-2w, 415-6w
Sub post offices, Rural areas 337
Supplementary benefits, Wales 668w
Tay-Sachs disease, Testing 114w
University of Wales, University finance 179
Welsh language 218w

Wilkinson, Mr John
Debates etc
Army Air Force & Naval Discipline Acts (08.07.87) 454-5, 459, 464
Questions
Airlines, Competition 1282
Business statement 1294
Economic growth 251w
European fighter aircraft, Costs 959-60
Research finance, Defence research 579-80w
Research finance, National income 580w
Research finance, Universities 654w
Science & technology research, Research finance 654w

William Ivor 486w
Complaints 486w

Williams, Rt Hon Alan
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 132
Local Government Bill, House of Commons procedure (09.07.87) 546
Manufacturing industries, Competitiveness (10.07.87) 628-35, 662
Points of order, House of Commons procedure (09.07.87) 540, 542
Rate Support Grant (Wales) Supplementary (No 2) Report 1986 87 (15.07.87) 1221-2
Recess motions, Summer adjournment (13.07.87) 749-52
Questions
British Telecom 352
Origin marking, South Africa 14
Employ 7-8w
Employ, Manpower 8w

Williams, Mr Alan W
Questions
Arson, Wales 611-4w
Conifers, Acid rain 557w
Polychlorinated biphenyls 534w
Radioactive waste disposal, Coastal areas 388w
Surveillance, General elections 471w
Television viewers, Wales 413w
2 4 5-T 585-6w

Willsworthy shooting range 432w
Dartmoor national park 432w

Wilshire, Mr David
Debates etc
Dyslexia, Special education (13.07.87) 952
Local Government Bill, 2R & Money res (06.07.87) 120-2
Maiden speech (06.07.87) 120-2

Wilson, Mr Brian
Debates etc
Local government finance (13.07.87) 797-8
Maiden speech (13.07.87) 737-40
Recess motions, Summer adjournment (13.07.87) 737-40
Today newspaper (06.07.87) 22, 52, 58
Questions
Arts finance, Scotland 356-7w
Crossroads scheme, Scotland 192-3w
Defence land, Public houses 494w
Exercise Purple Warrior 598w
Nuclear power stations, Safety 694

Window frames 425w

Winnick, Mr David
Debates etc
Local Government Bill, 2R & Money res (06.07.87) 130-1
Members' interests (07.07.87) 195
Northern Ireland Act 1974 (Interim Period Extension) Order 1987 (07.07.87) 198
Points of order, House of Commons procedure (09.07.87) 539
Recess motions, Summer adjournment (13.07.87) 721, 753
"Spycatcher", House of Commons Library (13.07.87) 715
Wright, Peter, Standing Order No 20 applications (13.07.87) 707-8
Questions
Civil servants, Training 704

Crime, Offensive weapons 145w
Retirement pensions, EC countries 169w, 369w
Retirement pensions, Pay 169w
Wright, Peter, National security 972

Winterton, Mrs Ann
Questions
Community charge, Educational finance 188-9

Winterton, Mr Nicholas
Debates etc
Calling of Members (15.07.87) 1144
Cruelty to children, Cleveland (09.07.87) 534
Questions
Abortion 264-6w
Business statement 521
Catholic Fund for Overseas Development, AIDS 12w
Community charge, Ministers of religion 56w, 383w, 421-2w
Contraceptives, Young people 39w
International Planned Parenthood Federation, AIDS 12w
Licensing laws, Northern Ireland 5w
Pregnancy 39w
Textile industry 335-6
Voluntary organisations, AIDS 12w

Wise, Mrs Audrey
Questions
Arts finance, North West region 352w
Childbirth 163w
Community charge, Women 382w
Development aid, Women 70w
Gynaecology, Women 307w
Immigrants' dependants, Immigration applications 301w
Invalid care allowances, Married women 163w
Maternity benefits, Social security recipients 116w, 257-8w
Prison staff, Women's prisons 209w
Women, Average earnings 85-6w
Women, Unregistered unemployed 84-5w

Wokingham District Council 52w
Planning appeals 52w

Wolfson, Mr Mark
Debates etc
Manufacturing industries, Competitiveness (10.07.87) 653-4, 663-7

Women
Attorney-General 275-6w
Average earnings 85-6w, 441w
Community charge 382w
Consultative Committee on the Curriculum 277w
Crimes of violence 94w
Dept of Trade & Industry 75-6w
Dept of Transport 13w
Development 599w
Development aid 70w, 599-601w
Equal opportunities 13w, 20w, 27w, 46-8w, 75-6w, 79-80w, 148w, 275-6w, 306-7w
Family practitioner committees 623-4w
Government grants to voluntary organisations 661-3w
Gynaecology 307w
Health 661-3w
Home Office 47-8w, 306-7w
MAFF 46-7w
Ministry of Defence 965
Northern Ireland Office 148w
Obstetrics 662-3w
Office of Arts & Libraries 20w
Overseas aid 285-6w
Overseas Development Administration 601w
Part-time employment 345w
Police cells 408w
Police surgeons 606w
Prisoners 242w
Prisoners on remand 304w
Scottish Office 27w
Technical assistance 599w, 601w
Treasury 79-80w
United Nations 87-8w
Unregistered unemployed 84-5w
Youth training scheme 345w

Women's employment
Engineers 590w
Managers 590w

Women's prisons
Prison staff 209w

Wood, Mr Timothy
Questions
Hotels, Fees & charges 444w

Woollen industry
Yorkshire 473w

Woolwich
Ministry of Defence 963

Woolwich ferry 325-6w
Manpower 325-6w

Work experience 40w
Pupils 40w

Working conditions
Privatisation 504

Working hours
Civil servants 351-2w
Coal mining 695-6
Junior hospital doctors 263-4w
Manufacturing industries 347w
Service industries 347w

World Bank 600w

World Health Organisation 42w

World Student Games 523w
Sheffield 523w

Worthington, Mr Tony
Debates etc
British Shipbuilders (Borrowing Powers) Bill, 2R & Money res (09.07.87) 576-7
Questions
Business statement 526

Wray, Mr Jimmy
Debates etc
Maiden speech (13.07.87) 726-9
Recess motions, Summer adjournment (13.07.87) 726-9

Wright, Peter 205w, 285w, 333w, 483-4w, (13.07.87) 705-10
Disclosure of information 970, 973-4
Inquiries 971
National security 285w, 333w, 483-4w, 970-4
Publishing 704
Standing Order No 20 applications (13.07.87) 705

Yeo, Mr Tim
Debates etc
Points of order (14.07.87) 975
Questions
Balance of payments 178w
Community charge, Charities 533w
Livingstone, Ken, Maiden speeches 510
Manufacturing industries, Industrial production 502
Public sector borrowing requirement 254-5w
Schools, Rural areas 108w
Teachers, Industrial disputes 192

Ynys Mon 22w, 612-4w
Marginal land 22w

York
Prime Minister domestic visits 1276

York City Council Bill (HL) 1985/86
Debates etc
2R order read (06.07.87) 1, (09.07.87) 497, (16.07.87) 1261

Yorkshire
Arts finance 358w
Woollen industry 473w

Yorkshire & Humberside
Manufacturing industries 171w
Museums & galleries 257-8w
Regional development grants 177-8w

Young, Sir George
Questions
North Circular road, Public inquiries 327w
Rate limitation, Inner cities 1129

Young offenders
Intermediate treatment 625w
Leicestershire 476w
Prosecutions 476w

Young people 107w
Contraceptives 39w
Offensive weapons 605w, 1265

Younger, Rt Hon George, Secretary of State for Defence
Questions
Arms control treaties 966
Arms control treaties, Chemical weapons 966
Arms control treaties, Labour Party 958
COD Donnington, Contracts for services 964
Conventional weapons, Arms control treaties 965-6
Conventional weapons, Defence expenditure 430w
Defence, France 435w
Defence, HC debates 958
Defence expenditure 345w
Defence Export Services Organisation 442-4w
Independent European Programme Group 434w
Ministry of Defence, Civil service dispersal 963-4
Ministry of Defence, MINIS 964-5
Ministry of Defence, Women 965
Shipping, North East region 964
Strategic defence initiative, Defence contracts 960-1
Territorial Army, MINIS 965
Trident, Defence contracts 957
Trident submarines, France 431w
Type 23 frigates, Defence procurement 957-8

Youth custody
Feltham 410-1w

Youth training scheme
Argyll 402w
Bute 402w
Civil service 704
Educational standards 83-4w
Fife 442w
Publicity 7w
Scotland 442w
Social security benefits disqualification 447w
Tourism 348w
Women 345w

Youth unemployment
Northern Ireland 213w, 487w
Scotland 193w